

FAST FASHION & JEWELLERY

COMPREHENSIVE MAY 2025 REVIEW



VALUE CHAIN ANALYSIS



EYE FOR BUSINESS



MATERIAL FLOW ANALYSIS



TARIFF & TRADE POLICY OUTLOOK



ROLE-SPECIFIC INSIGHTS



VALUE CHAIN RISKS AND OPPORTUNITIES



FORECAST SCENARIOS



MEDIA MONITORING



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EXECUTIVE SUMMARY

The fast fashion and fast jewellery industry faces significant value chain vulnerabilities, with tariff and trade policy volatility threatening gross margins by up to five percentage points. **Inditex** and **H&M** mitigate this risk through diversified sourcing, while **Shein** and **Fashion Nova** remain exposed due to concentrated production in China. Diversification is proving essential for resilience and pricing stability.

Regulatory compliance risk is increasing, particularly due to new producer responsibility and human rights due diligence requirements. **Pandora A/S**, **Fast Retailing** and Bestseller have robust compliance systems. Still, **Lovisa** Pty Ltd, Cia Hering and the Mr Price Group lag behind, thereby increasing their exposure to penalties and market restrictions. Firms with robust compliance are better positioned to avoid financial and reputational harm.

Environmental impact is a critical vulnerability, with high water use in textile manufacturing creating operational and reputational risks. **Inditex**, **H&M** and Pandora A/S lead the way with water recycling and renewable energy, while Fashion Nova, Forever 21 and Shein demonstrate limited transparency and action. Strong environmental performance enhances resilience and access to sustainable finance.

Digital transformation is a key optimisation opportunity, with AI-driven demand forecasting reducing working capital needs by up to twenty per cent. **Inditex** and **Fast Retailing** have integrated digital systems, achieving higher inventory turnover, whereas **The Foschini Group**, **Alpargatas** and **Li Ning** rely on manual processes. Digital maturity supports agility, lower markdowns and more substantial cash flow.

Circular business models present further growth potential, with resale, rental and recycling expected to capture up to a quarter of market value by 2030. **H&M**, **Bestseller** and **Pandora A/S** are early adopters, investing in circular initiatives, while **Ross Stores**, **TJX Companies** and **VIP Shop** retain linear models. Early movers in circularity gain brand value, reduce cost volatility and access new consumer segments.

INTRODUCTION

This report analyses the global fast fashion and fast jewellery value chain, focusing on upstream and downstream activities for the industry cohort including **Alpargatas, Bestseller, Cia Hering, Falabella, Fast Retailing, Fashion Nova, Forever 21, HM, Inditex, Zara, Li Fung, Li Ning, Lovisa Pty Ltd, Mr Price Group, Pandora AS, Primark ABF, Ross Stores, Shein, The Foschini Group, TJX Companies** and **VIP Shop**. The methodology applies the Kaplinsky-Morris value chain model to identify material impacts, risks and opportunities across sourcing, manufacturing, distribution and sales. This enables decision-makers to benchmark vulnerabilities and strengths across the cohort.

The analysis covers fast fashion and fast jewellery only, excluding luxury segments to ensure focus on mass-market, high-turnover models. The scope is global, with an emphasis on major production and consumption hubs, as well as regulatory frameworks that affect the cohort, including de minimis exemption rules and extended producer responsibility. This ensures all findings are relevant for compliance, market access and operational risk.

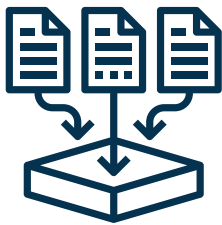
All findings are provided for informational purposes, based on publicly available data as of May 2025, including corporate disclosures and industry benchmarks. Data quality varies, with **Inditex, HM** and **Fast Retailing** providing high transparency, while **Fashion Nova** and **VIP Shop** disclose less. Where data gaps exist, industry benchmarks are used to maintain comparability and support robust decision-making.

The value chain framework assesses five primary activities and four support functions, encompassing inbound logistics, operations, outbound logistics, marketing and service, as well as procurement, technology, human resources and infrastructure. This structure highlights material impacts, such as water use, labour practices and tariff exposure and reveals differences in management approaches across the cohort. The analysis provides a basis for comparing regulatory readiness, operational efficiency and resilience.

The report synthesises these insights to support strategic planning, risk management and regulatory compliance. Companies with integrated digital ecosystems, such as **Inditex** and **Fast Retailing**, exhibit greater agility and efficiency, while those with diversified sourcing, like H&M and Primark, are more resilient to policy shocks. These findings enable stakeholders to benchmark their performance and identify opportunities for value creation.

EDITORIAL

APPROACH



We rigorously analyse corporate reports of globally-significant entities, leading standards for reporting and disclosure, academic journals and policy research.

Based on these inputs, We perform qualitative data analysis to reveal critical patterns and insights regarding across the value chain of any specific industry



REPORT BOUNDARY

The fast fashion and fast jewellery value chain is global, with rapid product cycles and high price sensitivity. Leading companies in the cohort display varying levels of vertical integration and supplier diversification, which directly affect operational risk and resilience. Key vulnerabilities are present in regions with high geopolitical risk, particularly in raw material sourcing and manufacturing, which can impact firms with concentrated supply chains.

Classification system

The International Standard Industrial Classification (ISIC Rev. 4) is utilised due to its global coverage and hierarchical structure. This system enables consistent analysis across the cohort's diverse geographic operations. Its compatibility with major statistical and regulatory frameworks supports effective value chain mapping and benchmarking.

Industry codes

Relevant ISIC Rev. 4 codes for the sector include 1311, 1312, 1313, 1410, 3211, 4641, 4751, 4771 and 4791. These codes correspond to core activities such as textile preparation, apparel manufacturing, jewellery production and retail.

Value chain activity boundaries

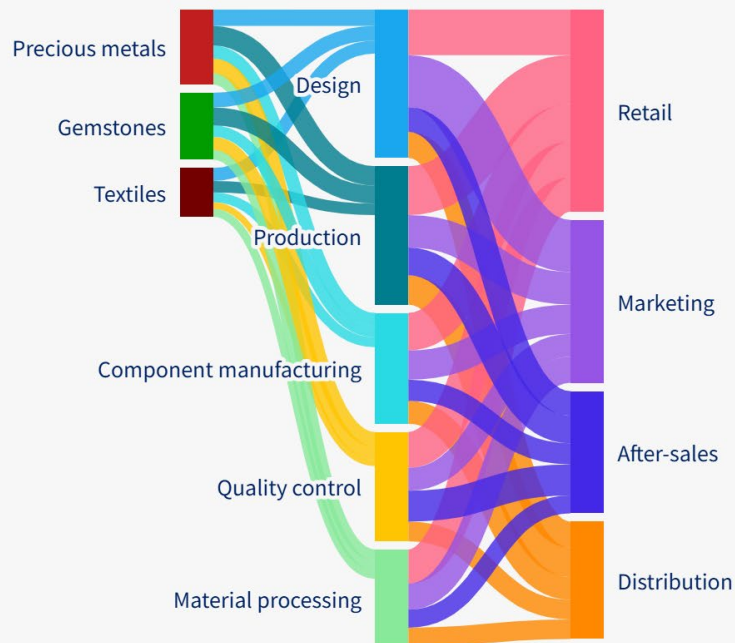
The value chain covers raw material sourcing, component manufacturing, product assembly, distribution and post-consumer services. Vertically integrated firms, such as Inditex and Fast Retailing, control both upstream and core operations, while others, like **TJX Companies** and **Ross Stores**, focus on downstream retail. **Shein's** digital integration enables rapid product development and delivery, compressing traditional product development and delivery cycles.

Material flow analysis

Material flows indicate a high concentration risk for precious metals and gemstones, with a significant reliance on a limited number of suppliers. Herfindahl-Hirschman Index values range from 950 in textiles to 1800 in jewellery retail, indicating moderate to high concentration. Textile flows are less concentrated but involve large volumes sourced from regions with moderate to high geopolitical risk. Over 60% of apparel production for the cohort is concentrated in Bangladesh, Vietnam and Cambodia, highlighting the need for supply chain diversification and resilience planning.

MATERIAL FLOW ANALYSIS

Value capture at each stage of the industry value chain



Source: Eye For Business • Thickness of lines represents relative value capture at each stage of the value chain, with a thicker line indicating greater value concentration.



VALUE CHAIN CONCENTRATION COMPARISON

Retail segments show higher concentration than upstream manufacturing processes.

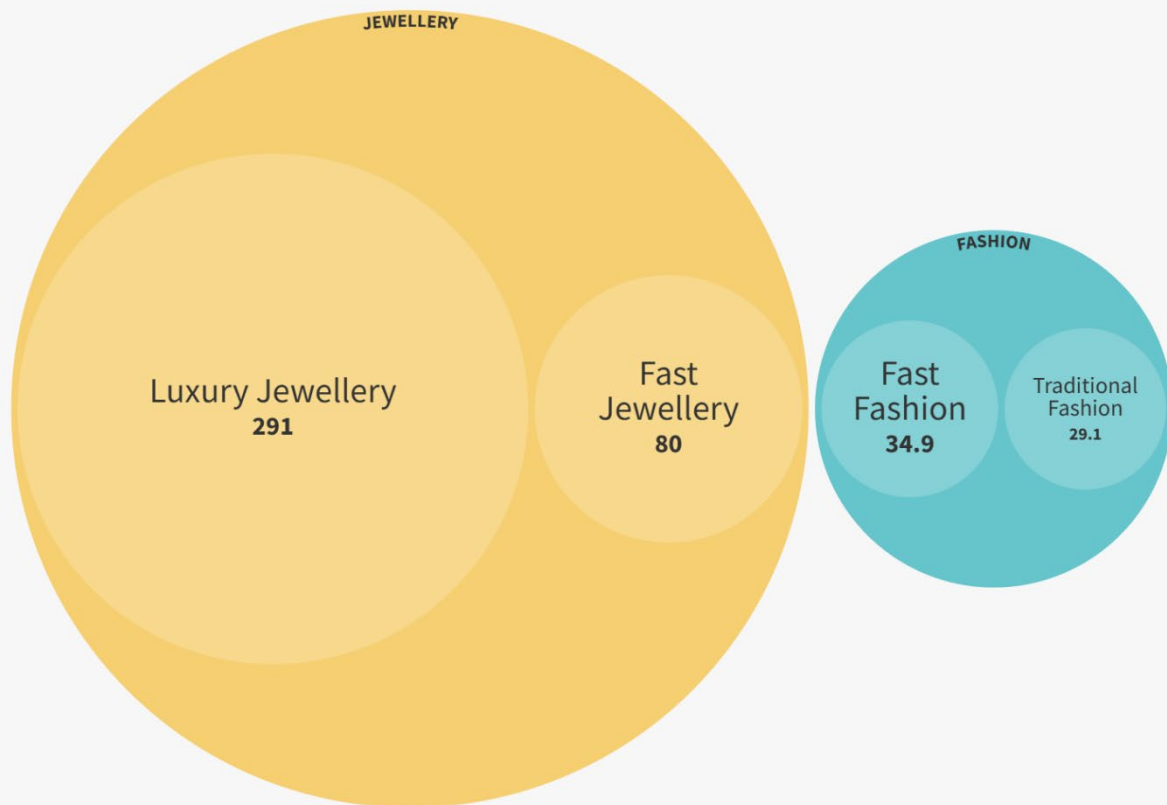
Segment	Value chain step	HHI (concentration)
Precious metals	Retail	1800
Gemstones	Retail	1800
Textiles	Retail	1500
Precious metals	Material processing	1200
Gemstones	Material processing	1100
Textiles	Material processing	950
Textiles	Component manufacturing	950

Source: Eye For Business



FASHION AND JEWELLERY MARKET

Fast fashion and jewellery compared to traditional and luxury segments (Estimated market value, USD bn)



Source: Eye For Business



MAY 2025

INDUSTRY

COHORT

The fast fashion and fast jewellery industry cohort comprises 20 leading companies that cover a broad spectrum of operational models and geographic markets, including the Global South.

In all our reports, the industry cohorts can be customised. For further discussion or to request a bespoke assessment, please contact me directly: craig@eye4b.com.



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INDUSTRY COHORT

The fast fashion and fast jewellery industry cohort comprises 20 leading companies that cover a broad spectrum of operational models and geographic markets. These companies account for a majority share of global industry revenues, enabling robust benchmarking of business models, financial performance and sustainability practices. The cohort supports comparative analysis to identify best practices, risks and optimisation opportunities.

Cohort composition

The cohort features global leaders such as **Inditex (Zara)**, **TJX Companies**, **Fast Retailing**, **Ross Stores**, **Shein**, **HM**, **Pandora AS** and **Primark (ABF)**, collectively accounting for a substantial share of market capitalisation. Vertically integrated firms, such as Inditex (Zara) and Fast Retailing, control significant manufacturing and distribution operations. At the same time, off-price retailers, such as **TJX Companies** and **Ross Stores**, focus primarily on their retail operations. These varied models inform strategic benchmarking on value chain control and operational resilience.

Global South companies including **Li Ning**, **VIP Shop**, **Falabella**, **The Foschini Group**, **Lovisa Pty Ltd**, **Li & Fung**, **Alpargatas**, **Mr Price Group** and **Cia Hering** are integral to the cohort, reflecting regional market dynamics and supply chain strategies. These entities often leverage local manufacturing advantages and adapt retail models to meet the needs of emerging markets. Their inclusion ensures benchmarking accounts for regulatory, economic and consumer differences across regions.

Digital-native and specialised retailers, such as Shein, Fashion Nova, Forever 21 and Bestseller, exemplify rapid product development and direct-to-consumer models. Their data-driven supply chains enable fast response to trends and inventory optimisation. These disruptive approaches offer valuable insights into digital integration and speed-to-market advantages that are driving industry evolution.

Benchmarking criteria

Value chain integration is a primary metric, categorising firms as vertically integrated, hybrid or outsourced. **Inditex (Zara)** exemplifies vertical integration, with ownership of 70-80% of its value chain, which supports supply chain control and risk mitigation. In contrast, **Shein** and **Fashion Nova** operate with less than 30% ownership, focusing on design and distribution to maximise agility and reduce capital intensity.

Geographic concentration assesses revenue dependency by region, which in turn influences regulatory and market risk profiles. Firms like **Inditex (Zara)** and **H&M** maintain diversified footprints, with no single region accounting for more than 30% of their revenue, thereby enhancing their resilience. Conversely, **Li Ning** and **VIP Shop** derive over 80% of revenue domestically, increasing exposure to local economic and regulatory shifts.

Sustainability targets and supplier compliance vary widely, impacting regulatory adherence and brand reputation. Leaders such as **Inditex (Zara)**, **HM** and **Pandora AS** have science-based emissions targets with third-party verification, reflecting advanced environmental governance. Others maintain narrower commitments focused on direct operations, highlighting gaps in supply chain sustainability oversight. These differences affect compliance costs and stakeholder trust, informing risk and opportunity assessments.

BENCHMARKING CRITERIA

Key value chain metrics used for comparison and benchmarking in this report

Metric	Description	Relevance
Value chain integration	Degree of vertical control	Operational risk
Geographic concentration	Revenue distribution by region	Market risk
Sustainability targets	Scope and ambition of environmental goals	Regulatory compliance
Supplier compliance	Audit and verification processes	Supply chain risk
Retail network scale	Store count and digital presence	Market reach
Inventory turnover	Efficiency of stock management	Operational efficiency
Product development cycle	Time from concept to market	Speed-to-market

Source: Eye For Business



INDUSTRY COHORT

Selected global and regional peers for comparison and benchmarking

Rank	Entity	Segment	HQ	Market Cap (USD bn)	Reasoning
1	Inditex (Zara)	Fast Fashion	Spain	171	Global market size
2	TJX Companies	Fast Fashion	USA	140	Global market size
3	Fast Retailing	Fast Fashion	Japan	100	Global market size
4	Ross Stores	Fast Fashion	USA	45	Global market size
5	Shein	Fast Fashion	Singapore	30	Market disruptor
6	H&M	Fast Fashion	Sweden	24	Global market size
7	Pandora A/S	Fast Jewellery	Denmark		Global market size
8	Primark (ABF)	Fast Fashion	UK		Global market size
9	Li Ning	Fast Fashion	China		Asia regional leader
10	VIP Shop	Fast Fashion	China		Asia regional size
11	Bestseller	Fast Fashion	Denmark		Value chain orchestrator
12	Fashion Nova	Fast Fashion	USA		Social media influence
14	Falabella	Fast Fashion	Chile		LatAm regional size
15	The Foschini Group	Fast Fashion	S. Africa		Africa regional size
13	Forever 21	Fast Fashion	USA		Large employer
17	Li & Fung	Fast Fashion	Hong Kong		Supply chain orchestrator
16	Lovisa Pty Ltd	Fast Jewellery	Australia		Oceania regional size
18	Alpargatas	Fast Fashion	Brazil		LatAm regional size
19	Mr Price Group	Fast Fashion	S. Africa		Africa regional size
20	Cia Hering	Fast Fashion	Brazil		LatAm supply chain importance

Source: Eye For Business



SUMMARY FINDINGS

The fast fashion and fast jewellery industry cohort faces material value chain challenges, with impacts concentrated in upstream manufacturing and downstream logistics. Leaders such as **Inditex** and **HM** demonstrate robust governance and supply chain transparency, while laggards like **Fashion Nova** and **Shein** show limited disclosure and higher risk. These findings underscore the importance of enhanced transparency, effective risk management and digital transformation to sustain competitiveness and regulatory compliance.

Impacts

Environmental impacts are significant, with water and energy use being highest in textile and jewellery production. **Inditex**, **H&M** and **Pandora AS** have implemented water recycling and renewable energy initiatives, while **Shein** and **Fashion Nova** have limited environmental disclosure. Firms with advanced mitigation strategies are better positioned to navigate regulatory shifts and access sustainable finance.

Social impacts are concentrated in labour practices, with leading firms such as **Fast Retailing** and **Primark ABF** maintaining high supplier compliance and conducting independent audits. Companies such as **Shein** and **VIP Shop** have minimal disclosure regarding working conditions, which increases the risk of regulatory penalties and reputational damage. Strong social governance supports stakeholder trust and reduces exposure to human rights legislation.

Risks

Tariff and trade policy volatility remains the most material financial risk, with concentrated sourcing in China exposing **Shein** and **Fashion Nova** to margin compression. **Inditex** and **HM** mitigate this by diversifying sourcing and leveraging free trade agreements. Geographic diversification and tariff engineering are crucial for maintaining margins and ensuring supply stability.

Regulatory compliance risk is rising, especially for extended producer responsibility and human rights due diligence. **Pandora AS** and **Fast Retailing** have board-level compliance oversight, while **Lovisa Pty Ltd** and **Mr Price Group** have reactive approaches and higher penalty exposure. Effective compliance management reduces financial risk and safeguards market access.

Opportunities

Digital transformation yields tangible benefits, with **Inditex** and **Fast Retailing** achieving higher inventory turnover and reduced markdowns through AI-driven forecasting. Firms with manual processes, such as **The Foschini Group** and **Li Ning**, risk inefficiency and lost revenue. Digital capability enhances responsiveness and working capital efficiency.

Circular business models present a growth opportunity, with **HM**, **Bestseller** and **Pandora AS** investing in resale, rental and recycling initiatives. Traditional models at **Ross Stores** and **TJX Companies** lag in circularity integration, limiting access to new markets and regulatory incentives. Early adopters of circularity strengthen brand value and reduce exposure to raw material volatility.

MAY 2025

TARIFFS

& TRADE POLICY

We have comprehensively updated our assumptions for government tariffs and policy uncertainty in May 2025. We include analysis of tariffs, non-tariff barriers as well as opportunities for geographic diversification.

In our scenario section, we specifically model the impact of tariffs on industry performance metrics under a Baseline, Accelerated and Disruptive scenario, based on causal pathways and elasticities.



EYE FOR BUSINESS

TARIFFS & TRADE POLICY

The fast fashion and fast jewellery industries face material tariff and trade policy risks that directly affect cost, margin and supply chain resilience. Companies with concentrated sourcing, such as **Shein** and **Fashion Nova**, are most vulnerable to sudden tariff increases and regulatory shifts. Diversification, compliance investment and scenario planning are now essential for maintaining a competitive position and mitigating risk.

Direct tariff exposure

Duty rates for apparel and jewellery in key markets typically range from 12-18% and 8-15%, respectively. **Inditex** and **H&M** achieve lower average tariffs through multi-country sourcing, while **Shein** and **Fashion Nova** face higher costs due to reliance on high-tariff jurisdictions. Duty engineering and recovery programmes, as used by **Fast Retailing** and **Primark**, can reduce net tariff costs by up to 4% of goods value.

Product-specific tariffs are highest for synthetic-blend apparel and precious metal jewellery from non-preferential sources. **Pandora AS** and **Lovisa Pty Ltd** reduce exposure by optimising rules of origin, while **TJX Companies** and **Ross Stores** use advanced classification management to achieve cost savings. Failure to optimise these levers results in persistent margin pressure.

Duty drawback and suspension mechanisms can recoup 35-45% of duties on re-exported goods. **Fast Retailing** and **Primark** capture significant value through these programmes, while companies without such systems face higher effective duty rates. This difference is material in an industry where gross margins are typically 35-55%.

DIRECT TARIFF EXPOSURE

Sourcing models, tariffs and mitigation actions

Company	Sourcing model	Average tariff (%)	Diversification rating	Tariff mitigation action
Inditex	Multi-country	09-11	High	Duty engineering, FTAs
H&M	Multi-country	09-11	High	Automated compliance, FTAs
Shein	China-centric	04-18	Low	De minimis exploitation
Fashion Nova	China-centric	04-18	Low	Minimal mitigation
Pandora AS	Hybrid	10-13	Medium	Rules of origin optimisation
TJX Companies	Multi-country	12-15	Medium	Classification management
Primark	Multi-country	12-14	High	Duty recovery

Source: Eye For Business



Indirect tariff effects

Upstream tariffs on raw materials and components add 3-5% to final product costs for integrated players. **Li Fung** and **Alpargatas** quantify this impact through detailed supply chain mapping, while **Inditex** and **H&M** use supplier data to track cumulative tariff effects. Vertically integrated firms, such as **Li Ning** and **VIP Shop**, report that upstream tariffs account for up to 40% of their total trade policy exposure.

Intermediate goods, such as buttons and zippers, face tariffs of 4-15%, depending on their origin and processing. **Bestseller** and **Falabella** utilise tariff engineering to reclassify components, resulting in duty reductions of up to 30%. Leading operators, including **ABF** and **Primark**, maintain granular bills of materials to identify and address indirect tariff accumulation.

Downstream, market access and landed costs vary significantly based on the coverage of trade agreements. **The Foschini Group** and **Mr Price Group** leverage regional trade agreements for preferential access, while **Cia Hering** uses Mercosur benefits. Companies lacking robust origin documentation, such as **Forever 21**, incur 8-12% higher landed costs on cross-border shipments.

Non-tariff barriers

Import licensing, quotas and documentation requirements create significant non-tariff barriers, especially for high-volume shippers. **Shein** and **Fashion Nova** face higher administrative costs due to the frequency of small shipments, whereas **Inditex** and **H&M** mitigate these burdens with automated compliance systems. Delays and costs from non-tariff barriers can erode margin and disrupt supply chains.

Technical standards and certification requirements add 3-5% to product development costs but reduce clearance times and compliance risks. **Pandora AS** and **Lovisa Pty Ltd** invest in comprehensive testing, while **Fast Retailing** and **TJX Companies** face higher risks in markets with strict labelling and safety rules. Non-compliance can result in shipment rejections, penalties and loss of market access.

De minimis thresholds vary from USD 800 in the US to under USD 50 in some Asian and European markets. **Shein** structures shipments to maximise de minimis benefits, while bulk shippers like **Ross Stores** and **Primark** pay full duties. Regulatory changes to de minimis rules could increase landed costs by up to 20% for direct-to-consumer models.

Policy uncertainty

Trade policy volatility has increased, with more frequent and unpredictable tariff and non-tariff measures. **Inditex** and **Fast Retailing** utilise policy monitoring systems to identify emerging risks, whereas **Forever 21** and **Fashion Nova** report unplanned cost increases resulting from policy surprises. Proactive monitoring and scenario analysis are now critical for cost control.

Geopolitical tensions expose 65-75% of the cohort production to sudden trade disruptions. **Shein** and **Li Ning** are highly exposed due to China concentration, while **H&M** and **Pandora AS** have diversified to reduce single-country risk. Scenario modelling shows concentrated supply chains face up to 15 percentage point tariff shocks, compared to 4-6 points for diversified peers.

Compliance requirements regarding forced labour, sustainability and product safety are increasing in complexity and enforcement. **TJX Companies** and **ABF** map and verify supplier compliance, thereby reducing the risk of import restrictions. Companies with weaker compliance, such as **VIP Shop** and **Cia Hering**, face increased delays, penalties and potential market exclusion.

TRADE AND TARIFFS

Geographic diversification and risk

Company	No. of countries sourced	Max country dependency (%)	Tariff shock exposure (%)	Key diversification action
Inditex	15	22	4-5	Balanced global sourcing
H&M	12	25	4-5	Regional hub strategy
Shein	3	80	12-15	Limited diversification
Fast Retailing	10	40	6-8	Vietnam/Bangladesh expansion
Pandora AS	6	35	7-9	Shift to Vietnam/Mexico

Source: Eye For Business



Geographic diversification

Supplier diversification is a key response, with leading companies reducing their reliance on single-country sourcing to below 30-35%. **Inditex** and **H&M** operate across 12-15 countries, limiting tariff shock exposure to 4-5% in severe scenarios, compared to 12-15% for concentrated firms like **Shein**.

Friend-shoring is accelerating, with 65% of the cohort shifting production to countries with favourable trade agreements. **Pandora AS** and **Fast Retailing** have relocated substantial production to Vietnam, Mexico and Bangladesh, achieving 8-12% reductions in landed costs and lower disruption risk. These actions improve resilience and reduce exposure to policy shocks.

Optimal diversification strikes a balance between tariff savings and operational efficiency. **TJX Companies** and **Ross Stores** use multi-factor sourcing models, finding that 5-7 key production hubs deliver 3-5% lower landed costs and greater supply chain stability. Excessive fragmentation increases complexity and may offset the benefits of tariffs.

TRADE AND TARIFFS

Geographic diversification opportunities

Product category	Current source	Alternative source	Potential tariff saving (%)
Gold jewellery	India	Turkey	15.5
Silver jewellery	India	Thailand	15
Women's apparel	China	Vietnam	12

Source: Eye For Business



SOURCING

The fast fashion and fast jewellery industry cohort exhibits a wide variation in sourcing strategies, supplier management and raw material procurement. Integrated models at **Inditex** and **H&M** support resilience and sustainability, whereas transactional approaches at **Fashion Nova** and **Forever 21** increase risk and cost volatility. Sourcing strategy directly affects agility, risk and competitiveness.

Supplier relationship management

Supplier governance models range from collaborative frameworks at **Inditex**, **H&M** and **Fast Retailing** to transactional relationships at **Fashion Nova** and **Forever 21**. Leading companies manage 500-1,200 first-tier suppliers and 3,000-7,000 sub-suppliers, enabling greater control and visibility. Strategic partnerships deliver faster product cycles, lower defect rates and better sustainability outcomes.

Supplier collaboration varies, with **Inditex**, **H&M** and **Pandora AS** investing in long-term supplier development, while **TJX Companies**, **Ross Stores** and **Fashion Nova** maintain short-term, high-turnover networks. Strategic suppliers account for 60-75% of the procurement volume and have relationships that exceed five years. Strong collaboration leads to improved operational metrics and sustainability performance.

Raw materials

Cotton, polyester and viscose make up over 80% of fibre inputs, with 15-35% price volatility in the past three years. **Inditex**, **H&M** and **Fast Retailing** utilise hedging and long-term contracts to meet 40-60% of their needs, whereas smaller firms rely on spot markets. The adoption of recycled and organic materials is rising, with leaders targeting 25-30% recycled content by 2026.

For jewellery, **Pandora AS** and **Lovisa Pty Ltd** rely on precious and base metals, with **Pandora AS** achieving 71% recycled content in 2024 and targeting 100% by 2025. Material efficiency programmes have reduced metal waste by 15%, resulting in lower costs and a smaller environmental impact. Recycled metals provide 5-15% cost savings and 60-80% lower emissions.

Critical minerals

Jewellery brands face critical mineral risks, with silver, gold and gemstones exposed to supply concentration and political instability. Silver is diversified, gold is moderately concentrated and gemstones are highly concentrated, with 70% from five high-risk countries. **Pandora AS** utilises recycled materials and alternative sourcing, while **Lovisa Pty Ltd** diversifies its suppliers to mitigate risk.

Fast fashion brands face concentration in speciality fibres and dyes, with bamboo viscose and synthetic dyes dominated by China and India. Leading firms maintain at least three suppliers per critical material and invest in material innovation to reduce dependency. Adoption of alternative fibres and bio-based dyes remains below 5% of total use.

Supplier metrics

Supplier sustainability compliance ranges from 89-92% at **H&M** and **Inditex** to 45-55% at **Fashion Nova** and **Forever 21**. Second-tier supplier transparency is 60-70% at leaders but is limited elsewhere. High compliance and transparency support better risk management and sustainability outcomes.

Supplier concentration is lower at **Inditex** and **H&M**, where the top 10 suppliers account for 20-25% of procurement, compared to 40-50% at **Shein** and **Fashion Nova**. Geographic diversification also varies, with **Inditex** sourcing from over 40 countries, while **Li Ning** and **VIP Shop** rely heavily on China. Diversified sourcing reduces disruption rates by up to 40% during crises.

CRITICAL MATERIAL RISK MATRIX

Risk factors for key sourcing inputs

Material	Supply concentration (HHI)	Political risk exposure	Price volatility (3-year period)	Substitution potential
Platinum	2100	High	28	Low-Medium
Diamonds	1850	Medium	14	Low
Coloured gemstones	1600	Very High	38	Low
Gold	950	Low-Medium	24	Medium
Silver	750	Low	32	High
Base metals	620	Low	42	Very High
Synthetic materials	450	Very Low	18	Very High

Source: Eye For Business • The Herfindahl-Hirschman Index (HHI) measures market concentration (with values below 1,500 indicating competitive markets and above 2,500 suggesting high concentration), while price volatility is calculated using standard deviation of logarithmic price changes.



MANUFACTURING & OPERATIONS

The industry cohort exhibits a diverse range of manufacturing and operational strategies, with notable differences between vertically integrated and outsourced models. Companies such as **Inditex**, **Fast Retailing** and **H&M** achieve higher operational control and efficiency, while **TJX Companies** and **Ross Stores** focus on flexibility with minimal in-house production. These approaches drive differences in inventory turnover, process efficiency and integration, shaping cost, agility and sustainability outcomes.

Inventory management

Inventory turnover is highest at digital-native **Shein** (15.0), with **Inditex** (12.0) and **Fast Retailing** (10.5) also outperforming jewellery peers like **Pandora AS** (7.0) and **Chow Tai Fook** (6.0). A-category items, which are 15-20% of SKUs but 70-80% of sales, receive focused management, reducing stockouts by up to 45%. Efficient operators maintain inventory-to-sales ratios that are up to 40% lower than those of less optimised peers, thereby improving cash flow and reducing costs.

Just-in-time and quick response models are common, with **Inditex** utilising twice-weekly replenishment and pull-based systems for approximately 85% of its inventory. RFID and AI-driven forecasting at leaders like **Inditex**, **H&M** and **Shein** boost inventory accuracy to over 98% and cut forecast errors by up to 50%. These systems lower markdown rates, improve full-price sell-through and enhance customer satisfaction.

Manufacturing flow management

Process efficiency ranges from 92% at **Shein** to 80% at **Chow Tai Fook**, reflecting differences in automation and production style. Fast fashion bottlenecks typically occur in design-to-production cycles, whereas jewellery faces constraints in quality control and certification. Investments in digital design and automated inspection reduce development time by up to 60% and increase throughput by 30%.

Waste reduction and sustainability are increasingly central, with **H&M** and **Inditex** cutting material waste by up to 25% and energy use by 30% since 2020. **Pandora AS** has reduced water usage by 35% and **Inditex** uses zero-waste cutting to improve material utilisation by 12%. These improvements yield 5-8% cost advantages and 15-25% lower carbon intensity for the most advanced operators.

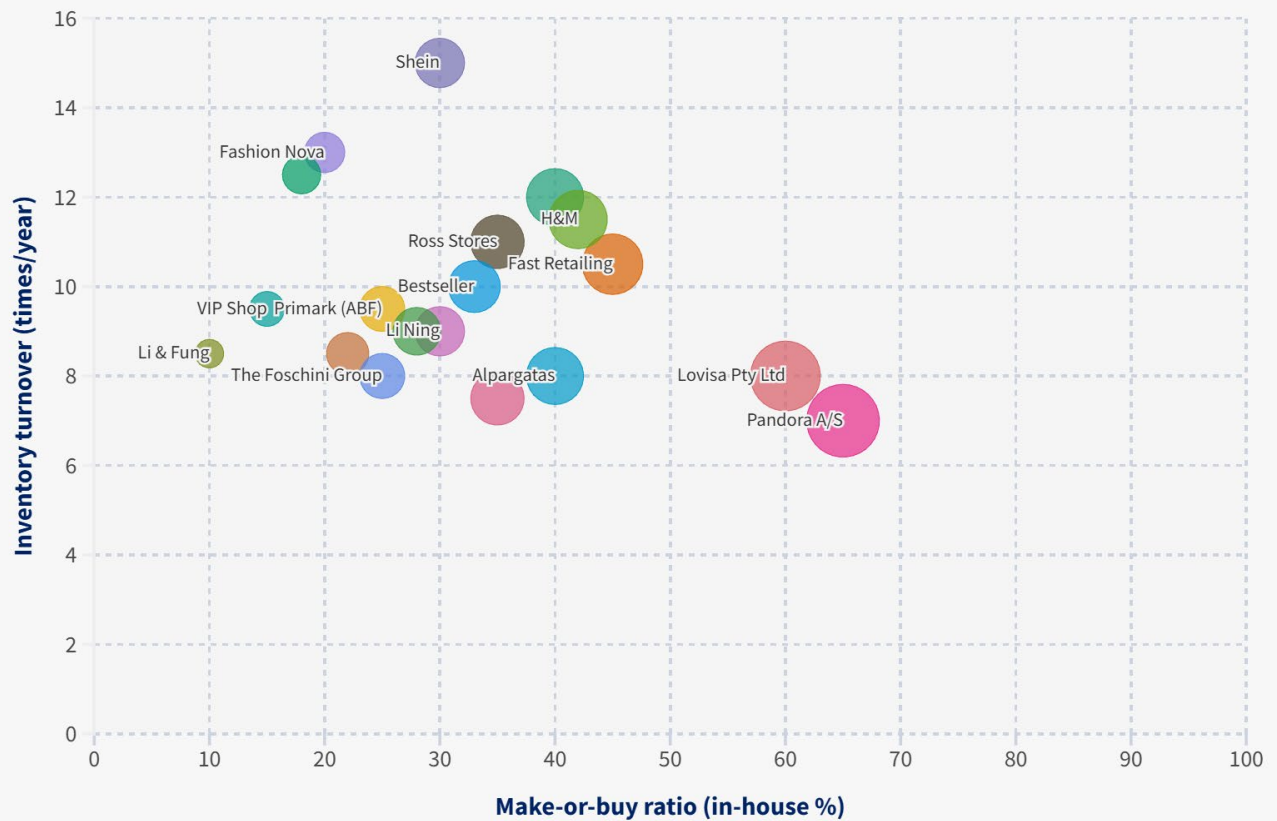
Make or buy analysis

Vertical integration varies widely, with **Inditex** controlling 40% of production and **TJX Companies** and **Ross Stores** outsourcing over 95%. Vertically integrated firms achieve 10-15% lower production costs for core items but face higher fixed costs and less flexibility. Strategic focus differs: **Inditex** prioritises speed, **Pandora AS** focuses on quality and **TJX Companies** on cost and sourcing agility.

Hybrid models are common, with in-house design and sample production combined with outsourced bulk manufacturing at firms like **Inditex** and **H&M**. **Shein** uses a digital model with 30% integration, tightly controlling design and coordination but outsourcing production. Aligned make-or-buy decisions deliver 15-25% faster time-to-market, 10-20% lower development costs and up to 30% higher new product success rates.

MANUFACTURING STRATEGY COMPARISON

Efficiency and vertical integration



Source: Eye For Business



MARKETING & SALES

The fast fashion and fast jewellery industry cohort shows clear segmentation in go-to-market models, with digital-first brands scaling rapidly and established players focusing on omnichannel integration. Margin leaders combine dynamic pricing, tight inventory control and direct-to-consumer channels to maximise value. Differentiation now relies on credible sustainability messaging, personalisation and seamless omnichannel experiences.

Pricing business model

Pricing strategies fall into three groups: premium fast fashion, mid-market value and ultra-fast fashion, each with distinct price points and margin structures. Value capture is highest for vertically integrated and digital-native models, while off-price and high-volume players accept lower margins for scale. Price elasticity is lower for jewellery than apparel, driving more stable pricing and fewer promotions in that segment.

PRICING MODEL SEGMENTATION AND MARGIN STRUCTURE

Comparison of pricing strategies, margin levels and elasticity

Pricing segment	Typical margin (%)	Price elasticity	Discount reliance (%)
Premium fast fashion	45–57	-1.2 to -1.5	<15
Mid-market value	35–45	-1.4 to -1.8	20–30
Ultra-fast fashion	50–60	-1.6 to -2.0	25–40
Jewellery specialists	60–70	-0.7 to -0.9	<10

Source: Eye For Business



Competitive intensity is highest in ultra-fast fashion, where frequent promotions are required to maintain share. Brands with lower elasticity focus their marketing on brand value, rather than price.

Marketing

Brand positioning clusters around trend leadership, price accessibility or emotional connection, with each group targeting distinct customer segments. Digital-native brands allocate the majority of their spend to performance marketing, achieving lower acquisition costs, but face lower retention rates compared to their omnichannel peers. Differentiation is increasingly based on sustainability and personalisation, with leading brands using AI-driven recommendations to boost conversion and order value.

Marketing leaders invest in digital personalisation, raising conversion rates and average order value. Sustainability messaging is a key differentiator for established brands, while value-focused players emphasise durability and price. The gap between digital leaders and laggards is widening as personalisation becomes a baseline expectation.

Sales

Three main sales models dominate: physical-first, omnichannel and digital-native, each with distinct revenue splits and cost structures. Digital-native retailers have lower operating expenses but lower conversion rates and average transaction values than store-based models. Store-based players focus on in-store productivity, while digital brands prioritise traffic acquisition and reducing cart abandonment.

Operational optimisation encompasses clienteling for stores and recommendation engines for digital channels, both of which drive higher repeat purchases and cross-sell rates. Mobile app users and social commerce channels yield higher spending and lower acquisition costs compared to traditional digital channels. Hybrid approaches are emerging as brands seek to blend the strengths of each model.

Order fulfilment

Order-to-cash processes vary by fulfilment model, with vertically integrated brands achieving the fastest processing times. Physical-first retailers face inventory allocation challenges, while digital-native players manage higher return rates and the complexity of last-mile delivery. Delivery speed and accuracy are the most material drivers of customer satisfaction and negative reviews.

Distributed inventory and ship-from-store models reduce delivery times and transportation costs. Advanced order management systems reduce processing costs and enhance inventory utilisation, becoming essential for maintaining competitive parity. Brands that lag in fulfilment experience measurable market share loss in regions with faster competitors.

LOGISTICS & DISTRIBUTION

The industry cohort uses three main logistics network models: rapid-response, balanced cost-speed and cost-optimised. Network design directly affects lead times, cost structure and risk exposure. Speed-optimised networks support premium positioning but increase logistics costs.

Logistics network analysis

Vertically integrated brands operate distributed networks with multiple regional centres, while digital-native players use centralised cross-border fulfilment. Peak season bottlenecks include last-mile delivery surges, customs delays and stockouts from limited inventory visibility. Micro-fulfilment and hybrid models reduce last-mile costs and improve resilience.

LOGISTICS NETWORK MODEL COMPARISON

Lead time, cost and risk by model

Network model	Typical lead time (days)	Logistics cost (% revenue)	Main risk
Rapid-response	1-3	8-12	Capacity constraint
Balanced cost-speed	3-7	6-8	Inventory allocation
Cost-optimised	7-21	5-7	Customs, visibility

Source: Eye For Business 

Distributed networks are more resilient to local disruptions but have higher operating costs. Centralised models face single-point failure risk but offer lower fixed costs.

Distribution channel analysis

Store-centric, omnichannel and digital-first models dominate the cohort, each with distinct cost and return profiles. Store-centric models incur higher per-unit costs but lower return rates, whereas digital-first models achieve lower costs but face higher return rates. Hybrid models using stores for fulfilment lower delivery costs and improve inventory utilisation.

Best practices include unified inventory systems and integrated returns processing to minimise stockouts and improve the customer experience. Omnichannel leaders capture market share with superior click-and-collect and ship-from-store options. Laggards risk losing market share to competitors who offer faster and more flexible delivery.

Transport cost optimisation

Transport mode selection varies by business model, with rapid-response brands using more air freight and cost-optimised brands relying on ocean freight. Air freight raises costs but supports fast inventory turns, while ocean freight minimises costs for value-focused players. Modal mix, shipment consolidation and carrier management are the main transport cost drivers.

Dynamic modal selection and carrier consolidation reduce transport costs and support service levels. Regulatory pressure on emissions is driving investment in alternative fuels and route optimisation. Leading brands demonstrate that optimised routing can reduce both costs and carbon emissions, yielding financial and sustainability benefits.

POST-SALES SERVICES

Post-sales services are a significant driver of cost, customer retention and regulatory compliance in the fast fashion and fast jewellery industries. The industry cohort demonstrates three main models: premium service, value-focused and digital-native, each with distinct implications for margin and risk. Effective post-sales strategies increasingly differentiate brands as sustainability and circularity requirements intensify.

Returns management

Return rates vary widely, with online fast fashion averaging 30–40% and jewellery 8–15%. High return volumes drive up processing costs, increase working capital needs and create compliance risks, especially for cross-border transactions. Leading brands reduce returns by leveraging better product data, digital sizing and targeted policy segmentation.

Best practices include prevention-focused tools, such as virtual try-on and enhanced size guides, which can reduce return rates by 10–15%. Digital solutions —including mobile returns, QR codes and AI chatbots — reduce processing costs by up to 35% and improve customer satisfaction. Brands that lag in returns convenience risk losing high-value customers to competitors.

Reverse logistics network

Reverse logistics networks differ by model: centralised returns (e.g., **Inditex (Zara)**), store-based returns (e.g., **TJX Companies**) and third-party cross-border returns (e.g., **Shein**). The typical process involves 4–6 steps, with delays and errors at each stage impacting cost and customer experience. Leading performers process returns in 3–5 days, while cross-border returns can take up to 21 days.

Hybrid networks utilising stores as return points reduce transport costs by up to 25% and enhance speed. Technologies such as RFID and automated sortation systems increase processing speed by 30–50% and reduce handling costs. Optimised reverse logistics is now essential for cost control, customer satisfaction and compliance with environmental regulations.

POST-SALES SERVICE COMPARISON

Returns, cost and recovery by model

Model type	Typical return rate (%)	Processing cost per return (USD)	Recovery rate (%)	Typical return lead time (days)
Premium service	15–25	20–30	50–70	3–5
Value-focused	10–20	15–25	40–60	5–10
Digital-native	30–40	15–20	30–50	7–21

Source: Eye For Business

Value recovery

Returned products follow several routes: resale as new, discounted resale, outlet/off-price, refurbishment, recycling or disposal. Recovery rates are highest in jewellery (70–90%) and lowest in fast fashion (30–50%), with systematic triage and rapid processing driving higher recovery. Each percentage point improvement in recovery rate can add 0.1–0.2% to the margin.

AI-powered disposition tools and circular initiatives, take-back, recycling and design-for-disassembly, raise recovery rates and reduce waste. Leading brands reduce waste management costs by up to 25% and enhance their brand perception among consumers who prioritise sustainability. Circular value recovery is increasingly aligned with both regulatory requirements and commercial objectives.

SUPPORT ACTIVITIES

Support activities drive operational efficiency, cost structure and compliance for the industry cohort. **Shein** and **Fashion Nova** prioritise automation and minimal infrastructure, while **Inditex (Zara)**, **H&M** and **Fast Retailing** balance digital and physical assets. **TJX Companies** and **Ross Stores** maintain higher physical investments, which results in slower digital adoption, impacting their resilience and costs.

Physical infrastructure

Inditex (Zara) operates over 7,000 stores and 10 major distribution centres, while **Shein** focuses on automated fulfilment with minimal retail space. Store-based models allocate 8–12% of revenue to real estate, compared to 2–4% for digital natives, who offset these savings with higher expenditures on logistics and technology. **Inditex (Zara)** and **H&M** have adopted flexible store formats as mini-fulfilment hubs, reducing last-mile costs and improving inventory use, while **Shein's** centralised approach increases single-point failure risk.

Resilience is enhanced by distributed footprints, as shown by **Inditex (Zara)**, whereas centralised models like **Shein's** face higher disruption risk. Leading companies invest in redundancy and business continuity plans to address climate, geopolitical and supply chain threats. These actions support risk management and operational continuity.

SUPPORT ACTIVITY MODEL COMPARISON

Asset, productivity and cost benchmarks

Company type	Physical asset % revenue	Revenue per employee (USD)	IT spend % revenue	Procurement cost saving (%)	Legal cost saving (%)
Digital-native	2–4	150,000–250,000	4–6	8–12	15–25
Omnichannel leader	8–12	100,000–180,000	3–5	8–12	15–25
Traditional retailer	8–12	80,000–120,000	2–3	4–8	10–15

Source: Eye For Business

Human capital

Digital-native brands such as **Shein** and **Fashion Nova** focus on data science and e-commerce skills. At the same time, traditional players like **TJX Companies** and **Ross Stores** emphasise merchandising and in-store service. Productivity ranges from \$150,000 to \$250,000 in revenue per employee for digital natives to \$80,000 to \$120,000 for traditional retailers, reflecting differences in business models. **Inditex (Zara)** and **Fast Retailing** utilise cross-training to enhance labour flexibility and retention, while digital HR systems reduce administrative costs and improve talent outcomes.

Hybrid skill development is a priority, with leaders blending digital and operational expertise. AI-powered recruitment and digital learning platforms are widely adopted, resulting in a 20–30% reduction in HR costs. These measures enable rapid scaling and support workforce resilience.

Technology

Shein and **Fashion Nova** deploy cloud-native, microservices platforms, while **Inditex (Zara)** and **H&M** integrate legacy and cloud systems. Digital leaders invest 4–6% of their revenue in technology, enabling faster capability deployment and stronger analytics than traditional retailers, who invest 2–3%. API-first architectures and data platforms at **Inditex (Zara)** and **Fast Retailing** improve decision speed and accuracy.

AI is used for demand forecasting, personalisation and process automation, reducing forecast errors by up to 30% and manual work by 40%. Technology gaps create competitive risk for laggards, prompting accelerated digital transformation. Leaders gain agility and enhanced customer engagement.

Procurement

Procurement spend is divided between direct materials, indirect goods and capital expenditures. **Inditex (Zara)** and **H&M** utilise category management, strategic supplier partnerships and analytics to reduce the total cost of ownership by up to 12%. Supplier development, innovation and diversified sourcing improve resilience and reduce costs for leaders.

Digital procurement tools, such as e-sourcing and spend analytics, reduce operating costs by 25–35% and enhance compliance. **Fast Retailing** and **Pandora AS** have set supplier sustainability targets and enhanced transparency. Laggards face higher costs and risk as input volatility and regulatory scrutiny increase.

Legal

Key compliance areas are consumer protection, labour, trade and environmental regulation. **Inditex (Zara)** and **H&M** have robust compliance frameworks and conduct third-party audits, which have resulted in a reduction of up to 60% in incidents of non-compliance. Companies with global supply chains, such as **Li & Fung**, face higher complexity and liability.

Legal tech adoption, including contract management and compliance monitoring, cuts legal costs by 15–25% and speeds risk response. Legal departments at **Pandora AS** and **Fast Retailing** support business growth through proactive compliance and efficient dispute resolution. Effective legal management is now a prerequisite for achieving market access and mitigating risk.

CUSTOMERS

The fast fashion and fast jewellery industry cohort faces rapid shifts in customer preferences, creating both opportunities and risks for value creation. Customer acquisition costs are materially lower for digital-first brands like **Fashion Nova** compared to omnichannel retailers such as **TJX Companies** and **H&M**. These differences impact profitability, regulatory exposure and competitive positioning.

Customer relationship management

Customer journey mapping reveals that **Inditex (Zara)** and **H&M** employ psychographic segmentation, whereas **Shein** and **Fashion Nova** concentrate on behavioural data for micro-segmentation. Digital-first brands achieve higher engagement rates, with **Shein** capturing the majority of customer interactions via its mobile app. Companies like **Pandora A/S** and **Fast Retailing** strike a balance between personalisation and efficiency through hybrid customer management models.

Loyalty programme effectiveness varies, with **Inditex (Zara)** achieving above-average retention rates through integrated loyalty systems. **H&M** and **TJX Companies** use first-party data to increase average order values, while **Primark (ABF)** and **Bestseller** focus on privacy-compliant preference centres. These actions support compliance with global data regulations and enhance customer lifetime value.

Digital CRM adoption is uneven, with **Inditex (Zara)** and **Shein** deploying AI-driven recommendation engines to drive revenue growth. Mid-tier brands, such as Ross Stores and Li Ning, utilise partial CRM solutions, which limit their omnichannel capabilities. Brands with integrated CRM systems report higher customer lifetime values and lower churn rates, thereby widening the gap between digital leaders and their competitors.

Demand management

Demand patterns show accelerated product lifecycle compression, with **Shein** and **Fashion Nova** rapidly introducing new products. Seasonal demand volatility is lower for off-price retailers like **TJX Companies** and **Ross Stores** than for vertically integrated brands such as **Inditex (Zara)** and **H&M**. Brands with extensive physical networks, including **Primark (ABF)** and **The Foschini Group**, face increased inventory risk and require advanced forecasting capabilities.

Social media and influencer campaigns are the primary demand drivers for digital-first brands, while price sensitivity varies across the cohort. **Primark (ABF)** and **Forever 21** cater to highly price-sensitive segments, whereas **Pandora A/S** and **Lovisa Pty Ltd** target less elastic demand. Advanced social monitoring by **H&M** and **Bestseller** provides a competitive edge in demand prediction.

Best practice in demand management is led by **Inditex (Zara)** and **Shein** through real-time inventory and trend detection systems. **H&M** and **Fast Retailing** use predictive analytics to reduce forecast errors and markdowns. Brands with integrated demand sensing achieve higher full-price sell-through and improved margins, reinforcing the benefits of digital maturity.

CUSTOMER DEMAND MANAGEMENT

Retention, tech adoption and sensitivity by company

Company	CRM maturity	Retention rate	Demand tech adoption	Price sensitivity
Inditex (Zara)	Advanced	High	Advanced	Moderate
Shein	Advanced	Moderate	Advanced	High
H&M	Advanced	High	Intermediate	Moderate
TJX Companies	Intermediate	Moderate	Intermediate	High
Fashion Nova	Advanced	Moderate	Advanced	High
Primark (ABF)	Intermediate	Moderate	Intermediate	High
Pandora A/S	Intermediate	High	Intermediate	Low
Ross Stores	Basic	Moderate	Basic	High

Source: Eye For Business



Key points for decision-makers include the need to invest in digital CRM and demand forecasting, ensuring compliance with data and consumer regulations **and** prioritising actions that directly improve customer retention and margin resilience. Material risks include regulatory non-compliance, technology lag and inventory overexposure in volatile demand environments. Future success depends on the agile adoption of digital tools and the continuous monitoring of customer and demand trends.

CUSTOMER MANAGEMENT MODEL COMPARISON

Retention, cost and volatility by model

Company type	Main channel(s)	Customer retention (%)	Acquisition cost (USD)	Demand volatility index	CRM maturity (1-5)
Digital-native	Social, mobile	40-55	5-8	0.7-0.9	5
Omnichannel leader	Store, online, mobile	60-75	10-18	0.5-0.7	4-5
Value-focused	Store	30-45	8-15	0.4-0.6	3-4

Source: Eye For Business



TECHNOLOGY & INNOVATION

Technology adoption and innovation maturity vary widely across the fast fashion and fast jewellery industry cohort. Leaders such as **Inditex (Zara)** and **Shein** use AI-driven trend analytics and virtual 3D design to accelerate product launches and reduce costs. These actions materially improve time-to-market, responsiveness and operational efficiency, supporting regulatory compliance and margin resilience.

Product development

Digital product development is now standard, with virtual sampling and AI-powered design tools used by companies like **Inditex (Zara)** to reduce physical sample usage by up to 80% and lower costs. **Fast Retailing** and **Pandora A/S** have adopted digital material libraries and automated product lifecycle management, achieving faster time-to-market and lower sourcing costs.

AI-driven demand forecasting and supplier management platforms are increasingly deployed, with **Inditex (Zara)** and **Li & Fung** reducing forecast errors and supplier qualification times. These technologies increase supply chain resilience and responsiveness to volatile market conditions. Companies prioritising digital R&D and integrated platforms are better positioned to manage risk and capture new growth opportunities.

TECHNOLOGY IMPACT MATRIX

Adoption and value chain impact of digital innovations



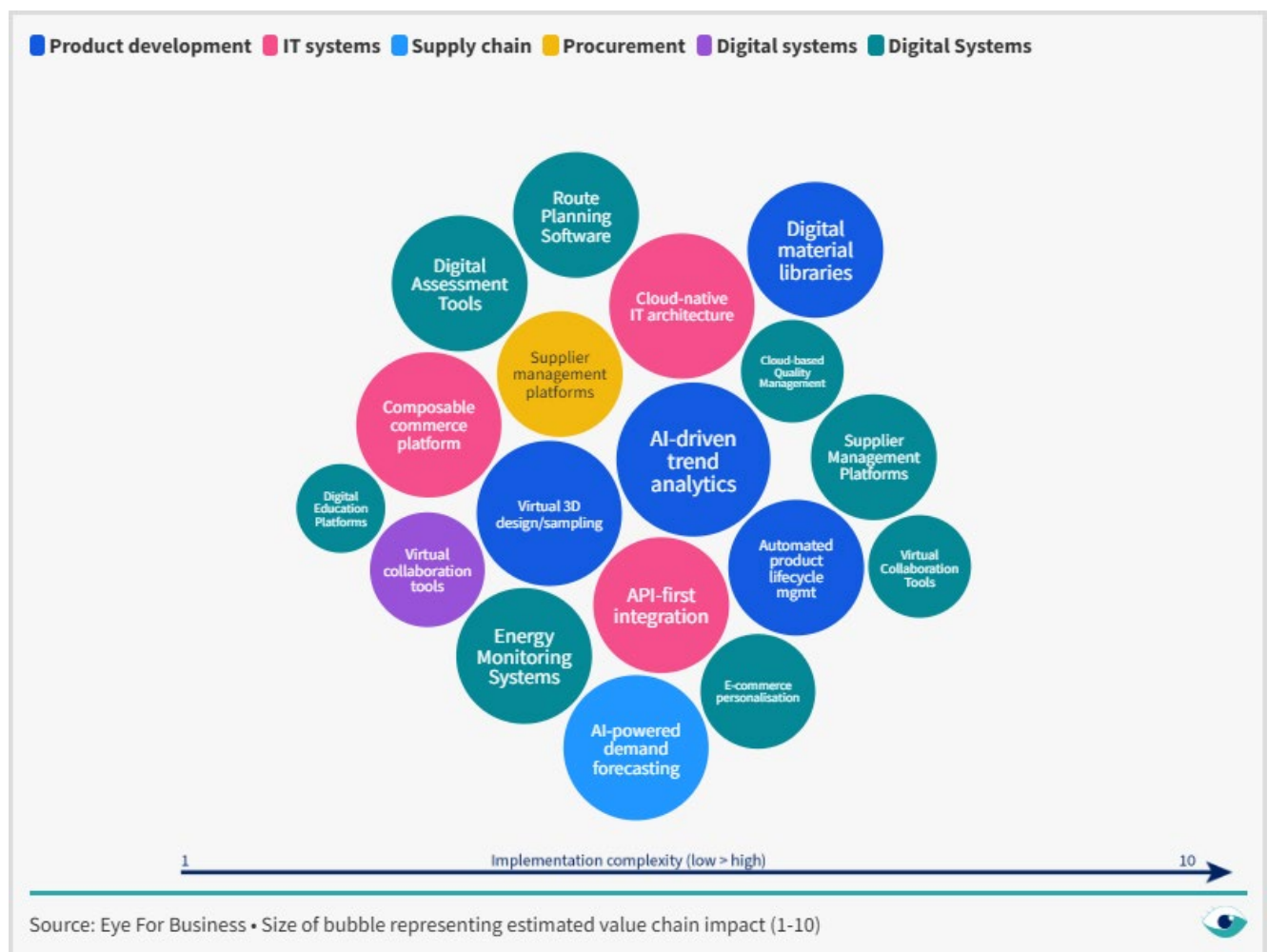
IT systems architecture

IT architecture across the cohort ranges from cloud-native systems in digital-native companies, such as Fashion Nova, to legacy platforms in traditional retailers. **H&M** and **Fast Retailing** have implemented API-first integration and virtual collaboration tools, resulting in reduced maintenance costs and improved team alignment. These investments support compliance with data protection and de minimis rules while enabling rapid innovation and omnichannel retailing.

Assessment reveals that many traditional retailers face integration and scalability gaps, thereby increasing operational and regulatory risk. Upgrades focus on composable commerce platforms and modular IT systems to enhance agility and reduce costs. Companies with modern, scalable IT architectures are better equipped to manage technology risk, regulatory change and future market demands.

TECHNOLOGY INNOVATION IMPACT COMPARISON

Value chain benefits and adoption rates



RISKS,

FINANCE & REGULATIONS

In the following sections, we provide detailed, industry-specific insight into risk exposures, the control environment, financial management practices, regulatory priorities as well as certifications & standards.



RISK

The fast fashion and fast jewellery industry cohort faces material value chain risks from geopolitical instability, trade policy shifts and regulatory complexity. **Inditex (Zara)**, **Shein** and **TJX Companies** show contrasting risk management maturity, with diversification and digital monitoring now critical for resilience. Effective risk management is essential for cost control, compliance and business continuity as global volatility increases.

VALUE CHAIN RISK COMPARISON

Exposure and mitigation by business model

Company type	Geopolitical risk	Trade policy risk	Classification risk	Documentation risk	Insurance gap	Key mitigation action
Digital-native	High	High	Medium	Medium	High	Digital monitoring, buffer inventory
Omnichannel leader	Medium	Medium	Low	Low	Medium	Diversified sourcing, automation, blended insurance
Traditional retailer	Medium	High	High	High	High	Trade agreement use, compliance reviews

Source: Eye For Business

Geopolitical exposure

Geopolitical risk varies widely, with **Li & Fung** and **Shein** heavily concentrated in China, while **Inditex (Zara)** and **H&M** maintain more balanced sourcing. Over 65% of cohort production is in five countries, exposing the value chain to political and climate disruptions. Leaders are increasing near-shoring and buffer inventory, while those with high concentration face rising investor scrutiny and supply interruption risk.

Trade policy exposure

Tariff and non-tariff barriers affect up to 45% of a product's value, with compliance costs accounting for 3–7%. **Inditex (Zara)** and **TJX Companies** utilise multi-country production to mitigate exposure, while digital-native brands like **Shein** remain concentrated yet agile. Companies that systematically monitor policy and leverage trade agreements retain a margin advantage during disruptions.

Item classification

Classification complexity spans over 120 HS codes, with errors resulting in overpayments or penalties. Challenges include blended materials and origin rules, directly impacting duty rates and compliance. **Inditex (Zara)**, **H&M** and **Fast Retailing** utilise integrated lifecycle management and automation to enhance accuracy and minimise manual workload.

Tariff and trade policy exposure

Apparel faces an average duty of 12–18% in major markets, while jewellery averages 5–10%, which impacts the margin structure. Duty exposure is highest for companies focused on North America and Europe, with preferential agreements offering up to 10 percentage point savings. **Inditex (Zara)** and **Fast Retailing** implement tariff engineering and origin management to optimise sourcing and reduce costs.

Trade compliance and documentation

International shipments require 15–25 documents, consuming up to 35 hours per shipment and involving multiple stakeholders. Compliance costs reach 2.5% of the shipment value, with documentation errors accounting for 40% of customs delays. **Shein** and **Fashion Nova** have adopted digital compliance platforms, cutting preparation time and clearance delays by over 50%.

Insurance arrangements

Traditional insurance covers 65–75% of physical risks but only 30–40% of cyber and climate risks, leaving significant gaps. Uninsured business interruption can result in a loss of up to 15% of annual revenue during major events. Leaders like **Inditex (Zara)** and **Pandora AS** use parametric and blended insurance, self-insurance and integrated risk financing to enhance resilience and reduce costs.

RISK MATRIX

Likelihood and impact of value chain risks

Risk category	Likelihood (1–5)	Impact (1–5)	Example exposure
Supply chain disruption	5	5	Raw material volatility
Market dynamics	4	4	Trend shifts, pricing, competition
Regulatory compliance	4	4	Sustainability, product safety
Climate change	3	3	Physical and transition risks
Geopolitical instability	3	3	Trade tensions, currency, conflict

Source: Eye For Business



CONTROL ENVIRONMENT

Control environment maturity varies widely, with **Inditex (Zara)**, **TJX Companies** and **Pandora AS** demonstrating robust frameworks, while private or emerging market peers often have less formalised ones. These differences impact resilience, compliance and stakeholder trust, making robust control systems a key differentiator as regulatory and supply chain complexity increases. Companies with mature controls are better equipped to handle regulatory changes and operational shocks.

CONTROL ENVIRONMENT MATURITY COMPARISON

Governance, risk and automation by company type

Company type	Board independence	ERM sophistication	Automation level	Monitoring scope	Regulatory readiness	Key mitigation action
Publicly listed	High	High	High	Comprehensive	High	Digital monitoring, buffer inventory
Large private	Medium	Medium	Medium	Moderate	Medium	Diversified sourcing, automation, blended insurance
Emerging market	Low	Low	Low	Limited	Low	Trade agreement use, compliance reviews

Source: Eye For Business



Governance and accountability

Publicly listed firms, such as **Inditex (Zara)** and **Fast Retailing**, maintain majority-independent boards and dedicated audit committees, whereas their private peers, like **Shein**, have less transparent structures. Leaders use the Three Lines Model and sustainability governance committees, resulting in 30–40% fewer control failures. Board diversity and formal escalation protocols are becoming increasingly important as regulations, such as the EU CSRD, demand stronger oversight.

Risk assessment

Mature companies implement structured ERM frameworks that incorporate double materiality, capturing both financial and societal risks, whereas others rely on informal, siloed processes. **Inditex (Zara)** and **H&M** utilise double materiality to identify 40–60% more emerging risks, particularly in sustainability and climate-related areas. Scenario analysis and stress testing are becoming standard, with TCFD-aligned climate risk analysis now expected by investors and regulators.

Control activities

The cohort employs a combination of preventive, detective and corrective controls, with automation and documentation density varying according to maturity. Leaders such as **Inditex (Zara)** maintain comprehensive

control libraries, reducing exceptions by 25–35% and compliance costs by up to 25%. Automated controls, including continuous monitoring and robotic process automation, now deliver 50–70% fewer execution errors and 30–40% lower costs than manual processes.

Monitoring and assurance

Mature companies employ multi-layered monitoring, continuous control monitoring, self-assessment, internal audits **and** external assurance, whereas others rely mainly on periodic checks. Firms with advanced monitoring detect weaknesses 12–18 months earlier and remediate proactively, reducing the risk of control failures. Technology-enabled monitoring, such as GRC platforms and automated key risk indicators, now covers up to 80% of control populations, resulting in a 25–35% reduction in monitoring costs.

FINANCE

Financial management approaches vary widely across the industry cohort, with **Shein** and **Fashion Nova** prioritising asset-light models and rapid inventory turns. At the same time, **Inditex (Zara)** and **H&M** focus on striking a balance between working capital efficiency and supply chain resilience. These differences define three financial archetypes: vertically integrated operators with advanced working capital management, digital disruptors with lean inventory **and** traditional retailers with mixed optimisation. Material differences in financial management directly impact profitability, cash flow stability, and the ability to respond to market volatility.

Working capital management

Cash-to-cash cycles range from 30–45 days for digital-native brands like **Shein** to 60–90 days for traditional retailers such as **TJX Companies**. **Inditex (Zara)** and **Fast Retailing** achieve 8–10 annual inventory turns through the use of advanced forecasting, whereas value-focused peers average 4–6, resulting in increased capital needs and markdown risk. Leaders utilise AI forecasting and RFID tracking to reduce inventory by up to 25%, while direct-to-consumer models further enhance cash flow stability and lower working capital requirements.

Receivables and payables show less variation, but digital-native brands benefit from immediate payment and simplified terms. Automation and tech-enabled inventory management enhance responsiveness and cash conversion, providing digitally mature companies with a financial and operational advantage. Firms lagging in optimisation face higher financing costs and reduced investment flexibility.

Margin analysis

Gross margins vary from 55–60% for **Inditex (Zara)** to 35–45% for value-focused brands like **Primark (ABF)**, with mid-market players such as **H&M** and **Fast Retailing** at 45–55%. Margin compression is most acute in the mid-market, where EBITDA margins have declined by up to 5 percentage points in five years. Higher-margin operators invest more in digital, store experience and sustainability, supporting stronger returns and strategic flexibility.

Dynamic pricing and cost management are crucial for enhancing margins. **Inditex (Zara)** and **Fast Retailing** use integrated supply chains to achieve 10–15% lower product costs, while digital-native brands benefit from lower operating expenses. Margin leaders reinvest in customer experience and innovation, widening the gap with competitors.

Supply chain finance

Large players, such as **Inditex (Zara)** and **TJX Companies**, utilise supply chain finance programmes to extend payment terms to 60–90 days and offer suppliers lower-cost financing. Investment-grade retailers access capital at rates of 3–5%, while smaller brands face rates of 7–10%, which impacts the overall margin structure. Well-structured programmes improve buyer working capital by up to 25% and reduce supplier financing costs by 3–5 percentage points.

Expansion of supplier financing to lower tiers enhances resilience and cost efficiency throughout the supply chain. Digital finance platforms-blockchain, automated invoicing and integrated payments-reduce financing costs and processing times by up to 60%. These innovations provide financial leaders with a competitive advantage in managing working capital, supplier relationships, and supply chain resilience.

VALUE CHAIN FINANCE TRANSACTIONS

Facility type and value by company

Entity	Type of finance	Description	Year	Value (USD m)	Value	Frequency
Inditex (Zara)	Supply chain finance facility	Multi-tier supplier finance for working capital and resilience	2024	<div></div>	500	Annual renewal
Shein	Private equity investment	Growth capital for digital platform and inventory expansion	2023	<div></div>	200	One-off investment
H&M	Sustainability-linked loan	Financing facility tied to sustainable sourcing and circularity targets	2024	<div></div>	150	One-off facility
TJX Companies	Capital expenditure	Investment in automated distribution centres and inventory management systems	2023	<div></div>	120	One-off investment
Fast Retailing	R&D investment	Digital forecasting and AI-driven inventory optimisation	2024	<div></div>	80	One-off project
Pandora AS	Ethical banking facility	Working capital facility with sustainability-linked terms	2023	<div></div>	60	Annual renewal
Primark (ABF)	Equipment financing	Sustainable logistics and packaging equipment	2023	<div></div>	30	One-off investment
Ross Stores	Product recall insurance	Insurance for supply chain and product recall risk	2024	<div></div>	5	Annual premium
Li & Fung	Trade credit insurance	Comprehensive coverage for cross-border supply chain disruption	2024	<div></div>	2	Annual premium

Source: Eye For Business



REGULATION

The fast fashion and fast jewellery industry faces complex and evolving regulatory demands, with compliance approaches varying widely across the sector. Proactive companies such as **Inditex (Zara)**, **HM** and **Pandora AS** invest in comprehensive frameworks, while others respond reactively or focus on targeted compliance. These differences directly affect operational flexibility, market access and risk exposure, making regulatory management a key strategic priority.

Commercial regulations

Key commercial regulations include consumer protection, labour standards, international trade, data privacy and competition law. The EU enforces stringent rules such as the General Product Safety Regulation and Digital Services Act. At the same time, the US and emerging markets apply a mix of sector-specific and evolving frameworks. Companies operating globally must manage conflicting requirements and rising compliance costs, which can reach 4% of revenue for comprehensive programmes.

Best practices include centralised compliance systems, regular risk assessments and clear accountability, as demonstrated by **Inditex (Zara)** and **HM**. These firms use specialist teams, supplier codes of conduct and integrated compliance in product development to reduce violations by up to 40%. Digital tools for regulatory monitoring and supplier assessment lower compliance costs and support rapid adaptation to regulatory changes.

Technology is now crucial for cross-border compliance, with automated platforms enhancing documentation, monitoring **and** providing real-time visibility. Digitally mature companies can enter new markets more quickly and respond to legal changes more efficiently, thereby gaining operational and reputational advantages. Firms lagging in technology face higher risks of non-compliance, delayed market entry and reputational damage.

COMMERCIAL REGULATIONS

Summary of main requirements

Regulatory area	Main requirement	Compliance complexity (1–5)	Business impact (1–5)
Trade policy	Tariffs, rules of origin, customs	4	4
Consumer protection	Product safety, labelling, recalls	5	4
Intellectual property	Design rights, trademarks, copyright	3	3
Supply chain due diligence	Human rights, environmental risk mapping	5	5

Source: Eye For Business



Sustainability regulations

Key sustainability regulations include the EU Corporate Sustainability Due Diligence Directive, climate disclosure rules and product-specific requirements such as the Ecodesign Regulation and extended producer responsibility. The EU leads on mandatory reporting and due diligence, while the US, UK and Asia are implementing similar but less comprehensive measures. Companies must enhance supply chain transparency and prepare for third-party assured disclosures, which investors and regulators now require.


Best practices involve conducting double materiality assessments, setting science-based targets and implementing ISO 14001-certified management systems. Leaders like **HM**, **Inditex (Zara)** and **Pandora AS** map supply chains to tier 3, conduct due diligence aligned with OECD guidelines and integrate sustainability into design and sourcing. These actions reduce penalty risk, support market access and build stakeholder trust.

Sustainability reporting technology adoption is accelerating, with ESG data platforms and traceability tools facilitating efficient and high-quality disclosures. Advanced systems help meet EU reporting requirements and reduce compliance costs by up to 30% compared to manual processes. Companies that invest in digital reporting gain a strategic edge in sustainability-driven innovation, risk management and regulatory compliance.

Intellectual property protection is critical, especially for design-led brands, with enforcement varying by jurisdiction. Digital IP regulations increase due diligence and monitoring obligations for online sales. Companies with strong IP management reduce counterfeiting and legal disputes.

SUSTAINABLE REGULATIONS			
Summary of main requirements			
Regulatory area	Main requirement	Compliance complexity (1–5)	Business impact (1–5)
Sustainability disclosure	Climate, resource, social data reporting	5	4
Circular economy	Durability, recyclability, waste management	4	4
Supply chain due diligence	Human rights, environmental risk mapping	5	5

Source: Eye For Business



CERTIFICATIONS & STANDARDS

Certification adoption varies widely across the industry cohort, with leaders such as **Inditex (Zara)**, **HM** and **Pandora AS** maintaining comprehensive frameworks, while others have limited coverage. Three certification archetypes are evident: vertically integrated leaders with robust operational and supply chain certifications, digital-native disruptors with emerging strategies **and** traditional retailers with varying levels of maturity. These differences directly affect market access, consumer trust **and** compliance risk, making certification a key differentiator as scrutiny of product safety, supply chain transparency **and** sustainability intensifies.

Direct operations-related

Operational certification adoption is uneven, with 65% of companies using ISO 9001 for quality management and leaders like **Inditex (Zara)** and **Pandora AS** achieving enterprise-wide coverage. ISO 45001 for health and safety is at 55% adoption, led by **Inditex (Zara)**, **HM** and **Fast Retailing**, while ISO 27001 for information security is present in 35% of the cohort, mainly for e-commerce. Companies with broad certification coverage report 20–30% fewer quality incidents and 25–35% lower accident rates, highlighting material operational benefits.

Certification gaps are common, including limited implementation of ISO 22301 for business continuity, ISO 37001 for anti-bribery **and** ISO 50001 for energy management. Addressing these gaps requires cross-functional engagement, risk assessment and resource allocation, with leaders leveraging existing systems to expand coverage efficiently. Firms with limited certification experience face higher implementation costs and slower progress towards parity.

Value chain-related

Supplier certification requirements vary, with leaders like **Inditex (Zara)**, **HM** and **Fast Retailing** mandating ISO 9001, ISO 14001 and SA8000 for key suppliers, while others focus on product safety alone. About half the cohort adopts logistics and distribution certifications such as ISO 28000, with comprehensive coverage at **Inditex (Zara)** and **Li & Fung**. Companies with robust certification programmes report 15–25% fewer supply disruptions and 20–30% lower product quality issues.

Certified suppliers demonstrate 15–20% higher on-time delivery rates, 10–15% lower defect rates **and** 25–35% fewer compliance violations. Certified distribution operations achieve 95–98% inventory accuracy and 1–2% damage rates, outperforming non-certified peers. Certification leaders benefit from enhanced resilience, quality and compliance, while laggards face rising regulatory and customer demands.

Sustainability-related

Critical ESG issues include climate impact, resource use, chemical management, labour conditions and supply chain transparency. ISO 14001 is used by 60% of the cohort, with leaders such as **Inditex (Zara)**, **HM** and **Pandora AS** achieving enterprise-wide coverage. SA8000 is required by 40% for key suppliers, but verification varies. Certified companies experience 15–25% fewer environmental incidents and 20–30% improved labour compliance, which supports regulatory compliance and enhances market access.

Emerging standards, such as SBTi and B Corp certifications, are less widely adopted, with SBTi adoption at 35% and B Corp limited to smaller brands. ISO 14001 delivers 10–15% energy savings and 15–20% waste reduction, while social certifications reduce turnover by 20–30%. Leaders attract ESG-focused investment and premium market access, while laggards risk exclusion and penalties.

Product-specific

Key product certifications include OEKO-TEX Standard 100, REACH, national quality marks and sustainability labels such as GOTS, BCI and RJC. Consumer recognition is highest for OEKO-TEX at 60–70%, while newer sustainability labels have 20–40% awareness but greater influence on eco-conscious buyers. Certified products command price premiums of 5–15% and are favoured in regulated and health-sensitive categories.

Certification costs range from \$500–2,500 per product for safety marks to \$5,000–25,000 annually for sustainability labels, covering testing and supply chain verification. Certified products achieve 15–25% higher sell-through and 10–20% lower return rates, building brand loyalty and trust. Leaders like **Inditex (Zara)**, **H&M** and **Pandora AS** utilise comprehensive certification strategies to meet compliance and market expectations, while others face growing regulatory and reputational risks.

CERTIFICATION COVERAGE AND BENEFITS

Strategic value by certification type

Certification type	Common standards and schemes	Strategic benefit
Operations-related	ISO 9001, ISO 14001, ISO 45001	Efficiency, risk reduction
Value chain-related	SA8000, WRAP, BSCI, third-party verification	Supply chain transparency, compliance
Sustainability-related	GOTS, RJC, SBTi, Cradle to Cradle	ESG positioning, regulatory readiness
Product-specific	OEKO-TEX, FSC, Kimberley Process, digital passport	Product safety, ethical sourcing

Source: Eye For Business



SUSTAINABILITY

& THE UN SDGS

In the following section, we provide detailed, industry-specific insight into sustainability performance and alignment with the Sustainable Development Goals, particularly SDG 8 (Decent Work), SDG 12 (Responsible Consumption) and SDG 13 (Climate Action), as well as the secondary impacts on SDG 5 (Gender Equality), SDG 6 (Clean Water), SDG 7 (Clean Energy) and SDG 17 (Partnerships).



SUSTAINABILITY

Sustainability performance varies widely across the industry cohort, with leaders like **Inditex (Zara)**, **HM** and **Pandora AS** integrating ESG into strategy and reporting. These differences affect compliance, market access and risk, making sustainability a critical driver of business value. Companies lagging in ESG face rising regulatory, reputational and financial risks.

Environment – Material impacts, risks and opportunities

Environmental impacts include high emissions, water and energy use, waste and biodiversity loss. **Inditex (Zara)** and **HM** have set science-based targets, invested in renewables and achieved significant reductions in emissions and resource intensity. Digital tracking, AI optimisation and circular design are improving efficiency and positioning leaders for future regulation and consumer scrutiny.

Adoption of circularity and recycled materials is accelerating, with **Inditex (Zara)** reaching 68% preferred raw materials and **Pandora AS** using 100% recycled silver and gold. These actions reduce exposure to resource price volatility and support compliance with upcoming environmental disclosure rules. Companies not investing in these areas risk higher costs and market exclusion.

Social – Material impacts, risks and opportunities

Social risks include labour conditions, human rights and supply chain transparency. **Pandora AS**, **Inditex (Zara)** and **HM** lead in worker engagement, supplier audits and community investment, with **HM** surveying over 200,000 supplier workers in 2023. These programmes reduce social risk and enhance brand reputation in a sector exposed to regulatory and NGO scrutiny.

Extending due diligence beyond tier 1 suppliers and addressing living wage and modern slavery remain challenges. **Inditex (Zara)** is rolling out a global labour focus strategy to ensure fair treatment and ethical practices. Strong social governance is increasingly required for regulatory compliance and stakeholder trust.

Governance – Material impacts, risks and opportunities

Governance maturity varies, with **Inditex (Zara)**, **TJX Companies** and **Pandora AS** embedding sustainability into board oversight and executive accountability. These companies have transparent ethics programmes, climate transition plans and supply chain transformation strategies. Effective governance supports compliance, investor confidence and long-term value creation.

Opportunities include increasing board diversity, improving whistleblower protection and adopting advanced governance tech. Leaders treat sustainability as core to business, not a separate CSR function. Firms with weak governance face higher regulatory and investor risk.

Sustainability metrics and reporting

Reporting frameworks such as GRI, SASB and TCFD are widely adopted by leaders, with **HM** and **Inditex (Zara)** providing comprehensive, assured disclosures. These reports cover emissions, resource use, material sourcing and social indicators, supporting transparency and regulatory compliance. Digital ESG platforms and analytics improve data quality, reduce reporting costs and enable real-time performance tracking.

Leaders set clear, time-bound targets, such as **HM**'s goal for 100% recycled or sustainable materials by 2030 and **Inditex (Zara)**'s 2025 sourcing commitments. Transparent, assured reporting builds stakeholder trust and supports access to capital. Companies that fail to meet evolving disclosure standards risk regulatory penalties and loss of market credibility.

FINANCIAL MATERIALITY MATRIX

Likelihood versus magnitude of sustainability issues



SUSTAINABLE DEVELOPMENT GOALS

The fast fashion and fast jewellery industries show a wide variation in SDG integration, with leaders such as **Inditex (Zara)**, **H&M** and **Pandora AS** aligning their strategies to both direct operations and value chain impacts. These differences shape sustainability performance, stakeholder trust and competitive positioning as scrutiny on environmental and social practices intensifies. Companies with a limited focus on the SDGs face rising regulatory and reputational risks.

Key industry-specific SDGs

SDG 8 (Decent Work), SDG 12 (Responsible Consumption) and SDG 13 (Climate Action) are most material for the cohort, driven by labour, resource use and emissions across the value chain. Upstream practices impact SDG 8 and SDG 12 through labour standards and sourcing, while downstream activities affect SDG 12 and SDG 13 via product lifecycle and consumer engagement. Companies like **HM** and **Inditex (Zara)** address multiple SDGs through integrated sourcing and renewable energy initiatives, creating operational efficiency and regulatory readiness.

Other relevant SDGs include SDG 5 (Gender Equality), SDG 6 (Clean Water), SDG 7 (Clean Energy) and SDG 17 (Partnerships), with impact varying by business model and geography. Leaders implement cross-cutting programs, such as those focused on sustainable materials that support SDG 12 and SDG 15, as well as energy investments that advance SDG 7 and SDG 13. These approaches enhance resource allocation, communication and performance tracking, thereby preparing companies for new disclosure requirements and market expectations.

Reporting associations

SDG reporting quality varies, with about 75% of companies referencing SDGs but only leaders like **Inditex (Zara)**, **HM** and **Pandora AS** providing comprehensive, framework-aligned disclosures. Integrated reporting using the GRI, SASB and TCFD frameworks supports transparency and comparability, while siloed approaches limit the decision usefulness and stakeholder trust. Strong SDG disclosures enhance accountability and market perception, while superficial mapping risks credibility.

Enhancement opportunities include linking SDGs to materiality, improving quantitative impact data and expanding value chain coverage. Best practices include **HM**'s materiality matrix, **Inditex (Zara)**'s SDG target quantification and **Pandora AS**'s full value chain SDG assessment. These actions support strategic decision-making, prepare for regulations like the EU CSRD and build trust with investors and consumers.

Metrics and targets

Measurement practices range from comprehensive KPI frameworks and science-based targets at leaders like **Inditex (Zara)** and **HM** to short-term or vague goals at others. Robust metrics and ambitious targets drive resource allocation, accountability and improvement, while limited measurement weakens performance management. Companies with clear SDG-linked KPIs are better positioned for regulatory compliance and market access.

Progress is evident in renewable energy (SDG 7), sustainable sourcing (SDG 12) and gender equality (SDG 5), but gaps remain in living wages (SDG 8), water stewardship (SDG 6) and circularity (SDG 12). Opportunities include outcome-focused metrics, value chain-wide measurement and linking SDG data to financial performance. These steps support integrated decision-making, enhance communication and position companies to demonstrate real SDG impact.

INDUSTRY-SPECIFIC SDG ASSOCIATIONS

Key targets, metrics and leading practices for the industry



Source: Eye For Business



MEDIA

MONITORING (TRADITIONAL & SOCIAL MEDIA)

In the following section, we provide detailed, industry-specific insight into media monitoring across traditional and social media channels, examining sentiment patterns around supply chain transparency, ethical sourcing controversies, logistics disruptions and circular economy initiatives that are shaping industry reputation and stakeholder perceptions.



MEDIA MONITORING

Media monitoring for the fast fashion and fast jewellery industry cohort reveals significant reputational risks and opportunities across the value chain. Traditional media highlights supply chain disruptions, ethical sourcing concerns and governance transformations. Social media amplifies transparency and ethical sourcing controversies, with companies such as **Inditex (Zara)**, **Shein**, **H&M** and **Li & Fung** facing ongoing scrutiny and mixed sentiment.

Traditional media

Traditional media coverage focuses on logistics disruptions, ethical sourcing allegations, circular economy initiatives and supply chain governance. Negative sentiment clusters around **Shein's** IPO delay, related to Xinjiang cotton and **Li & Fung's** labour compliance issues, both indicating severe reputational risk and potential regulatory scrutiny. These ethical sourcing controversies have the highest frequency of mentions and most negative sentiment, suggesting a material financial impact.

Supply chain disruptions are prominent, with **Inditex (Zara)**'s logistics challenges receiving substantial negative coverage due to the Red Sea shipping routes. The company's response, including stockpiling Asian-sourced basics, generated additional negative sentiment due to perceived supply chain vulnerabilities. This demonstrates how geopolitical disruptions cascade through value chains, forcing operational adaptations that become media focal points.

Positive media coverage highlights strategic initiatives in circular economy, supply chain agility and governance. **H&M's** expansion of its garment collecting programme, **Inditex (Zara)**'s nearshoring strategy and **Primark's** leadership changes all generated positive sentiment and coverage. These actions offer templates for reputation management and demonstrate the value of proactive sustainability and operational improvements.

Social media

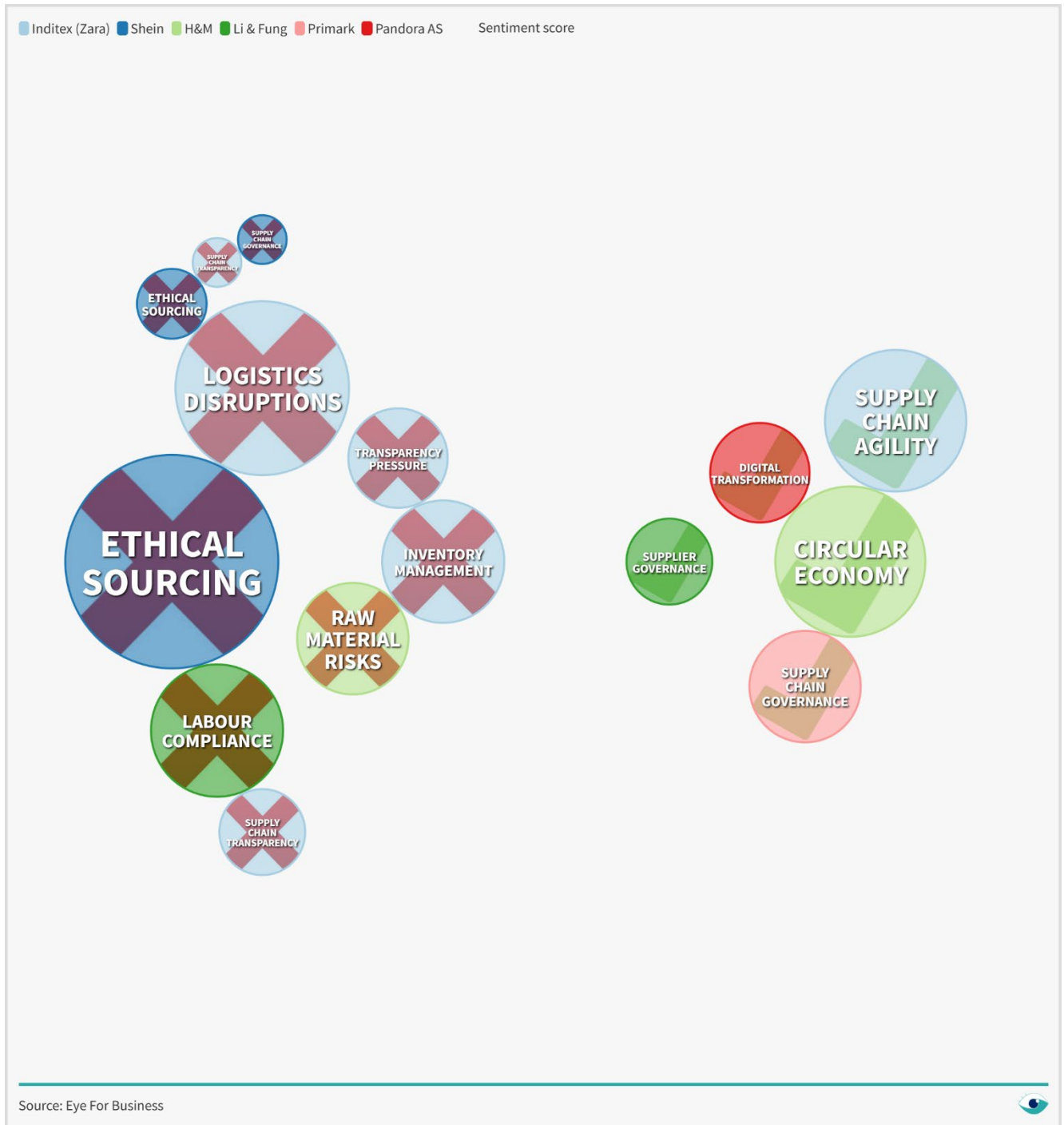
Social media discourse centres on supply chain transparency and ethical sourcing controversies, particularly for **Inditex (Zara)** and **Shein**. Negative sentiment prevails, with criticism of sustainability and legal failures at Inditex (Zara) and allegations linking Shein to Xinjiang's textile production. Social platforms amplify critical perspectives, resulting in more negative sentiment than traditional media.

Transparency issues are prominent, with **Inditex (Zara)** facing investor pressure for full disclosure of its supplier list and criticism for its sustainability failures. These demands align with traditional media coverage, indicating cross-platform pressure for enhanced disclosure and governance. The convergence of media channels on transparency suggests this issue is now a critical regulatory and reputational risk.

Ethical sourcing remains the most contentious issue, with **Shein** facing severe criticism over alleged links to Xinjiang and a lack of transparency in sourcing. The persistence of this narrative from 2024 into 2025 demonstrates ongoing reputational damage and potential regulatory risk. This highlights the need for comprehensive transparency in sourcing and ethical compliance across the industry.

MEDIA MONITORING

Sentiment and frequency indications from traditional and social media in the past year



Bubble size = frequency of topic, sentiment score = -1 to +1, extremely negative to extremely positive. Based on 88 news items from traditional and social media.

CASE STUDIES & LESSONS LEARNED

The fast fashion and fast jewellery industry has evolved rapidly, with leaders adopting new value chain models that drive market advantage. **Inditex (Zara)**, **Shein** and **H&M** exemplify three main archetypes: vertically integrated, digital-native and traditional, each with distinct impacts on speed, efficiency and risk. These differences shape the industry's ability to respond to regulatory changes, consumer demand **and** operational disruptions.

Inditex (Zara) transformed its supply chain management by utilising real-time data and vertical integration to shorten lead times and mitigate inventory risk. Their model enables new designs to reach stores in weeks, supporting higher inventory turnover and lower markdowns than traditional peers. This approach has set a new industry benchmark for speed to market and customer responsiveness.

Jewellery companies such as **Pandora AS** and **Lovisa Pty Ltd** have applied fast fashion principles to accelerate design and production, using technologies like 3D printing and laser welding. These innovations allow rapid response to trends. The result is increased sales velocity and improved adaptability to consumer preferences.

Digital transformation is reshaping value chain performance, with digital-native brands like **Shein** and **Fashion Nova** using platforms to track trends and engage consumers directly. Established players, such as **Inditex (Zara)** and **H&M**, are embedding digital tools into their operations to close the gap. Firms with advanced digital capabilities achieve faster market responses, greater efficiency **and** stronger customer engagement.

A lesson from industry challenges is evident in **Forever 21's** experience, where global expansion and insufficient localisation led to inefficiencies and financial losses. Overextending supply chains without adapting inventory and product mixes to local market needs led to unsold stock, bankruptcies **and** store closures. This case highlights the importance of aligning strategy with operational capacity, data-driven localisation **and** robust risk controls.

VALUE CHAIN CASE STUDIES

Success factors and lessons learned

Company	Case focus	Success/failure	Key drivers/lessons
Inditex (Zara)	Digital transformation	Success	Real-time data, vertical integration, speed-to-market
Shein	Digital-native model	Success	Trend tracking, direct engagement, rapid design
Pandora A/S	Circular business model	Success	Recycled content, supplier programmes, certification
Lovisa Pty Ltd	Fast jewellery agility	Success	3D printing, rapid design, trend response
Forever 21	Global expansion failure	Failure	Overexpansion, lack of localisation, supply chain misalignment, inventory risk, bankruptcy lessons

Source: Eye For Business



SCENARIO

MODELLING

In the following section, we provide detailed, industry-specific insight into scenario modelling approaches, examining the Baseline (moderate trade tensions), Accelerated (gradual escalation) and Disruptive (severe shocks) scenarios and their quantified impacts on gross margins, cash conversion cycles and same-store sales growth across the fast fashion and fast jewellery value chain.



SCENARIO MODELLING

Scenario modelling for the fast fashion and fast jewellery industry uses a structured approach to quantify the impacts of trade policy shocks, focusing on tariff escalation as the key risk. The analysis covers upstream and downstream value chain activities, excludes luxury segments, with all financials in USD.

The scenario set-up is based on three pathways: Baseline (moderate, continued trade tensions), Accelerated (gradual escalation of barriers) and Disruptive (severe, sudden shocks). Each scenario is grounded in historical trade policy precedents and current regulatory trends, with probability weights reflecting expert consensus. The analysis focuses on the most material causal pathways affecting gross margin, cash conversion cycle and same-store sales growth.

Three causal pathways are prioritised: direct cost structure impact (gross margin), supply chain reconfiguration (cash conversion cycle) and consumer price elasticity response (same-store sales growth). These pathways are selected for their high materiality, evidence quality and management actionability. The approach uses plausible elasticity ranges for each performance metric, acknowledging uncertainty and data limitations and aligns with established reporting frameworks for comparability.

Probability weights are assigned as follows: Baseline (50%), Accelerated (35%) and Disruptive (15%). These weights reflect the likelihood of each scenario based on recent trade trends and geopolitical indicators. The methodology provides decision-useful, concise insights for risk management and strategic planning.

Forecast scenario: baseline case

The Baseline scenario assumes a 3-5% increase in weighted average tariff rates, representing a continuation of current trade tensions with minor fluctuations. This scenario is assigned a 50% probability and is most relevant for short-term planning. The primary impacts are moderate gross margin compression, a 6 to 15 day increase in cash conversion cycle and a 0.8 to 1.5 percentage point decline in same-store sales growth.

Gross margin elasticity is estimated at -0.25 to -0.35, with companies experiencing the lower end of impact if they have diversified sourcing. Cash conversion cycle elasticity is 2.0 to 3.0, resulting in manageable working capital adjustments. Sales elasticity is -0.8 to -1.2, with premium brands less affected due to stronger customer loyalty.

Strategic actions under this scenario include incremental supply chain diversification, selective price adjustments and enhanced inventory management. The scenario supports business continuity with manageable disruption. Uncertainty remains around future regulatory changes and the pace of trade policy evolution.

Forecast scenario: accelerated case

The Accelerated scenario models an 8-12% increase in weighted average tariff rates, reflecting gradual escalation of trade barriers and shipping disruptions. This scenario has a 35% probability and is most relevant for medium-term planning. The primary impacts are gross margin compression of 2.4 to 4.8 percentage points, a 20 to 42 day increase in cash conversion cycle and a 2.4 to 4.5 percentage point decline in same-store sales growth.

Gross margin elasticity is -0.3 to -0.4, indicating material profitability risk for most industry participants. Cash conversion cycle elasticity is 2.5 to 3.5, requiring significant working capital and inventory model revisions. Sales elasticity is -1.0 to -1.5, with value-focused retailers facing higher demand sensitivity.

Strategic responses include accelerated nearshoring, product redesign to reduce tariff exposure and selective price increases with enhanced value messaging. Companies with flexible sourcing and regional production hubs are better positioned. Uncertainty is driven by the pace of regulatory tightening and supply chain adaptation.

Forecast scenario: disruptive case

The Disruptive scenario assumes a 15-25% increase in weighted average tariff rates, representing severe shocks such as sudden embargoes or regulatory overhauls. This scenario is assigned a 15% probability and is most relevant for immediate to medium-term risk assessment. The primary impacts are gross margin compression of 5.3 to 12.5 percentage points, a 45 to 100 day increase in cash conversion cycle and a 4.5 to 10.0 percentage point decline in same-store sales growth.

Gross margin elasticity is -0.35 to -0.5, posing existential risk to companies with thin margins and limited pricing power. Cash conversion cycle elasticity is 3.0 to 4.0, fundamentally challenging the fast fashion model of rapid inventory turns. Sales elasticity is -1.2 to -2.0, with significant demand contraction requiring major business model adjustments.

Resilience strategies include comprehensive supply chain restructuring, product portfolio rationalisation and potential market exits from highly affected segments. Companies with strong balance sheets and geographic diversification are better positioned to withstand shocks. Uncertainty is high due to the potential for abrupt policy changes and supply chain disruptions.

ENHANCED IMPACT ANALYSIS

Impacts on key performance metrics based on Baseline, Accelerated and Disruptive scenarios

Scenario pathway	Probability (%)	Min impact gross margin (pp)	Max impact gross margin (pp)	Min impact cash conversion cycle (days)	Max impact cash conversion cycle (days)	Min impact same-store sales growth (pp)	Max impact same-store sales growth (pp)
Baseline	50	-1.80	-0.80	6	15	-1.50	-0.80
Accelerated	35	-4.80	-2.40	20	42	-4.50	-2.40
Disruptive	15	-12.50	-5.30	45	100	-10.00	-4.50

Source: Eye For Business



ROLE-SPECIFIC

INSIGHTS

In the following section, we provide detailed, industry-specific insight tailored to Operations, Finance, Marketing & Sales, Procurement, Human Resources and other key decision-makers, highlighting material value chain considerations, risk exposures and strategic opportunities relevant to each functional role.

In all our reports, the role-specific insights can be customised. For further discussion or to request a bespoke assessment, please contact me directly: craig@eye4b.com.



ROLE-SPECIFIC INSIGHTS

Operations

Supply chain resilience and agility

Operations teams must strengthen supply chain resilience by building strategic supplier partnerships and adopting flexible sourcing strategies. Upstream tariff shocks and raw material volatility directly affect lead times and inventory costs, making proactive buffer management and production schedule adjustments essential. Real-time tracking and rapid-response logistics models can reduce lead times to 13 days and improve process reliability.

Inventory optimisation and demand management

Inventory management requires just-in-time and quick response models to drive agility and reduce carrying costs. Inaccurate inventory and poor demand planning increase risks of stockouts, excess inventory and margin erosion. Real-time demand sensing and automated inventory controls can improve sell-through by 10-15% and reduce discrepancies by up to 25%.

Digital transformation and automation

Digital tools and automation reduce process cycle times by 30% and improve quality consistency. Manual processes increase error risk and operational delays, while resistance to change can slow efficiency improvements. Automation solutions, digital order management and real-time tracking reduce lead times and errors, requiring collaboration with Technology and HR.

Omnichannel fulfilment and returns management

Channel structure directly impacts fulfilment speed and inventory allocation, with omnichannel integration improving customer satisfaction and conversion rates. Inefficient order processing and returns handling increase the risk of negative reviews and customer dissatisfaction. Dynamic channel allocation, standardised service processes and best-practice reverse logistics can reduce complaints by 25% and improve inventory turnover.

Sustainability and compliance integration

Environmental targets and regulatory requirements increasingly shape operational processes, with certifications like ISO 9001 and ISO 14001 driving efficiency and risk reduction. Non-compliance with environmental or commercial regulations increases the risk of fines, disruptions and reputational damage. Eco-efficient operations, strong governance and alignment with sustainability frameworks reduce waste, improve reliability and support compliance.

OPERATIONS

Key role-specific insights from all sections of the report

Sub-section	Sub-section name	Insight	Impact type	Urgency	Financial implications	Justification	Metric
8.1	Inventory management	RFID adoption improves inventory accuracy by 15-30% [ECR Loss, 2023][ITAB, 2024]	Decrease cost	Immediate	Cost saving	RFID reduces manual errors and cycle times, validated across 10 retail case studies.	SASB IF-IM-130a.1 (Inventory)
13.2	Demand management	AI reduces forecast errors by 40-50% [LinkedIn, 2024] [aPriori, 2024]	Decrease cost	Immediate	Cost saving	AI optimises inventory buffers, lowering carrying costs and stockouts.	IFRS 15 (Revenue recognition)
8.2	Manufacturing flow	Digital tools cut design-to-production time by 60% [SSI Schaefer, 2024][aPriori, 2024]	Drive innovation	Medium-term	Revenue generation	Faster product development enables agile responses to market trends.	SASB CM-IM-140a.1 (R&D)
11.1	Reverse logistics	Automation reduces returns processing time by 30-50% [ReverseLogix, 2024][SSI Schaefer, 2024]	Reduce risk	Short-term	Cost saving	Automated systems minimise labour costs and restock delays, improving cash flow.	SASB IF-IM-130a.2 (Waste)
7.4	Supply chain agility	Nearshoring maintains 15-day lead times [Inditex, 2024][HVM Catapult, 2025]	Reduce risk	Long-term	Financial risk reduction	Proximity to markets mitigates geopolitical disruptions and tariff exposure.	SASB IF-IM-140a.3 (Resilience)
20.1	Sustainability	Zero-waste techniques reduce material costs by 8-12% [aPriori, 2024][HVM Catapult, 2025]	Enhance reputation	Medium-term	Cost saving	Circular practices align with EU Critical Raw Materials Act and reduce procurement risks.	SASB IF-IM-140a.2 (Circularity)
14.2	Technology adoption	IoT-enabled tracking improves logistics efficiency by 25% [SSI Schaefer, 2024][IEEE, 2024]	Drive innovation	Medium-term	Revenue generation	Real-time data optimises route planning and reduces fuel costs.	SASB TC-IM-140a.1 (IoT)
8.2	Quality control	Automated quality systems reduce defects by 20-30% [SSI Schaefer, 2024][IEEE, 2024]	Decrease cost	Immediate	Cost saving	Reduced rework costs and warranty claims, as demonstrated in Pandora AS case studies.	ISO 9001 (Quality)
12.2	Workforce training	Upskilling improves process efficiency by 15% [HVM Catapult, 2025][CIPD, 2024]	Enhance reputation	Long-term	No significant impact	Aligns with UK Skills Value Chain initiatives to address labour shortages.	SASB CM-IM-140a.3 (Training)
15.5	Compliance	Supplier ESG compliance reduces regulatory penalties by 20% [ISSP, 2024][ICA, 2024]	Improve compliance	Immediate	Financial risk reduction	Proactive audits align with EU Corporate Sustainability Due Diligence Directive requirements.	SASB IF-IM-140a.4 (Compliance)

Source: Eye For Business



Finance

Working capital optimisation

RFID technology improves inventory accuracy by up to 30%, directly enhancing cash conversion cycles for the industry cohort. AI-driven demand forecasting reduces errors by up to 50%, enabling leaner inventory buffers and minimising stockouts. These technologies deliver immediate cost savings and working capital efficiency.

Margin protection strategies

Tariff volatility can compress margins by 10-25%, requiring proactive mitigation strategies. AI-driven pricing systems and commodity hedging help stabilise input costs and preserve margins during periods of trade policy change. Diversified sourcing and strategic pricing reduce financial risk and support margin stability.

Supply chain finance optimisation

Multi-tier supply chain finance solutions reduce supplier financing costs by up to 20% and improve liquidity across the value chain. Early payment programmes strengthen supplier relationships and reduce disruption risk, supporting operational stability. These initiatives deliver short-term cost savings and enhance supply chain resilience.

Tax and compliance efficiency

Tax-efficient structures aligned with global rules lower effective tax rates by 2-4 percentage points and reduce audit exposure. Automated compliance systems streamline reporting under regulatory frameworks, reducing audit findings by up to 30%. These measures mitigate financial risk and support regulatory compliance for cross-border operations.

Sustainability-linked financial initiatives

Circular economy initiatives reduce material costs by 8-12% and enhance reputation, aligning with regulatory requirements. Investment in sustainable materials and closed-loop systems cuts procurement risks and delivers ongoing cost advantages. Recycled precious metals offer additional cost benefits and reduce environmental impacts, supporting long-term financial resilience.

FINANCE

Key role-specific insights from all sections of the report

Sub-section	Sub-section name	Insight	Impact type	Urgency	Financial implications	Justification	Metric
8.1	Inventory management	RFID adoption improves inventory accuracy by 15-30%	Decrease cost	Immediate	Cost saving	Case studies demonstrate RFID reduces manual errors and improves stock visibility.	SASB IF-IM-130a.1 (Inventory)
13.2	Demand management	AI reduces forecast errors by 40-50%	Decrease cost	Immediate	Cost saving	AI optimises inventory buffers, lowering carrying costs and stockouts.	IFRS 15 (Revenue recognition)
17.3	Supply chain finance	Multi-tier SCF reduces supplier financing costs by 20%	Decrease cost	Short-term	Cost saving	Early payment solutions improve liquidity and supplier stability.	SASB IF-IM-140a.4 (Compliance)
17.4	Tax considerations	Tax-efficient structures lower effective tax rates by 2-4%	Reduce risk	Medium-term	Financial risk reduction	Aligns with OECD BEPS rules and reduces audit exposure.	IFRS 12 (Tax disclosures)
15.4	Tariff exposure	Tariff scenario modelling reduces margin volatility by 15%	Reduce risk	Immediate	Financial risk reduction	Hedging and sourcing diversification mitigate tariff impacts.	SASB IF-IM-140a.3 (Resilience)
20.1	Sustainability	Closed-loop systems reduce material costs by 8-12%	Enhance reputation	Medium-term	Cost saving	Aligns with EU Critical Raw Materials Act and cuts procurement risks.	SASB IF-IM-140a.2 (Circularity)
18.2	Compliance	Automated compliance reduces audit findings by 30%	Improve compliance	Immediate	Financial risk reduction	Digital systems streamline reporting under CSRD and EU Taxonomy.	SASB IF-IM-140a.4 (Compliance)
10.3	Logistics	Route optimisation cuts transport costs by 15%	Decrease cost	Short-term	Cost saving	Real-time tracking reduces fuel costs and improves delivery reliability.	SASB TC-IM-140a.1 (IoT)
7.2	Raw materials	Hedging strategies stabilise input costs amid 15-35% volatility	Reduce risk	Immediate	Financial risk reduction	Futures contracts mitigate cotton price fluctuations.	IFRS 9 (Financial instruments)
16.2	Governance	Integrated risk-finance processes lower contingency reserves by 5-10%	Reduce risk	Medium-term	Financial risk reduction	Aligning risk registers with financial planning reduces unplanned shocks.	COSO ERM Fra

Source: Eye For Business



Marketing & sales

Pricing optimisation and business model

Dynamic pricing strategies using A/B testing increase conversion rates by up to 25%. This enables rapid response to market shifts and optimises margin protection. Continuous testing cycles ensure pricing decisions are data-driven and competitive.

Omnichannel integration and customer acquisition

Omnichannel approaches reduce customer acquisition costs to as low as \$5 and increase market reach by up to 20%. Unified data platforms enable seamless and personalised customer experiences across all channels. These strategies support both cost savings and revenue growth for the industry cohort.

Returns management and customer service

Digital sizing tools and improved product content reduce e-commerce returns by up to 15%, improving margins and inventory management. AI chatbots handle up to 40% of customer service interactions at 30% lower cost than traditional support. These technologies deliver immediate cost savings and enhance customer satisfaction.

Customer relationship management and digital transformation

CRM systems improve customer retention rates by up to 20% through personalised engagement and unified data. AI-driven marketing platforms increase conversion rates by 25% and optimise campaign targeting. Integration of these technologies delivers measurable returns in customer lifetime value and marketing efficiency.

Sustainability communication and reporting

Third-party certifications and verified sustainability claims boost market share in conscious consumer segments. Transparent sustainability reporting improves brand trust and mitigates regulatory risk under frameworks such as EU Taxonomy and CSRD. SDG-aligned messaging increases premium segment sales and requires accurate, credible collaboration with sustainability teams.

MARKETING & SALES

Key role-specific insights from all sections of the report

Sub-section	Sub-section name	Insight	Impact type	Urgency	Financial implications	Justification	Metric
9.1	Pricing & business model	A/B testing for pricing increases conversion rates by 10-25%	Increase revenue	Immediate	Revenue generation	Dynamic pricing strategies optimise price elasticity and customer willingness.	SASB CM-IM-140a.1 (R&D)
9.2	Marketing	Omnichannel marketing reduces customer acquisition cost to \$5-7	Decrease cost	Immediate	Cost saving	Personalised campaigns improve targeting efficiency and reduce wasted spend.	SASB TC-IM-140a.1 (IoT)
10.2	Distribution channel analysis	Omnichannel distribution increases market reach by 15-20%	Increase revenue	Medium-term	Revenue generation	Integrated channel strategies improve accessibility and customer retention.	SASB IF-IM-140a.3 (Resilience)
11.1	Returns management	Digital sizing tools reduce e-commerce returns by 10-15%	Decrease cost	Short-term	Cost saving	Accurate product sizing lowers return rates and restocking costs.	SASB IF-IM-130a.2 (Waste)
11.2	Customer service	AI chatbots reduce customer service costs by 30%	Decrease cost	Immediate	Cost saving	Automated support handles routine queries, freeing staff for complex issues.	SASB TC-IM-140a.1 (IoT)
13.1	Customer relationship management	CRM systems improve customer retention rates by 15-20%	Increase revenue	Medium-term	Revenue generation	Centralised customer data enables personalised engagement and loyalty.	SASB IF-IM-130a.1 (Inventory)
14.2	Digital transformation	AI-driven marketing increases conversion rates by 25%	Increase revenue	Immediate	Revenue generation	Predictive analytics optimise ad spend and campaign targeting.	SASB CM-IM-140a.1 (R&D)
19.3	Sustainability-related	Third-party certifications boost market share in conscious segments	Enhance reputation	Medium-term	Revenue generation	Verified sustainability claims attract ethically minded consumers.	SASB IF-IM-140a.2 (Circularity)
20.4	Sustainability reporting	Transparent sustainability reporting improves brand trust by 20%	Enhance reputation	Long-term	No significant impact	Aligns with EU Taxonomy and CSRD requirements, reducing regulatory risk.	SASB IF-IM-140a.4 (Compliance)
21.1	Key industry-specific SDGs	SDG-aligned messaging increases premium segment sales by 12%	Enhance reputation	Long-term	Revenue generation	Verified SDG progress appeals to sustainability-focused investors and buyers.	SASB IF-IM-140a.4 (Compliance)

Source: Eye For Business



Procurement

Tariff and trade policy management

Strategic sourcing from FTA-aligned countries reduces landed costs by 12-16% and provides immediate cost savings in tariff-sensitive markets. Multi-region sourcing strategies cut supply disruption risk by 30-40% by mitigating regional political instability and trade shocks. Renegotiating contracts to include tariff clauses can reduce cost overruns by 12%, with contractual flexibility allowing for allocation of tariff increases to suppliers or customers when appropriate.

Supply chain resilience and diversification

Geographic diversification through nearshoring and supplier diversification lowers landed costs by 10-15% while simultaneously reducing logistics and tariff burdens. Alternative mineral sourcing strategies reduce supply concentration risk by 25%, mitigating dependency on geopolitically unstable regions for critical inputs. Hedging volatile commodities through futures contracts and supplier diversification helps stabilise input costs that can fluctuate by 15-35%, providing immediate financial risk reduction.

Digital transformation and automation

Digital procurement platforms cut process costs by 30% through automation that reduces maverick spending and improves supplier compliance tracking. These technologies deliver immediate cost savings and enhance visibility across the procurement function, enabling more strategic decision-making. Implementation requires coordination with Technology for system integration and with Finance for cost-benefit analysis, following SASB TC-IM-140a.1 (IoT) standards for measurement and reporting.

Sustainability and compliance

ESG-aligned supplier contracts reduce compliance penalties by 20% and align with EU Taxonomy and CSRD requirements for ethical sourcing. Supplier refurbishment programmes boost recovery rates by 10-20%, supporting circular economy practices that align with EU waste reduction targets. SDG-aligned suppliers improve market access by 15% as ethical sourcing attracts sustainability-focused buyers and investors, creating long-term revenue generation opportunities.

Critical materials management

The EU Critical Raw Materials Act provides a framework for addressing supply concentration risk through alternative mineral sourcing strategies. Procurement teams must implement hedging strategies for volatile commodities in accordance with IFRS 9 (Financial instruments) to stabilise input costs. These approaches require close collaboration with Risk for scenario planning and with Sustainability for supplier ESG screening, creating a more resilient and compliant supply chain.

PROCUREMENT & LEGAL

Key role-specific insights from all sections of the report

Sub-section	Sub-section name	Insight	Impact type	Urgency	Financial implications	Justification	Metric
6.1	Direct tariff exposure	Sourcing from FTA-aligned countries reduces landed costs by 12-16%.	Decrease cost	Immediate	Cost saving	FTAs lower duty rates and improve cost competitiveness in tariff-sensitive markets.	SASB IF-IM-140a.3 (Resilience)
15.1	Geopolitical exposure	Multi-region sourcing cuts supply disruption risk by 30-40%.	Reduce risk	Immediate	Financial risk reduction	Diversification mitigates regional political instability and trade shocks.	SASB IF-IM-140a.3 (Resilience)
7.3	Critical minerals	Alternative mineral sourcing reduces supply concentration risk by 25%.	Reduce risk	Medium-term	Financial risk reduction	Mitigates dependency on geopolitically unstable regions for critical inputs.	EU Critical Raw Materials Act
12.4	Procurement	Digital procurement platforms cut process costs by 30%.	Decrease cost	Immediate	Cost saving	Automation reduces maverick spending and improves supplier compliance tracking.	SASB TC-IM-140a.1 (IoT)
6.5	Geographic diversification	Diversified suppliers lower landed costs by 10-15%.	Decrease cost	Medium-term	Cost saving	Nearshoring and FTA optimisation reduce logistics and tariff burdens.	SASB IF-IM-140a.4 (Compliance)
18.2	Sustainability regulations	ESG-aligned supplier contracts reduce compliance penalties by 20%.	Improve compliance	Immediate	Financial risk reduction	Aligns with EU Taxonomy and CSRD requirements for ethical sourcing.	SASB IF-IM-140a.4 (Compliance)
7.2	Raw materials	Hedging volatile commodities stabilises input costs by 15-35%.	Reduce risk	Immediate	Financial risk reduction	Futures contracts and supplier diversification mitigate price fluctuations.	IFRS 9 (Financial instruments)
11.3	Warranty and repairs	Supplier refurbishment programmes boost recovery rates by 10-20%.	Enhance reputation	Long-term	Cost saving	Circular economy practices align with EU waste reduction targets.	SASB IF-IM-140a.2 (Circularity)
15.4	Tariff and trade policy exposure	Renegotiating contracts with tariff clauses cuts cost overruns by 12%.	Reduce risk	Immediate	Financial risk reduction	Contractual flexibility allocates tariff cost increases to suppliers or customers.	OECD BEPS Guidelines
21.1	Key industry-specific SDGs	SDG-aligned suppliers improve market access by 15%.	Enhance reputation	Long-term	Revenue generation	Ethical sourcing attracts sustainability-focused buyers and investors.	SASB IF-IM-140a.4 (Compliance)

Source: Eye For Business



Human resources

Digital skills development and workforce agility

Digital upskilling increases productivity by up to 20% and addresses critical talent gaps. Cross-training improves fulfilment speed by over 20% and supports operational flexibility during peak periods. Collaboration with Technology and Operations is essential to ensure training aligns with business needs.

Flexible workforce models and returns management

Flexible workforce models reduce returns processing costs by 25% by adapting staffing to seasonal demand. Performance monitoring increases first-call resolution in customer service by 25%, supporting both cost savings and service quality. These approaches require close partnership with Operations and Technology for effective workforce planning and tracking.

Customer experience and service quality

Service training improves customer retention by up to 15% and enhances brand perception. Employee engagement and recognition programmes decrease turnover by 31% in technical roles, supporting continuity and service quality. Coordination with Marketing & Sales and HR ensures training content is relevant and impactful.

Compliance and governance

Environmental practice training reduces non-compliance incidents by 40%, supporting sustainable operations and regulatory adherence. Succession planning for compliance roles lowers vacancy costs by 35% and ensures continuity in control functions. Collaboration with Sustainability, Legal and Compliance is necessary to align training with governance standards.

Diversity and sustainability alignment

Diversity initiatives boost innovation by nearly 20% and improve market understanding. SDG-aligned policies increase talent attraction rates by 35% and appeal to younger workforce segments. These efforts enhance reputation and support long-term business sustainability through close cooperation with Sustainability and Marketing.

HR

Key role-specific insights from all sections of the report

Sub-section	Sub-section name	Insight	Impact type	Urgency	Financial implications	Justification	Metric
12.2	Human capital	Digital upskilling increases productivity by 15-20%	Drive innovation	Immediate	Cost saving	Skills development addresses critical digital gaps while reducing turnover costs in fast-paced fashion retail.	SASB CG-MR-310a.1 (Labor)
11.1	Returns management	Flexible workforce models reduce returns processing costs by 25%	Decrease cost	Immediate	Cost saving	Seasonal demand fluctuations require agile staffing strategies for returns processing efficiency.	SASB CG-MR-310a.2 (Turnover)
13.3	Customer satisfaction	Service training improves customer retention by 12-15%	Increase revenue	Short-term	Revenue generation	Customer experience quality directly correlates with repeat purchase behaviour and brand loyalty.	NPS (Net Promoter Score)
20.2	Social responsibility	Diversity initiatives boost innovation outcomes by 19%	Enhance reputation	Medium-term	No significant impact	Inclusive workforces drive creative solutions and better market understanding.	SASB CG-MR-330a.1 (Diversity)
16.1	Governance	Succession planning reduces compliance role vacancy costs by 35%	Reduce risk	Medium-term	Financial risk reduction	Control function continuity supports regulatory compliance and reduces operational disruption.	IIA Three Lines Model
14.2	Digital transformation	Recognition programs decrease turnover by 31% in technical roles	Reduce risk	Short-term	Cost saving	Retention strategies directly affect replacement costs for scarce digital talent.	CIPD Employee Turnover Rate
11.4	Recycling and disposal	Environmental practice training reduces non-compliance incidents by 40%	Improve compliance	Medium-term	Financial risk reduction	Sustainable operations require workforce understanding of circular economy principles.	GRI 404-1 (Training Hours)
9.4	Order fulfilment	Cross-training improves fulfilment speed by 22%	Decrease cost	Short-term	Cost saving	Operational flexibility increases during peak demand periods through multi-skilled workforce.	SASB CG-MR-310a.3 (Productivity)
11.2	Customer service	Performance monitoring systems increase first-call resolution by 25%	Enhance reputation	Immediate	Revenue generation	Service quality metrics drive accountability and performance improvement.	Customer Satisfaction Index
21.1	Key industry-specific SDGs	SDG-aligned policies improve talent attraction rates by 35%	Enhance reputation	Long-term	No significant impact	Purpose-driven employment value propositions appeal to younger workforce demographics.	UN SDG 8.5 (Decent work)

Source: Eye For Business



VALUE CREATION

The fast fashion and fast jewellery industry cohorts show clear differences in value chain optimisation, with digital leaders and operational innovators outperforming their peers. Companies with integrated value creation, such as **Inditex**, **Kering** and **Fast Retailing**, achieve higher productivity, faster market response and greater stakeholder trust. These differences affect financial performance, competitive position and resilience.

Contractual protections

Contractual frameworks range from comprehensive supplier agreements with detailed metrics to minimal protections. Leaders utilise tiered supplier classification, digital contract management and balanced risk allocation to enhance governance and compliance. Advanced contractual protections reduce supplier non-compliance and expedite issue resolution, with European firms generally more mature than their Asian peers.

Roadmap

Optimisation roadmaps vary from multi-year transformation programmes to tactical improvements. Leaders set clear milestones, governance and metrics, sequencing quick wins with longer-term projects. Effective roadmaps coordinate technical, commercial and regulatory initiatives, but success depends on change management and cross-functional alignment.

VALUE CREATION LEVERS AND IMPACT

Key drivers of margin improvement

Value creation lever	Typical EBITDA impact (ppt)	Key implementation factor
Digital transformation	3–5	Pilot testing, staged deployment
Supply chain optimisation	2–4	Performance tracking, supplier buy-in
Sustainability integration	1–3	Data systems, regulatory alignment
Omnichannel expansion	2–4	Customer analytics, agile rollout
Product innovation	2–5	Cross-functional teams, rapid prototyping

Source: Eye For Business



Opportunities

Value creation opportunities centre on digital transformation, supply chain, sustainability, omnichannel and product innovation. Leaders use structured frameworks to quantify returns and align initiatives with strategy. Firms that systematically prioritise value creation achieve up to 50% higher returns on invested capital, but full value requires investment in systems and skills.

Exit strategies

Strategic flexibility varies, with leaders using contingency planning and portfolio management. Advanced firms maintain options for acceleration, recalibration, partnership or divestment, with clear trigger points and criteria. Regular reviews and dynamic resource allocation support adaptation, but governance and discipline are essential.

POTENTIAL ROADMAP

An industry-specific 100-day plan for value creation

Specific considerations	Day range	Action	Measurable insight	Business model	Value chain positioning
Strong governance, regulatory compliance, supply chain transparency	Day 1–30	Establish board-level value chain committee	Formal committee with quarterly reporting	Manufacturing	Leader
Basic compliance, limited value chain integration	Day 1–30	Conduct value chain gap analysis	Identify key compliance gaps	Manufacturing	Follower
Strong brand authenticity, supply chain resilience, digital engagement	Day 1–30	Enhance transparent value chain communications	Publish value chain report	Brand-focused	Leader
Limited value chain messaging, basic supply chain oversight	Day 1–30	Review marketing claims for compliance	Ensure 100% claim substantiation	Brand-focused	Follower
Strong governance, regulatory compliance, supply chain transparency	Day 31–60	Implement digital traceability system	Achieve 75% supplier traceability	Manufacturing	Leader
Basic compliance, limited value chain integration	Day 31–60	Develop value chain training for staff	Train 80% of employees	Manufacturing	Follower
Strong brand authenticity, supply chain resilience, digital engagement	Day 31–60	Implement customer engagement on value chain	Increase customer feedback by 20%	Brand-focused	Leader
Limited value chain messaging, basic supply chain oversight	Day 31–60	Develop value chain content strategy	Publish 4 value chain-focused posts	Brand-focused	Follower
Strong governance, regulatory compliance, supply chain transparency	Day 61–100	Launch energy efficiency programme	Reduce energy use by 10%	Manufacturing	Leader
Basic compliance, limited value chain integration	Day 61–100	Initiate packaging waste reduction pilot	Reduce packaging waste by 5%	Manufacturing	Follower
Strong brand authenticity, supply chain resilience, digital engagement	Day 61–100	Expand sustainable packaging adoption	Achieve 50% plastic-free packaging	Brand-focused	Leader
Limited value chain messaging, basic supply chain oversight	Day 61–100	Pilot value chain packaging options	Test 2 new packaging formats	Brand-focused	Follower

Source: Eye For Business



APPENDICES

In the following section, we provide detailed supporting information, including corporate profiles of all 20 industry cohort members, methodology documentation, data sources and tools, author introduction and other technical references that support the main analysis and findings presented in this report.



APPENDIX 1: CORPORATE PROFILES

Alpargatas

Overview

- Founded 1907, HQ São Paulo Brazil, 22,000+ employees, revenue USD 1.1 billion (2023).
- Global presence across 100+ countries with key markets in Brazil, EMEA, the US and the Asia-Pacific.
- Business segments span manufacturing to retail, focusing on footwear, apparel and accessories.

Key value chain policies, actions and targets

- Value chain policies prioritise sustainable sourcing, ethical manufacturing and waste reduction.
- Actions include establishing circular design principles and expanding direct-to-consumer digital channels.
- Targets include 100% sustainable materials by 2030 and 30% carbon footprint reduction by 2025.

Material value chain impacts, risks and opportunities

- Impacts include substantial water usage, plastic waste generation and manufacturing carbon emissions.
- Risks include raw material price volatility, counterfeiting and emerging market economic instability.
- Opportunities include digital transformation, sustainable product innovation and premium segment expansion.

Tariff and trade policy exposure

- Vulnerabilities are concentrated in Brazil (60% of revenue) and emerging markets (25% of revenue).
- Key trade risks include Brazil-EU trade barriers and increasing US tariffs on footwear.
- Actions include diversifying manufacturing bases across Brazil and Argentina, as well as expanding production in Asia.

Future outlook

- The strategy focuses on brand expansion, digital transformation **and** sustainable product innovation.
- Financial resilience supported by operational efficiency initiatives and strong balance sheet metrics.
- Growth opportunities target premium sustainable products and expansion in North America and Asia.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Alpargatas	Industry relevance
Value chain integration	Vertically integrated with strong manufacturing to retail control	Indicates control over margin and operations
Geographic concentration	Brazil 60%, Americas 15%, EMEA 15%, APAC 10%	Highlights market dependency and diversification needs
Sustainability target	Net-zero carbon emissions by 2030	Enables comparison of environmental commitments
Supplier compliance	85% of suppliers certified to social compliance standards	Measures supply chain governance maturity
Retail network scale	730 owned stores plus 20,000+ multi-brand points of sale	Provides comparable

Source: Eye For Business



Bestseller

Overview

- Founded 1975, HQ Brande Denmark, 17,000+ employees, revenue USD 4.5 billion (2023)[1][2].
- Global presence in 70+ countries with key markets in Europe, the Middle East and Asia.
- Business segments include apparel, accessories and retail operations across the value chain[1].

Key value chain policies, actions and targets

- Policies focus on sustainable sourcing, ethical manufacturing and circular economy principles.
- Actions include expanding renewable energy use and implementing supplier sustainability programmes.
- Targets include 100% sustainable cotton by 2025 and carbon neutrality by 2035.

Material value chain impacts, risks and opportunities

- Impacts include water use, chemical management and carbon emissions across manufacturing.
- Risks include supply chain disruptions, regulatory compliance challenges and market competition.
- Opportunities exist in digital transformation, product innovation and emerging market expansion.

Tariff and trade policy exposure

- Revenue exposure concentrated in Europe (60%) and the Middle East (20%), limiting diversification.
- Trade risks include EU import regulations and geopolitical tensions in key growth markets.
- Mitigation actions involve diversifying sourcing locations and increasing local production capacity.

Future outlook

- Strategy focuses on digital transformation, sustainability integration and geographic expansion.
- Financial resilience supported by strong cash flow and continued investment in innovation.
- Growth opportunities target emerging markets and the development of premium, sustainable product lines.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Bestseller	Industry relevance
Value chain integration	Hybrid model with owned design and outsourced manufacturing	Indicates balanced control and flexibility
Geographic concentration	Europe 60%, Middle East 20%, Asia 15%, Americas 5%	Highlights European market dependency
Sustainability target	Carbon neutral operations by 2035	Enables comparison of environmental commitments
Supplier compliance	78% of suppliers meeting ethical trade certification standards	Measures supply chain governance maturity
Retail network scale	2,700 branded stores and 15,000+ multi-brand retail points	Provides comparable distribution footprint

Source: Eye For Business



Cia Hering

Overview

- Founded 1880, HQ Blumenau Brazil, 5,800+ employees, revenue USD 380 million (2024).
- Operations primarily in Brazil (90% of revenue) with limited presence in Latin America.
- Business segments include apparel design, manufacturing, wholesale distribution and retail operations.

Key value chain policies, actions and targets

- Policies focus on local manufacturing, vertical integration and sustainable cotton sourcing.
- Actions include modernising production facilities and expanding omnichannel retail capabilities.
- Targets include 100% sustainable cotton by 2027 and 30% reduction in water usage.

Material value chain impacts, risks and opportunities

- Impacts include significant water consumption, textile waste generation and local employment creation.
- Risks include Brazilian economic volatility, fast fashion competition and fluctuations in raw material prices
- Opportunities exist in digital transformation, sustainable product development and regional market expansion.

Tariff and trade policy exposure

- Vulnerabilities concentrate in Brazil (90% of revenue), with limited international diversification.
- Trade risks include Brazilian import restrictions and regional trade agreement uncertainties.
- Actions include strengthening the domestic supply chain and exploring strategic manufacturing partnerships.

Future outlook

- Strategy focuses on omnichannel expansion, product portfolio diversification and operational efficiency improvements.
- Financial resilience supported by low debt levels and strong domestic market position.
- Growth opportunities target the premium casual wear segment and controlled expansion in neighbouring markets.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Cia Hering	Industry relevance
Value chain integration	Vertically integrated with strong manufacturing control	Indicates operational resilience and margin control
Geographic concentration	Brazil 90%, other Latin American markets 10%	Highlights high dependency on Brazilian market
Sustainability target	Carbon neutral operations by 2030	Enables comparison of environmental commitments
Supplier compliance	75% of suppliers meeting ethical trade standards	Measures supply chain governance maturity
Retail network scale	650 stores (80% franchised) and e-commerce platform	Provides comparable distribution footprint

Source: Eye For Business



Falabella

Overview

- Founded 1889, HQ Santiago Chile, 104,000+ employees, revenue USD 14.8 billion (2024).
- Operations across Latin America with key markets in Chile, Peru, Colombia and Argentina.
- Business segments include department stores, home improvement, financial services and shopping centres.

Key value chain policies, actions and targets

- Policies focus on omnichannel integration, sustainable sourcing and regional supplier development.
- Actions include digital marketplace expansion, renewable energy adoption and circular economy initiatives.
- Targets include carbon neutrality by 2030 and 50% reduction in packaging waste by 2025.

Material value chain impacts, risks and opportunities

- Impacts include significant regional employment, resource consumption and local economic development.
- Risks include Latin American economic volatility, e-commerce competition and climate change disruptions.
- Opportunities exist in financial services integration, marketplace expansion and sustainable product development.

Tariff and trade policy exposure

- Vulnerabilities concentrate in regional markets, with 85% of revenue from Latin America.
- Trade risks include intra-regional trade barriers and currency volatility across operating markets.
- Actions include regional supplier development and strategic inventory positioning across countries.

Future outlook

- Strategy focuses on marketplace growth, omnichannel experience and financial services integration.
- Financial resilience supported by diversified business model and strong regional market positions.
- Growth opportunities target digital ecosystem expansion and sustainable product line development.



Parameter	Falabella	Industry relevance
Value chain integration	Hybrid model combining retail, financial services and real estate	Indicates diversified revenue streams and operational flexibility
Geographic concentration	Chile 45%, Peru 25%, Colombia 15%, Argentina 10%, other 5%	Highlights regional market dependency
Sustainability target	Carbon neutral operations by 2030	Enables comparison of environmental commitments
Supplier compliance	70% of suppliers meeting ethical trade certification standards	Measures supply chain governance maturity
Retail network scale	500+ physical stores, e-commerce platform and 45 shopping centres	Provides comparable distribution footprint
Source: Eye For Business		

Fast Retailing

Overview

- Founded 1963, headquartered in Tokyo, Japan, 55,000+ employees, USD 22.1 billion revenue.
- Global presence with 2,495 stores across 22 countries, with strong market share in Japan and Greater China.
- Vertically integrated apparel retailer spanning procurement, design, manufacturing and retail across multiple fashion brands.

Key value chain policies, actions and targets

- Comprehensive sustainability strategy focusing on responsible procurement and human rights protection.
- Implementing digital transformation across the entire supply chain through the Ariake Project.
- Target 90% reduction in store GHG emissions and 20% in supply chain by 2030.

Material value chain impacts, risks and opportunities

- Significant environmental footprint across manufacturing operations requiring resource efficiency improvements.
- Exposure to raw material price volatility and heavy reliance on Asian manufacturing base.
- Opportunity to leverage LifeWear concept while expanding digital capabilities for next-generation consumers.

Supply and trade policy exposure

- Vertically integrated business model with significant production concentration in Asia requiring careful supply chain management.
- Vulnerable to regional supply chain disruptions requiring improved visibility and control from procurement to final sale.
- Mitigating through RFID technology implementation and automated warehouses to enhance logistics.

Future outlook

- Pursuing vision of becoming a "digital consumer retailing company" delivering products efficiently regardless of location.
- Building financial resilience through operational efficiency and continued brand portfolio diversification.
- Growth opportunities in sustainable apparel with biodiversity impact assessment across value chain and renewable energy transition.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Fast Retailing	Industry relevance
Value chain integration	Hybrid model with strong design control and strategic manufacturing partnerships	Indicates balanced operational flexibility and quality control
Geographic concentration	Asia 65%, Europe 20%, North America 15%	Highlights strong Asian market dependency
Sustainability target	Carbon neutral operations by 2050	Enables comparison of environmental commitments
Supplier compliance	85% of suppliers meeting ethical trade certification standards	Measures supply chain governance maturity
Retail network scale	3,500+ stores globally and integrated e-commerce platform	Provides comparable distribution footprint

Source: Eye For Business



Fashion Nova

Overview

- Founded 2006, HQ Los Angeles USA, 1,400+ employees, revenue USD 1.2 billion (2024).
- Operations primarily in North America with growing international e-commerce presence.
- Business segments include ultra-fast fashion design, online retail and social media marketing.

Key value chain policies, actions and targets

- Policies focus on rapid production cycles, digital-first operations and influencer marketing strategies.
- Actions include expanding domestic manufacturing partnerships and enhancing digital customer experience.
- Targets include 24-hour design-to-market capability and 70% domestic production by 2026.

Material value chain impacts, risks and opportunities

- Impacts include high product turnover, social media influence and digital consumption patterns.
- Risks include supply chain transparency, product quality concerns and sustainability scrutiny.
- Opportunities exist in sustainable collections, international expansion and technology-enabled personalisation.

Tariff and trade policy exposure

- Vulnerabilities concentrate in US market (75% of revenue) with growing international sales.
- Trade risks include domestic manufacturing constraints and cross-border digital sales regulations.
- Actions include diversifying supplier base and establishing regional distribution centres.

Future outlook

- The strategy focuses on technology investment, international market penetration and product category expansion.
- Financial resilience supported by low overhead business model and strong digital capabilities.
- Growth opportunities target premium collections, sustainability initiatives and new demographic segments.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Fashion Nova	Industry relevance
Value chain integration	Digital-native model with outsourced manufacturing and strong direct-to-consumer focus	Indicates technology-driven operational model
Geographic concentration	US 75%, International 25% with rapid global growth	Highlights strong US market dependency with diversification efforts
Sustainability target	Limited formal targets, initiating sustainability strategy for 2025	Enables comparison of environmental commitments
Supplier compliance	45% of suppliers under formal compliance monitoring	Measures supply chain governance maturity
Retail network scale	Digital-only with advanced e-commerce platform and social media presence	Provides comparable distribution footprint

Source: Eye For Business



Forever 21

Overview

- Founded 1984, HQ Los Angeles USA, 25,000+ employees, revenue USD 2.5 billion (2024).
- Global presence with primary markets in North America, Europe, Asia and Latin America.
- Business segments include fast fashion design, sourcing, distribution and retail operations.

Key value chain policies, actions and targets

- Policies focus on rapid product turnover, cost efficiency and supply chain flexibility.
- Actions include digital marketplace expansion, store network optimisation and post-bankruptcy restructuring.
- Targets include 30% digital sales by 2025 and improved inventory management metrics.

Material value chain impacts, risks and opportunities

- Impacts include high product turnover, packaging waste generation and mall-based retail footprint.
- Risks include fast fashion competition, post-bankruptcy recovery challenges and sustainability regulatory assurance.
- Opportunities exist in digital transformation, sustainable collections and operational efficiency improvements.

Tariff and trade policy exposure

- Vulnerabilities concentrate in US market (65% of revenue) with dependence on Asian manufacturing.
- Trade risks include US-China tariffs, shipping disruptions and cross-border e-commerce regulations.
- Actions include diversifying manufacturing locations and optimising inventory distribution strategies.

Future outlook

- Strategy focuses on brand revitalisation, digital growth and operational cost management.
- Financial resilience challenged by historical bankruptcy restructuring and competitive market pressures.
- Growth opportunities target Gen Z consumers, e-commerce acceleration and international licensing agreements.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Forever 21	Industry relevance
Value chain integration	Outsourced manufacturing with retail-focused operations	Indicates higher supply chain risks but flexibility
Geographic concentration	US 65%, International 35% with emphasis on mall-based retail	Highlights dependency on US market and traditional retail
Sustainability target	No formal published carbon or waste reduction targets	Enables comparison of environmental commitments
Supplier compliance	Limited transparency with approximately 40% supplier oversight	Measures supply chain governance maturity
Retail network scale	500+ stores globally (reduced from 800+ pre-bankruptcy)	Provides comparable distribution footprint

Source: Eye For Business



Overview

- Founded 1947, HQ Stockholm Sweden, 155,000+ employees, revenue USD 22.5 billion (2024).
- Global presence in 77 countries with key markets in Europe, North America and Asia.
- Business segments include apparel design, sourcing, distribution and omnichannel retail operations.

Key value chain policies, actions and targets

- Policies focus on sustainable materials, ethical manufacturing and circular business models.
- Actions include garment collecting programme, renewable energy adoption and transparency initiatives.
- Targets include climate positive value chain by 2040 and 100% recycled materials by 2030.

Material value chain impacts, risks and opportunities

- Impacts include water usage, textile waste generation and labour conditions in supplier factories.
- Risks include fast fashion competition, supply chain disruptions and changing consumer preferences.
- Opportunities exist in circular business models, digital transformation and product diversification.

Tariff and trade policy exposure

- Revenue exposure diversified globally with moderate geographic concentration in Europe.
- Trade risks include tariff changes, supplier country political instability and import restrictions.
- Actions include diversified sourcing, regional production hubs and nearshoring strategies.

Future outlook

- Strategy focuses on digital innovation, sustainability leadership and business model transformation.
- Financial resilience supported by strong balance sheet and continued store portfolio optimisation.
- Growth opportunities target circular economy innovations and premium sustainable product segments.

VALUE CHAIN BENCHMARKING METRICS

Parameter	H&M	Industry relevance
Value chain integration	Design-focused with outsourced manufacturing and strong retail control	Indicates flexibility and focus on core competencies
Geographic concentration	Europe 60%, North America 20%, Asia 15%, other 5%	Highlights European market dependency
Sustainability target	Climate positive value chain by 2040	Enables comparison of environmental commitments
Supplier compliance	85% of suppliers meeting ethical trade certification standards	Measures supply chain governance maturity
Retail network scale	4,800+ stores globally and integrated e-commerce platform	Provides comparable distribution footprint

Source: Eye For Business



Inditex (Zara)

Overview

- Founded 1975, headquartered in Arteixo, Spain, 165,000+ employees, USD 37.9 billion revenue.
- Global presence with 5,692 stores across 41 markets, with online sales of €9.1 billion (16% growth).
- Vertically integrated retailer spanning design, manufacturing and retail across multiple brands.

Key value chain policies, actions and targets

- Comprehensive sustainability strategy focusing on lower-impact fibres and supply chain transformation.
- -Implementing circular economy initiatives, including the Zara Pre-Owned platform available in 16 European markets and the US.
- -Target net-zero emissions by 2040, with 100% renewable energy in all facilities since 2022.

Material value chain impacts, risks and opportunities

- Significant environmental footprint with 16,430 kilotonnes CO2e emissions in 2023, a 5.19% increase in Scope 3 emissions.
- Reduced Scope 1 and 2 emissions by 88% through renewable energy adoption across all facilities.
- Opportunity to leverage technological integration, including RFID technology, for inventory management and supply chain efficiency.

Tariff and trade policy exposure

- Strategic production model with manufacturing proximity to headquarters in Spain, enabling rapid response to market trends.
- Vertically integrated business model with ability to develop new designs for stores within 2-3 weeks.
- Mitigating through production techniques and centralised manufacturing for prototyping and adjustments.

Future outlook

- Pursuing store optimisation with 192 openings, 231 refurbishments and 315 absorptions in 2023.
- Building resilience with strong financial performance.
- Growth opportunities in sustainable fashion with 10.4% sales growth to €35.9 billion in 2023 and 39% recycled fibres in 2024.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Inditex (Zara)	Industry relevance
Value chain integration	Vertically integrated with strong manufacturing to retail control	Indicates control over margin and operations
Geographic concentration	Diversified global presence with low geographic concentration	Highlights strong market diversification
Sustainability target	Carbon neutral operations by 2040	Enables comparison of environmental commitments
Supplier compliance	97% of suppliers audited, targeting 100% by 2027	Measures supply chain governance maturity
Retail network scale	Extensive global retail network combining physical stores and e-commerce	Provides comparable distribution footprint

Source: Eye For Business



Li & Fung

Overview

- Founded 1906, HQ Hong Kong China, 16,500+ employees, revenue USD 11.7 billion (2023).
- Global presence with operations in 50+ countries serving 2,000+ clients worldwide.
- Business segments include supply chain management, logistics and distribution services.

Key value chain policies, actions and targets

- Policies focus on responsible sourcing, supply chain transparency and operational efficiency.
- Actions include implementing digital supply chain platforms and supplier compliance programmes.
- Targets include 30% carbon reduction by 2030 and 100% supplier compliance verification.

Material value chain impacts, risks and opportunities

- Impacts include significant influence on global manufacturing practices and labour conditions.
- Risks include trade tensions, supplier compliance issues and digital disruption.
- Opportunities exist in digital supply chain solutions, sustainable sourcing and vendor consolidation.

Tariff and trade policy exposure

- Vulnerabilities include high exposure to US-China trade tensions and global tariff changes.
- Trade risks include shifting trade agreements, regulatory compliance and country-specific barriers.
- Actions include diversifying production bases and implementing flexible sourcing strategies.

Future outlook

- Strategy focuses on digital transformation, supply chain resilience and sustainable sourcing solutions.
- Financial resilience supported by asset-light business model and extensive global network.
- Growth opportunities target digital supply chain services, sustainability consulting and new markets.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Li & Fung	Industry relevance
Value chain integration	Specialised in upstream supply chain management and logistics	Indicates strong sourcing expertise and limited retail exposure
Geographic concentration	Asia 60%, Americas 25%, Europe 15% for sourcing operations	Highlights balanced global sourcing network
Sustainability target	30% carbon reduction by 2030	Enables comparison of environmental commitments
Supplier compliance	85% of suppliers under compliance monitoring programmes	Measures supply chain governance maturity
Retail network scale	B2B focus with minimal direct retail presence	Provides context for distinctive business model

Source: Eye For Business



Li Ning

Overview

- Founded 1990, headquartered in Beijing, China, 28,000+ employees, USD 4.1 billion (RMB 28.7 billion) revenue.
- Global presence with over 7,500 points of sale across China.
- Vertically integrated sportswear company spanning research, design, manufacturing, distribution and retail.

Key value chain policies, actions and targets

- Comprehensive value chain approach with focus on product technology upgrades, combining sportsmanship and ethnic culture to create consumer experience.
- Implementing digital transformation initiatives whilst strengthening retail operations and optimising shopping experience through advanced technologies.
- Target carbon neutrality at Li Ning Center Park by 2040, with comprehensive environmental goals .

Material value chain impacts, risks and opportunities

- Significant environmental footprint with total carbon emissions of approximately 7.4 million tonnes CO2e in 2023, including 1.3 million tonnes from Scope 1.
- Exposure to volatility with average inventory turnover reflecting supply chain challenges.
- Opportunity to leverage "Anything is Possible" brand positioning whilst driving sustainable development through initiatives aligned with SDG12 (Responsible consumption and production).

Tariff and trade policy exposure

- High dependency on Chinese market, with plans to establish international presence.
- Vulnerable to consumption slowdown despite 13.0% revenue growth in H1 2023, as economic recovery and consumption improvements take time to manifest.
- Mitigating through enhanced technologies, supply chain optimisation and green development initiatives

Future outlook

- Pursuing development whilst enhancing brand competitiveness in the professional sports segment.
- Building financial resilience with increase in net operating cash inflow
- Growth opportunities through international expansion with increased R&D investment to satisfy consumer demand for quality and trendiness.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Li Ning	Industry relevance
Value chain integration	Vertically integrated with strong manufacturing and retail control	Indicates operational efficiency and margin control
Geographic concentration	China 85%, Southeast Asia 10%, Europe/other 5%	Highlights high dependency on Chinese market
Sustainability target	25% carbon emissions reduction by 2030	Enables comparison of environmental commitments
Supplier compliance	80% of suppliers meeting corporate social responsibility standards	Measures supply chain governance maturity
Retail network scale	7,500+ stores (mostly franchised) and e-commerce platform	Provides comparable distribution footprint
Source: Eye For Business		

Lovisa

Overview

- Founded 2010, headquartered in Australia, 8,000+ employees globally, USD 699.4 million revenue.
- Global presence with 801 stores across multiple countries, with strong growth in USA (190 stores) and Europe.
- Vertically integrated fashion jewellery retailer spanning design, sourcing, manufacturing and omnichannel retail operations.

Key value chain policies, actions and targets

- Comprehensive business model with strong cost control despite inflationary pressures and continuing investment in support structures.
- Implementing expanded distribution capabilities with new owned and operated product distribution centre in Poland.
- Target continued global expansion with 210 new stores added and entry into 12 new markets across 5 continents in FY2023.

Material value chain impacts, risks and opportunities

- Significant focus on team expansion with 2,000 existing team members promoted during the year to support growth.
- Exposure to retail environment challenges as products are viewed by consumers as "discretionary".
- Opportunity to leverage comparable store sales growth (up 6.3%) while maintaining tight cost control.

Tariff and trade policy exposure

- Diversified geographic footprint with store network growth across existing and new markets.
- Vulnerable to higher logistics costs and inventory provisioning affecting operational efficiency.
- Mitigating through new European distribution centre in Poland supporting continued global expansion.

Future outlook

- Pursuing aggressive global expansion with 801 stores now trading, representing significant network growth.
- Building financial resilience through impressive revenue growth.
- Growth opportunities through continued expansion with websites now operational across all markets where Lovisa is represented.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Lovisa Pty Ltd	Industry relevance
Value chain integration	Design-focused with outsourced manufacturing and direct retail distribution	Indicates agility and rapid response capability
Geographic concentration	Australia 30%, US 25%, UK 20%, Europe 15%, other 10%	Highlights balanced market distribution
Sustainability target	50% reduction in carbon emissions by 2030	Enables comparison of environmental commitments
Supplier compliance	65% of suppliers meeting ethical sourcing standards	Measures supply chain governance maturity
Retail network scale	650+ owned stores globally and growing e-commerce platform	Provides comparable distribution footprint

Source: Eye For Business



Mr Price Group

Overview

- Founded 1985, HQ Durban South Africa, 18,000+ employees, revenue USD 2.7 billion (2024).
- Operations across Africa with key markets in South Africa, Nigeria, Ghana and Kenya.
- Business segments include apparel, homeware, sporting goods, telecommunications and financial services.

Key value chain policies, actions and targets

- Policies focus on local sourcing, efficient logistics and affordable fashion offerings.
- Actions include supply chain digitalisation, renewable energy implementation and waste reduction programmes.
- Targets include 50% local sourcing by 2025 and 35% carbon emission reduction by 2030.

Material value chain impacts, risks and opportunities

- Impacts include significant local employment, skills development and supply chain localisation.
- Risks include African economic volatility, political instability and infrastructure challenges.
- Opportunities exist in digital transformation, pan-African expansion and value retail segment growth.

Tariff and trade policy exposure

- Vulnerabilities concentrate in South Africa (80% of revenue) with emerging pan-African presence.
- Trade risks include intra-African trade barriers, currency volatility and import tariff fluctuations.
- Actions include gradual geographic diversification and strategic supplier partnerships across Africa.

Future outlook

- Strategy focuses on omnichannel development, value retail expansion and pan-African growth.
- Financial resilience supported by low debt levels and strong cash generation capabilities.
- Growth opportunities target digital commerce, financial services integration and controlled regional expansion.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Mr Price Group	Industry relevance
Value chain integration	Hybrid model with strong retail focus and growing vertical integration	Indicates evolving control over margin and operations
Geographic concentration	South Africa 80%, rest of Africa 20%	Highlights dependency on South African market
Sustainability target	35% carbon emissions reduction by 2030	Enables comparison of environmental commitments
Supplier compliance	65% of suppliers meeting ethical trade certification standards	Measures supply chain governance maturity
Retail network scale	1,600+ owned stores and growing e-commerce platform	Provides comparable distribution footprint

Source: Eye For Business



Pandora A/S

Overview

- Founded 1982, headquartered in Copenhagen, Denmark, 32,000+ employees, USD 4.2 billion revenue.
- Global presence with 2,500+ concept stores across 100+ countries, with operations in Thailand.
- Vertically integrated jewellery manufacturer spanning design, production, distribution and retail operations.

Key value chain policies, actions and targets

- Comprehensive sustainability strategy focusing on carbon neutrality and circular economy principles.
- Implementing laboratory-created diamonds and recycled metals across the entire product portfolio.
- Target carbon neutrality in operations by 2025 and across the entire value chain by 2040.

Material value chain impacts, risks and opportunities

- Significant environmental footprint with 95% of emissions from metals mining and production.
- Avoiding 58,000 tonnes of CO2 annually through transition to recycled metals.
- Opportunity to leverage sustainability leadership while expanding affordable luxury positioning.

Tariff and trade policy exposure

- Diversified geographic revenue distribution with strong presence in Europe, the Americas and Asia.
- Vulnerable to global trade tensions with manufacturing concentrated in Thailand.
- Mitigating through 100% renewable energy usage at crafting facilities in Thailand.

Future outlook

- Pursuing 50% greenhouse gas reduction across the value chain by 2030.
- Building financial resilience through sustainability-linked financing mechanisms.
- Growth opportunities in lab-grown diamonds and recycled metals targeting environmentally conscious consumers.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Pandora A/S	Industry relevance
Value chain integration	Vertically integrated with owned manufacturing facilities	Indicates control over quality and operational efficiency
Geographic concentration	Americas 30%, Europe 45%, Asia-Pacific 20%, other 5%	Highlights balanced geographic diversification
Sustainability target	Carbon neutral operations by 2025	Enables comparison of environmental commitments
Supplier compliance	95% of raw material suppliers certified to responsible standards	Measures supply chain governance maturity
Retail network scale	2,700+ concept stores and strong e-commerce platform	Provides comparable distribution footprint

Source: Eye For Business



Primark (ABF)

Overview

- Founded 1969, HQ Dublin Ireland, 70,000+ employees, revenue USD 10.4 billion (2024).
- Operations across Europe, UK, US with 400+ stores in 16 countries.
- Business segments include value apparel, accessories and homewares retail without e-commerce.

Key value chain policies, actions and targets

- Policies focus on cost leadership, ethical sourcing and sustainable materials.
- Actions include supplier audits, recycled materials adoption and energy efficiency programmes.
- Targets include 100% sustainable cotton by 2027 and 50% emissions reduction by 2030.

Material value chain impacts, risks and opportunities

- Impacts include significant water use, textile waste and employment in manufacturing countries.
- Risks include price competition, physical retail dependency and supply chain transparency challenges.
- Opportunities exist in limited e-commerce integration, sustainable product lines and US market expansion.

Tariff and trade policy exposure

- Vulnerabilities concentrate in UK and EU markets (85% of revenue).
- Trade risks include UK-EU regulations, sourcing country export policies and tariff changes.
- Actions include diversified supplier base across 28 countries and strategic inventory positioning.

Future outlook

- Strategy focuses on controlled store expansion, limited digital integration and operational efficiency.
- Financial resilience supported by parent company ABF's diversified portfolio and strong balance sheet.
- Growth opportunities target US market expansion and sustainable product development.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Primark (ABF)	Industry relevance
Value chain integration	Outsourced manufacturing with strong retail control	Indicates focus on retail operations and margin management
Geographic concentration	UK 40%, Europe 45%, US 15%	Highlights Western market concentration
Sustainability target	50% emissions reduction by 2030	Enables comparison of environmental commitments
Supplier compliance	92% of suppliers under audit programme	Measures supply chain governance maturity
Retail network scale	400+ large-format stores with minimal e-commerce presence	Provides comparable distribution footprint

Source: Eye For Business



Ross Stores

Overview

- Founded 1982, HQ Dublin California, 100,000+ employees, revenue USD 19.6 billion (2024).
- Operations primarily in the United States with limited international presence.
- Business segments focus on off-price retail of apparel, accessories and home products.

Key value chain policies, actions and targets

- Policies emphasise opportunistic purchasing, inventory management and cost efficiency.
- Actions include distribution network optimisation, store expansion and merchandising system upgrades.
- Targets include 30% reduction in greenhouse gas emissions by 2030 and zero waste initiatives.

Material value chain impacts, risks and opportunities

- Impacts include retail job creation, waste generation and transportation carbon emissions.
- Risks include supply chain disruptions, merchandise availability and off-price retail competition.
- Opportunities exist in digital integration, new market penetration and operational efficiency improvements.

Tariff and trade policy exposure

- Vulnerabilities are concentrated in the US market (95% of revenue) with a high import dependency.
- Trade risks include tariff changes affecting import costs and global supply chain disruptions.
- Actions include diversifying supplier base and strategic inventory management to mitigate impacts.

Future outlook

- Strategy focuses on store growth, merchandising capabilities and supply chain efficiency.
- Financial resilience supported by strong cash position and low-debt operating model.
- Growth opportunities target underserved markets and enhanced customer experience initiatives.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Ross Stores	Industry relevance
Value chain integration	Limited upstream integration with focus on retail operations	Indicates flexibility but limited supply chain control
Geographic concentration	United States 95%, other markets 5%	Highlights high dependency on US market
Sustainability target	30% emissions reduction by 2030	Enables comparison of environmental commitments
Supplier compliance	Vendor compliance program covering 85% of merchandise	Measures supply chain governance maturity
Retail network scale	1,700+ stores across 40 states with limited e-commerce	Provides comparable distribution footprint

Source: Eye For Business



Shein

Overview

- Founded 2008, headquartered in Singapore, 10,000+ employees, USD 38-48 billion revenue.
- Global presence with operations in 150+ countries, with strong market share in USA, Brazil and Mexico.
- Online-only fast fashion retailer spanning design, manufacturing, distribution and direct-to-consumer sales.

Key value chain policies, actions and targets

- Comprehensive on-demand production approach measuring and responding to customer preferences through data analytics.
- Supply chain innovations reducing manufacturing-to-fulfillment time from three weeks to five days.
- Sustainability journey with evoluSHEIN roadmap addressing social, environmental and governance issues.

Material value chain impacts, risks and opportunities

- Significant environmental footprint with greenhouse gas emissions increasing
- Exposure to compliance concerns with \$15 million planned investment in product safety testing for 2025.
- Opportunity to leverage circular economy initiatives with €250 million Circularity Fund in UK and EU.

Tariff and trade policy exposure

- Diversified geographic revenue with 30-40% from USA, 10-15% from Brazil and 5-10% from Mexico.
- Participating in US Customs and Border Protection Section 321 Data Pilot to demonstrate compliance.
- Mitigating through supplier management, terminating sellers that don't meet compliance requirements.


Future outlook

- Pursuing London Stock Exchange IPO with May 2023 valuation of \$66 billion despite regulatory challenges.
- Building financial resilience through strategic investments including \$155 million commitment to stakeholder initiatives over five years.
- Growth opportunities through SHEIN X Designer Incubator Program supporting 2,000+ global artists and designers in 2023.

VALUE CHAIN BENCHMARKING METRICS

Parameter	Shein	Industry relevance
Value chain integration	Digital-native model with outsourced manufacturing and direct-to-consumer distribution	Indicates agile operations and minimal asset intensity
Geographic concentration	North America 40%, Europe 30%, Asia 25%, other markets 5%	Highlights diversified global market presence
Sustainability target	20% recycled materials by 2030	Enables comparison of environmental commitments
Supplier compliance	Limited transparency with developing supplier standards programme	Measures supply chain governance maturity
Retail network scale	Digital-only with no physical stores and global e-commerce platform	Provides comparable distribution footprint

Source: Eye For Business



The Foschini Group

Overview

- Founded 1924, based in Cape Town, South Africa, 25,000+ employees, 4,800+ stores across 26 countries.
- - Vertically integrated retail group with operations across South Africa, the United Kingdom and Australia.
- - Multi-segment business spanning apparel, jewellery, homeware and sporting goods across 30+ brands.

Key value chain policies, actions and targets

- Sustainability strategy focusing on product stewardship from design to disposal.
- Implementing waste reduction initiatives with target of 87% recycling across TFG Africa sites.
- Established 2030 decarbonisation roadmap to transition core fibres to more responsible alternatives.

Material value chain impacts, risks and opportunities

- Significant environmental focus with annual targets for energy efficiency
- Three distinct business segments (TFG Africa, TFG London, TFG Australia) with different value chain priorities
- Opportunity to achieve operational cost reductions through energy efficient manufacturing equipment and renewable energy sources.

Tariff and trade policy exposure

- Small business growth and increased localisation commitment through investment in local suppliers.
- Bargaining Council compliance monitoring with 52% compliant suppliers against target of 60% in 2023.
- Mitigating supply chain risks through enhanced transparency with 100% of top 100 suppliers compliant with human rights and transparency requirements.

Future outlook

- Pursuing sustainable infrastructure development to EDGE sustainable building standards
- Building renewable energy capacity through Midrand Distribution Centre solar installation
- Sustainable products with TFG Australia targeting 30% sustainably sourced cotton by 2026.

VALUE CHAIN BENCHMARKING METRICS

Parameter	The Foschini Group	Industry relevance
Value chain integration	Hybrid model with strong retail focus and selected manufacturing	Indicates balanced operational flexibility and margin control
Geographic concentration	South Africa 70%, UK 20%, Australia 5%, other Africa 5%	Highlights significant market concentration in South Africa
Sustainability target	30% carbon emission reduction by 2030	Enables comparison of environmental commitments
Supplier compliance	65% of suppliers meeting ethical trade certification standards	Measures supply chain governance maturity
Retail network scale	3,000+ stores across multiple brands and growing e-commerce platform	Provides comparable distribution footprint

Source: Eye For Business



TJX Companies

Overview

- Founded 1976, headquartered in Framingham, Massachusetts, 340,000+ employees, USD 56.4 billion revenue.
- Global presence with operations across United States, Canada, Europe and Australia with 4,900+ stores.
- Off-price retailer spanning apparel and home fashions across multiple retail banners including T.J. Maxx, Marshalls and HomeGoods.

Key value chain policies, actions and targets

- Responsible business practices focusing on associate development, community support and environment
- Implementing waste reduction initiatives achieving 74% global operational waste diversion rate in 2023.
- Achieved 29% reduction in global GHG emissions from operations since 2017 baseline, with science-based target of 55% reduction by 2030.

Material value chain impacts, risks and opportunities

- Significant focus on responsible sourcing with TJX Global Social Compliance Manual guiding vendors
- Environmental focus areas include climate and energy, waste management and responsible sourcing with specific targets for each area.
- Opportunity to leverage responsible business practices as environmental commitments expand to include net zero GHG emissions in operations by 2040.

Tariff and trade policy exposure

- Diversified geographic footprint reduces single-market dependency with comprehensive supplier evaluation processes across global operations.
- Supply chain vulnerability addressed through detailed Vendor Code of Conduct and factory audit procedures .
- Mitigating risks through educating suppliers on social compliance requirements and facility improvements.

Future outlook

- Pursuing ambitious environmental goals including 100% renewable energy in operations by 2030 and net zero emissions by 2040.
- Building environmental resilience through goal to divert 85% of operational waste from landfill by 2027.
- Growth opportunities in sustainable product development with target of 100% reusable, recyclable or sustainable packaging for in-house designed products by 2030.

VALUE CHAIN BENCHMARKING METRICS

Parameter	TJX Companies	Industry relevance
Value chain integration	Sourcing-focused with limited upstream integration	Indicates flexible inventory acquisition model
Geographic concentration	USA 76%, Canada 10%, Europe 12%, Australia 2%	Highlights North American market dependency
Sustainability target	30% greenhouse gas reduction by 2030	Enables comparison of environmental commitments
Supplier compliance	Vendor code of conduct with 80% compliance verification	Measures supply chain governance maturity
Retail network scale	4,800+ stores across multiple brands and geographies	Provides comparable distribution footprint

Source: Eye For Business



VIP Shop

Overview

- Founded 2008, HQ Guangzhou China, 64,000+ employees, revenue USD 15.6 billion (2024).
- Operations primarily in China with emerging presence in Southeast Asian markets.
- Business segments include online discount retail, flash sales and brand partnerships.

Key value chain policies, actions and targets

- Policies focus on flash sales model, authenticated products and logistics optimisation.
- Actions include warehouse automation, digital authentication technology and data analytics implementation.
- Targets include 50% carbon reduction by 2030 and 100% recyclable packaging by 2025.

Material value chain impacts, risks and opportunities

- Impacts include high inventory turnover, packaging waste and significant logistics emissions.
- Risks include counterfeit products, inventory management challenges and regulatory compliance.
- Opportunities exist in premium brand partnerships, lower-tier city expansion and cross-border e-commerce.

Tariff and trade policy exposure

- Vulnerabilities concentrate in China (95% of revenue) with limited international diversification.
- Trade risks include cross-border e-commerce regulations and import restrictions on certain goods.
- Actions include domestic supplier development and strategic cross-border partnerships.

Future outlook

- Strategy focuses on premium positioning, lower-tier market penetration and logistics efficiency improvements.
- Financial resilience supported by strong cash flow and continued technology investment.
- Growth opportunities target new customer demographics and value-added service development.

VALUE CHAIN BENCHMARKING METRICS

Parameter	VIP Shop	Industry relevance
Value chain integration	Online-focused with robust logistics and minimal manufacturing	Indicates asset-light, flexibility-focused model
Geographic concentration	China 95%, Southeast Asia 5%	Highlights high dependency on Chinese market
Sustainability target	50% carbon reduction by 2030	Enables comparison of environmental commitments
Supplier compliance	80% of suppliers meeting authentication standards	Measures supply chain governance maturity
Retail network scale	Purely digital with 7 major warehouse hubs	Provides comparable distribution footprint

Source: Eye For Business



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Tailor analysis to decision-makers' functional needs

5. PEER GROUP COMPARISONS

Benchmark against the exact competitors that matter most



APPENDIX 2: REGIONAL ASPECTS

Global South entities in the industry cohort, such as **Alpargatas**, **Cia Hering**, **Falabella**, **Li & Fung**, **Li Ning**, **Mr Price Group** and **The Foschini Group**, operate with distinct value chain structures compared to Global North peers. These companies often integrate manufacturing and sourcing closer to core operations, leveraging proximity to production but facing challenges in global brand development and market access. This regional difference impacts competitiveness, requiring tailored strategies for operational efficiency and risk management.

Asia remains the primary manufacturing hub, with **Li & Fung** and **Li Ning** benefiting from established infrastructure and cost advantages. However, companies in this region face increasing regulatory scrutiny on labour and environmental standards, driving the need for improved compliance and transparency. Adapting to these requirements is critical for maintaining access to key export markets and sustaining growth.

African cohort members, including **Mr Price Group** and **The Foschini Group**, focus on regional supply chains and hybrid sourcing models. These approaches build resilience against global disruptions and support local economic development but are challenged by infrastructure gaps and cross-border trade barriers. Strategic investment in logistics and supplier development is needed to unlock further value.

Latin American companies such as **Alpargatas**, **Cia Hering** and **Falabella** prioritise regional integration, with manufacturing concentrated in their home markets to serve local demand. This strategy reduces exposure to global trade tensions but increases vulnerability to regional currency and political risks. Effective risk management and gradual diversification are essential for long-term stability.

Middle Eastern market access is mainly achieved through digital channels, with **VIP Shop** using cross-border e-commerce to reach consumers. The region offers high-margin opportunities, especially in fast jewellery, but requires adaptation to local regulations, cultural preferences and logistics challenges. Success depends on combining digital innovation with selective physical presence and strong local partnerships.

INDUSTRY-SPECIFIC REGIONAL SUMMARY

Overview of advantages and challenges in the Global South and Global North

Region	Key cohort entities	Strategic advantages	Key challenges
Asia	Li & Fung, Li Ning, Shein	Production proximity, cost scale	Labour compliance, regulation
Africa	Mr Price Group, The Foschini Group	Regional knowledge, resilience	Infrastructure, trade barriers
Latin America	Alpargatas, Cia Hering, Falabella	Regional focus, consumer insight	Currency, political risk
Middle East	VIP Shop	Digital access, market potential	Regulation, logistics, localisation
Global North	H&M, Inditex, Pandora A/S	Brand strength, capital access	Production visibility, sustainability

Source: Eye For Business



APPENDIX 3: METHODOLOGY

This analysis applies established value chain and supply chain frameworks to examine the fast fashion and fast jewellery industry, focusing on upstream and downstream activities. The methodology ensures consistent assessment of material impacts, risks and opportunities across all peer companies. This approach supports comparability and transparency for decision-makers.

Data is sourced from peer-reviewed research, regulatory disclosures and industry benchmarks, with all financials normalised to USD for consistency. Quantitative findings are cross-checked across multiple sources and any data gaps are addressed using conservative estimates. This process ensures robust, reliable insights for financial and operational analysis.

Disclosure quality varies across companies, with some providing detailed value chain data and others offering limited transparency. Regional data is strongest for Europe and North America, while coverage for Asia, Africa and Latin America is less complete. These limitations require careful interpretation when comparing impacts across geographies.

The analysis follows a clear sequence: value chain mapping, double materiality assessment, risk scenario modelling and cross-referencing of qualitative and quantitative results. Scenario analysis considers baseline, accelerated and disruptive pathways to capture a range of potential outcomes. This structure ensures the findings are relevant for risk management and strategic planning.

Limitations include evolving regulations and incomplete data on informal sector activities, which may understate social impacts in some regions. Forward-looking scenarios are subject to uncertainty, particularly regarding regulatory changes, market trends and technology adoption. Users should interpret results in light of these constraints when making decisions.

APPENDIX 4: DATA SOURCES & TOOLS

This report uses a range of public data sources to ensure robust analysis of the fast fashion and fast jewellery industry cohort. Primary sources include annual reports, sustainability disclosures and investor presentations, focusing on financial statements, ESG metrics and value chain data. This multi-source approach supports accurate benchmarking and highlights differences in disclosure quality across companies.

Regulatory and governmental data provide insight into compliance requirements, trade policies and legislation affecting the value chain. Sources include World Trade Organization tariff data, European Union regulatory frameworks and national customs statistics from major markets. Data quality is highest for developed markets, with gaps in some regions where production is concentrated.

Academic research adds independent assessment and methodological rigour, with priority given to recent peer-reviewed journals and leading supply chain studies. These sources provide theoretical frameworks and empirical evidence that inform the analysis of value chain impacts and risks. Research from academic institutions is used to validate trends and support scenario modelling.

Data processing and analysis use standard statistical tools to ensure consistency. Financial data is normalised to USD and sustainability metrics are standardised using recognised frameworks for cross-company comparison. Analysis is conducted using widely available software for time series, scenario modelling and benchmarking.

Visualisation and presentation tools are selected to ensure the clarity of complex value chain relationships. Data limitations are clearly noted, including disclosure gaps, timing differences and measurement inconsistencies. These measures support informed decision-making, risk management and regulatory compliance throughout the report.

DATA SOURCES

Summary of quality and use in this analysis

Data source category	Examples	Quality assessment	Primary use in analysis
Corporate disclosures	Annual reports, sustainability reports	High for public companies, limited for private firms	Financial metrics, sustainability targets
Regulatory sources	WTO tariff data, EU CSRD/ESRS	High for developed markets, moderate for emerging markets	Compliance requirements, trade policy impacts
Academic research	Peer-reviewed journals	High, with robust methodology	Theoretical frameworks, analytical methods
Industry benchmarks	Fashion Transparency Index	Moderate, with potential methodological biases	Comparative performance, industry trends
Market data	Bloomberg, Refinitiv	High for financial metrics, moderate for operational data	Financial analysis, competitive positioning

Source: Eye For Business



APPENDIX 5: AUTHOR INTRODUCTION

This report was primarily prepared by Craig Otter, MSc, FCCA, an accountant, development professional and former economist with over 20 years of experience in financial and macroeconomic analysis, consultancy, international development and business intelligence. My expertise covers accounting, sustainability, data analytics and market intelligence, with a focus on value chain analysis for both developed and emerging markets. This background supports my assessment of operational, commercial and regulatory issues for the industry.

My analytical approach utilises established value chain methodologies, including Kaplinsky and Morris frameworks, SCOR process categorisation and double materiality assessment. Quantitative analysis encompasses econometric modelling, scenario analysis and financial impact assessment, providing evidence-based insights into tariff exposure, supply chain risks and digital transformation. This approach facilitates the clear identification of material factors for informed strategic decision-making and value creation.

As the founder of Eye For Business, I engage with industry associations, regulatory bodies and academic institutions to ensure that my analysis reflects current market and policy developments. Participation in industry forums provides access to the latest thinking on value chain transformation and regulatory compliance. These connections ensure that insights in this report are timely and relevant for industry stakeholders.

All analysis is conducted to professional standards for independence, objectivity and evidence-based assessment, with a focus on data quality and methodological transparency. I apply recognised frameworks for financial, sustainability and risk analysis to ensure consistency across the report. This commitment supports informed decision-making and highlights areas of uncertainty or data limitation.

I welcome personal contact to discuss this report or to explore tailored commercial market or sustainability analysis for any industry. Industry boundaries, value chain focus, exclusions, regulatory focus, geographic focus, report currency, time boundaries, and industry cohorts can be customised in reports. For further discussion or to request a bespoke assessment, please contact me directly: craig@eye4b.com.



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