

## 2024 Fashion Scholarship Fund Case Study

### ESG: The Intersection of Brands, Environment, and Society

#### Business Strategy

The fashion industry's growing interest in environmental, social, governance (ESG) has developed from increasing sustainable actions and the desire to measure brand impacts, reporting actions and results to consumers. ESG is still new for many brands, but it is fast becoming an important framework in the fashion industry as leaders seek to align environmental, economic, and social actions with the desires of customers ([Morgan Stanley, 2022](#); [Fromm, 2021](#)). Building on widespread interest in corporate social responsibility (CSR) which allows business to be socially accountable through self-regulation ([Heyward, 2020](#)), ESG takes a brand's commitment to transparency a step further emphasizing quantifiable actions. ESG enables brands to track their actions which are integrated into three pillars: environmental, social, and governance. ESG is not only about taking action, it is also about reporting impact, and giving back to the environment and society ([Chua, 2020](#); [Morgan Stanley, 2022](#)).

#### Business Strategy: Establish a ESG Initiative to Put Intentions into Practice

Environmental, Social, Governance allows brands to evaluate their activities and improve environmental, social, and economic actions ([Morgan Stanley, 2022](#)). Each brand's focus within ESG may vary, companies may utilize technology, garment tracing, or transparency to demonstrate their positioning in terms of environmental, social, and governance actions ([Penny, 2021](#)). For example, some choose to track material use and water consumption while others emphasize CO<sup>2</sup> emissions, waste generation, or pollution. Through utilizing ESG as a framework, brands are able to benchmark their performance including successes, opportunities for improvement, and industry leadership.

As a part of American Eagle's (AE) ESG commitment, the brand has prioritized water leadership. In 2021, AE reduced water usage in the manufacturing process by 36% per jean, a target set for 2023 ([American Eagle, 2022](#)). Citizen of Humanity is investing in regenerative farming practices, going straight to the farmer to trace a garment's origin ([Kent, 2022](#)). Abercrombie and Fitch participates in the United Nations Global Compact and has committed to 10 principles such as ensuring traceability in the supply chain. In 2020, the brand achieved its goal of sourcing 100% of its down from Responsible Down Standard certified sources, a goal set for 2025 ([Abercrombie and Fitch, 2022](#)). LVMH has recognized the need for more diversity in fashion and has committed to increasing the proportion of employees with disabilities to 2% by 2025 ([LVMH, 2021](#)). In addition to individual goals and initiatives, brands are connecting the pillars of ESG, integrating environmental and social actions. For example, Patagonia has launched 100% traceable down ([Patagonia, 2022](#)). Traceability can enable consumers to have insights into environmental impact and worker conditions simultaneously ([Ghosh, 2022](#)). These diverse ESG initiatives are focused on the broader relationship with ESG pillars through tracking and measuring improvements over time.



### *Your Role*

You are the Chief Strategy Officer (CSO) at a brand of your choice. You are responsible for developing your brand's strategic mission including corporate vision, driving change within the organization, and provoking commitment to strategic plans. As CSO, you must institute solution-oriented strategies that will apply to people across the entire organization and possibly outside the organization. Currently, your goal is to make systemic improvements to your brand through an ESG framework. Depending on brand needs, your strategies will address a variety of topics, such as technology, product, supply chain, and/or stores.

### *Case Study Objective: Establish an Initiative Emphasizing Environmental or Social Impact*

Faced with demand for environmental traceability and ethics transparency, your objective is to develop a ESG initiative for a brand of your choosing. Your initiative should be realistic yet innovative. It will have a broad-reaching impact for the company. It may be based upon existing and/or emerging ESG practices and strategies.

The focus of your project will be the environmental and social pillars of ESG. Begin your strategy with a specific environmental goal that will be targeted, such as supply chain transparency, raw materials traceability, or micromaterial pollution ([Standish, 2022](#)). Address the specific resources, technology, or tools that you would utilize to achieve the specific strategic objectives of your initiative, impacting the brand's ESG objective. Clearly identify the ESG objective you wish to achieve through the initiative and why it is relevant for your brand. Building on the environmental focus, integrate the social pillar of ESG by addressing the impact on the people involved in the initiative. Consider suppliers, employees, and the consumers. You must also address the estimated investment (financial and human resources), and the overarching benefit to the business.

You are to select a mono-brand, *not* a multi-brand retailer. Examples of mono-brands include those mentioned above (e.g., American Eagle, Citizen of Humanity, Patagonia). The brand that you select should be generally well-known. Your brand may be pure-play or operate across channels (e.g., brick-and-mortar, e-commerce, or multichannel). It is suggested that you choose a company that is publicly traded so that information regarding the company is easily accessible. The brand that you chose must be a fashion apparel, accessories, footwear, home, beauty, or health & wellness brand. Your initiative should address environmental and social pillars of ESG. It may introduce a new process, technology, or tool that enables a business to track, share, or develop processes. It may introduce the brand into a new space that it has not previously entered. Within your ESG strategy, you must address existing strategies that the business utilizes.

### **Strategy Submission Format**

This year, cases should be submitted as a minimum 16-page slide deck and no more than 21-pages with appendices and references. The slide deck should be in landscape orientation, with slides sized for on-screen show 4:3, 10" x 7.5". Submission files can be created in any software of the applicants choosing (PowerPoint, Keynote, Adobe InDesign, Illustrator etc.), however all cases **must be submitted in a PDF format** without video or sound.

*The following slide sections should be followed. Minor adjustments to slide order may be made.*



### Section 1: General Introduction Slides (2-3 Slides)

- **Must be the first page/slide of the deck.** Include a title, your case study discipline, and one sentence summary of your collection concept.
- Write an executive summary, covering all components of your case study. People reading your executive summary should get the essence of your case study without fine detail. The executive summary should be in paragraph format, no longer than 300 words. Be sure to briefly summarize your personal vision for your ESG initiative and how it will allow the brand to continue to evolve.
- **Optional.** Include a one-page table of contents outlining the subsequent sections of your case study.

### Section 2: Current Environmental and Social Strategies (1-2 Slides)

Assess the company's current strategies related to environmental and social practices.

- Include the strengths and recent successes of the brand relating to ESG. Address where the company is able to improve.
- Depending on the selected brand, the brand's strategy may vary. They may have a CSR strategy, a sustainability strategy, a ESG strategy, or insights on one pillar of ESG.
  - Your objective is not to collect and analyze specific performance data, but to evaluate the company's current strategy at a high level. You should gain awareness of any specific tactics, actions, or publicly available content to support your case of strengths and weaknesses.

### Section 3: Proposed ESG Initiative (4-5 slides)

Provide an overview of your environmental and/or social initiative and why it is necessary for the brand goals, the intended users, and the marketplace/consumers.

- Present the details of how your initiative would be integrated for the brand and with existing strategies and processes.
  - Your strategy should address brand actions and management of insights related to those actions.
  - Clearly present the benefits of this initiative for the business.
- Identify the strengths, weaknesses, opportunities, and threats of your initiative.
  - In creating your ESG initiative, you should research and reference other companies (i.e., reference companies). These may be either direct competitors or market leaders which have exemplified best-in-class execution. You will want to evaluate the successes and opportunities presented by existing business cases.
  - If relevant, provide a comparison to reference company activities.
- Provide a comparison of two different tools (e.g., resources, software, technologies) that are being considered for utilization within your environmental/social initiative.
  - For example, if you are proposing a traceability initiative, you may compare two digital tools that may enable you to track the garment through the production process and would enable you to measure specific metrics.
  - Evaluate the strengths and weaknesses of each tool. Consider the appropriateness of the tools in the context of your overarching strategic goal. Identify which tool is most suitable for your strategy and explain why.

### Section 4: Consumer Impact (1-2 Slides)

Describe how the consumer will be affected by the proposed ESG initiative.



- Reflect on your brand's consumer and their relationship with environmental and social initiatives.
  - This may include a profile of who the consumer is for the specific initiative if it is consumer-facing or it may be a general overview of the consumer for your brand.
- Based on your identified consumer, explain the benefits of the proposed strategy and/or how it may affect the brand-consumer relationship.

#### **Section 5: Stakeholder Role (2-3 Slides)**

Address the stakeholders (e.g., internal departments, external partners, consumers) that need to be marshalled to accomplish your ESG goals.

- Identify what departments/partners will be a part of the strategic journey. Who will you need to work with to execute your strategy and to acquire information needed to measure the success of your strategy?
- Explain the role of each partnering stakeholder/department.
  - Are there specific resources or skills that each team will bring to the project?
- Address how stakeholders might collaborate, the interdependence of groups, and who will be affected by the proposed strategy.
- If relevant, consider if any adjustments to the corporate structure be necessary, such as introduction of a new position.

#### **Section 6: Measurable Indicators (1-2 Slides)**

Summarize the estimated financial cost or investment required to launch your proposed initiative.

- Explain the breakdown of financial investments and implications. For instance, is there a major investment in tools, technology, and/or resources for the company? Or does it utilize resources the company (most likely) already has?
  - Does the suggested tool have a "one-time" cost from launch or require continual investment?
  - Are costs incurred internally, from proprietary development, or are key tools/resources licensed from external sources?
- Determine the top three key performance indicators (KPIs) that will be used to measure the initiative's success.
  - Consider that this is an ESG initiative, therefore measures may include environmental impact, social impact, financial impact, or social/human resource measures ([PWC, 2022](#)).
  - Explain your rationale for identifying these as your key indicators of success.
  - Examples of KPIs relating to ESG may include the following:
    - Environmental measures: Carbon emissions, pollution emissions, energy consumption, renewable energy use, packaging, water use
    - Financial measures: cost, sales, profit
    - Human resource measures: wages, head count, hours worked, diversity of workforce, turnover

#### **Section 7: Plans to Scale (1-2 Slides)**

As fashion continues to make strides, continually improving environmental and social impacts, consider how you will scale your ESG initiative over time.



- Present opportunities to scale your ESG initiative, specifically outlining your plans for growth if your initiative is successful.
- Address what areas of ESG your plans to scale will fall into, such as environmental, social, or governance.
- Address the benefits of your growth plans including the reward for the total business.
- Address potential risks that would hinder your growth plans.

#### **Section 8: Appendix (3-5 Slides)**

**Optional.** Use the appendix to present additional ideas that supports your project concept. Your appendix may be a research appendix or a technical appendix.

- Examples of how to use the appendix:
  - **Research Appendix:** Summarize any research you have done on what factors contribute to the success of ESG initiatives, such as benchmark examples across apparel, accessories, footwear, home, or beauty. You may also present further insights or development on the target market that may address the demographic/psychographic traits of the population cohorts.
  - **Technical Appendix:** Develop and present an additional conceptual aspect of your proposal that did not fit into the sections outlined. This may include expanded, technical support for implementation, scaling initiatives, or a proposal for specific stakeholders.

#### **Section 9: References (1-2 Slides)**

Use the final slides for footnotes and a bibliography.

- References should be properly formatted using a format such as APA, Harvard, or Chicago style.
- Include a list of images sources in the reference section or provide the source for images on each slide/page under the relevant image.

#### **General Guidelines**

No specific font or format will be enforced. You are encouraged to utilize visuals throughout your presentation. It is advisable to not overload each slide with information, and to keep your presentation concise and to the point: each slide should take no more than 1-2 minutes to absorb by the reader.

All references should be annotated in footnotes visible within the slide and/or on a references/bibliography page at the end of your slide deck. Do not use hyperlinks in a footnote as the content cannot be accessed once the case study is uploaded.

**Do not include your name or college/university affiliation** on the title page or anywhere in the case study as the review process is anonymous.

Be sure to proofread your case study. Points will be deducted for not following format directions, as well as for grammar and spelling errors.



## Judging Criteria

Your case will be reviewed by industry professionals including the FSF Board of Governors, FSF Mentors, and FSF Alumni. Judges will use the following criteria to score your case:

### *Creativity & Feasibility (50%)*

- Is the applicant's idea unique, inspiring, and innovative?
- Is the applicant's idea well-thought-out and conceivably executable?
- Is the applicant's idea clearly connected to the selected brand?

### *Research & Development (30%)*

- Has the applicant completed exhaustive research on best-in-class market players to identify the best brand for their concept?
- Has the applicant developed an innovated digital brand strategy, supported by research, that will increase the brand's relevancy in the future of fashion?
- Has the applicant addressed how stakeholders will be impacted by the proposed strategy?
- Has the applicant addressed how consumers will be impacted by their proposed strategy?
- Has the student identified KPIs that align with their project goals and clearly explained why these KPIs are important?

### *Clarity (15%)*

- Does the scholar display strong business acumen and common sense?
- Does the applicant's case follow logical development and a clear structure; is it easy to follow and summarize?
- Did the applicant clearly complete each portion of their prompt?

### *Format (5%)*

- Did the applicant use correct grammar and spelling?
- Did the applicant include a title page with one sentence to summarize the case?
- Was the applicant's name and school kept anonymous?

## Required Documents for Submission

- 1) Completed FSF Case Study
- 2) Current Resume
- 3) Current Unofficial Transcription
- 4) Cover Letter: Please prepare a 250-300-word maximum cover letter containing your response to the following questions:
  - Why are you interested in the fashion industry?
  - What are your current career aspirations?
  - Why have you decided to select your case study discipline?
- 5) Cover Letter Addition: **Additional Question for "Post Modern" Scholarship Applicants Only.** Students who are **Black, African American, or African descent** are eligible for the "Post-Modern" Scholarship, a part of Virgil Abloh's™ legacy.



The “Post Modern” Scholarship was created to empower the next generation of black fashion industry professionals. This is an opportunity to move beyond a scripted idealized narrative to share your personal story. We encourage you to share not what you think we want to hear, but what makes you who you are.

Applicants may use an additional 100 words to answer this one question. You will integrate this into your cover letter:

- Please explain why Virgil Abloh’s™ “Post-Modern” Scholarship mission is important to you personally and anything else you would like the team carrying on Virgil’s mission to know about you.

### Eligibility Requirements

- A minimum overall G.P.A. of 3.20.
- You must be a full-time sophomore, junior, or senior enrolled in an FSF member school.
- You must be graduating no earlier than Spring 2024.

### Deadlines and Announcement of Competition Results

**February 1, 2023:** Wizehive, the digital platform used for FSF case study submissions will open. Your FSF faculty member will provide you with the Wizehive link. Complete the Applicant Profile on Wizehive to participate in FSF Summer Scholar Series.

**October 16, 2023:** Submit all four of your required documents mentioned above on Wizehive BEFORE 11:59 **AM** Eastern Standard Time (before noon) to avoid any issues with submission. The Wizehive portal will close PROMPTLY at 12:00 **PM** (noon). Be sure to allow sufficient time to upload all *four* required documents – the Wizehive submission portal will close automatically at the scheduled time even if an upload is still in progress. If all four of your documents are not fully uploaded, your submission will not be received by the FSF. Please contact Katie Simone, FSF Programs Assistant [Ksimone@fashionscholarshipfund.org](mailto:Ksimone@fashionscholarshipfund.org) who will help rectify any submissions that are incomplete.

You will receive a Confirmation of Submission to your Wizehive Homepage that your submission process was completed.

**Announcement of Scholarship Results:** The Scholarship competition results will be sent to the FSF faculty member at your school by the first week of December. Your FSF faculty member will share the results with you.



## Appendix: Case Study Insights and Resources

### What is Environmental, Social, Governance (ESG)?

The first pillar of ESG is *Environmental*, addressing how the actions of the company impact the environment. In fashion, brands are rapidly advancing environmental initiatives, including tracing a brand's environmental impact through materials, sourcing, and transport of the product ([McKinsey & Company, 2021](#)). For example, in an effort to ensure long-term climate action, the founder of Patagonia recently transferred company ownership to ensure that all brand profits are used to combat climate change and protect the planet ([Gelles, 2022](#)).

The second pillar of ESG is *Social*, examining the brand's impact on society and relationship with people like employees, producers, and consumers. For many brands, social actions are being integrated with environmental actions. For example, Citizens of Humanity, Mara Hoffman, and Timberland are partnering with cotton farmers to advance regenerative agriculture practices and improve fashion's relationship with the environment while also monitoring farmers' rights ([Kent, 2022](#); [Segran, 2021](#)).

The third pillar of ESG is *Governance*, monitoring how a company is overseen, the diversity of chief executives and board members, and the structure of brand leadership. Recognizing both opportunities and challenges in recent years, fashion brands have started to introduce new executive positions such as chief sustainability officer and are increasing the diversity in the boardroom ([Butler-Young, 2022](#); [BOF Team, 2021](#)).

### What is a Brand?

A brand *creates* product under one specific name. For example, Burberry is a brand that creates Burberry-branded footwear, apparel, accessories, and fragrances. Additional examples of brands include Louis Vuitton, Rains, and Levi's. In contrast, a retailer *sells* goods to the end consumer. Retailers like Macy's, Nordstrom, and Target are multi-brand retailers, meaning they carry a variety of brands. The focus of this year's case study is to select *one brand*, or a mono-brand. Brands like Nike and American Eagle also have retail operations; the distinction as a brand is demonstrated in the creation of merchandise under one label. In contrast, multi-brand retailers sell merchandise from a variety of brands.

### Additional Resources: ESG in Fashion

Albella, E., Balchandani, A., Cornbleet, N., & Lee, L. (2022, June 28). In search of fashion's sustainability seekers. *McKinsey & Company*. <https://www.mckinsey.com/industries/retail/our-insights/in-search-of-fashions-sustainability-seekers>

American Eagle (2022). ESG: Environmental, Social, Governance. <https://investors.ae.com/esg/default.aspx>

Bloomberg. (2021, July 8). Swedish Challenger to H&M Planning IPO to Lure ESG Investors. *Business of Fashion*. <https://www.businessoffashion.com/news/retail/swedish-challenger-to-hm-planning-ipo-to-lure-esg-investors/>





BOF Careers Team. (2022, October 31). What fashion marketing professionals need to know today. *Business of Fashion*. <https://www.businessoffashion.com/articles/marketing-pr/careers-market-insights-industry-news-fashion-marketing/> **\*For Marketing\***

Cernansky, R. (2021, December 8). Meet the silk startup replacing the chemicals in beauty and clothing. *Vogue*. [https://www.voguebusiness.com/sustainability/meet-the-silk-startup-replacing-the-chemicals-in-beauty-and-clothing?itm\\_source=manual\\_article\\_recommendation](https://www.voguebusiness.com/sustainability/meet-the-silk-startup-replacing-the-chemicals-in-beauty-and-clothing?itm_source=manual_article_recommendation)

Espirit. (2022). Sustainability Report (with ESG indices). <https://www.esprit.com/Resources/Persistent/1/4/f/b/14fb28e7655b4cc60f70dcc77170d8568aa6d7d7/Espirit%20Sustainability%20Report%20FY1920%20EN.pdf>

HKRita. (2022). *Garment to Garment*. <https://www.hkrita.com/en/garment2garment>

Klerk, A.D. (2022, February 2). #TheBrand | Stine Goya on how Scandi style is driven by gut instinct and individuality. *Harper's Bazaar*. <https://www.harpersbazaar.com/uk/fashion/a38951549/stine-goya-interview/>

LVMH. (2021). 2021 Social and Environmental Responsibility Report: Committed to Positive Impact. <https://r.lvmh-static.com/uploads/2022/04/2021-social-and-environmental-responsibility-report.pdf>

Nanda, M.C. (2021, February 23). Fashion Goes Green to Raise Capital: The likes of Chanel, Adidas and H&M are landing funds based on potential environmental, social and governance impact, relying on sustainability targets to secure both public and investor goodwill. *Business of Fashion*. <https://www.businessoffashion.com/articles/sustainability/fashion-goes-green-to-raise-capital/>

Roshitsh, K. (2022, September 30). 'Beyond Remade' Launches From Veteran Clothing Upcycler Bank and Vogue. *WWD*. <https://wwd.com/sustainability/innovation/beyond-remade-clothing-upcycling-fashion-bank-and-vogue-denim-1235365311/>

Segal, M. (2021, March 1). Nike Launches Broad Set of 2025 Sustainability Targets, Ties Exec Comp to ESG Goals. *ESG Today*. <https://www.esgtoday.com/nike-launches-broad-set-of-2025-sustainability-targets-ties-exec-comp-to-esg-goals/>

Sheehan, E. (2022). Sustainability in retail: Profit, people, and the planet. *Deloitte*. <https://www2.deloitte.com/global/en/pages/consumer-business/articles/sustainability-in-retail.html> **\*For Strategy\***

Solca, L. (2020, October 6). How the Climate Crisis Is Reshaping Luxury: Consumers and investors are becoming increasingly concerned about the environment. *Business of Fashion*. <https://www.businessoffashion.com/articles/luxury/how-the-climate-crisis-is-reshaping-luxury/>

World Fashion Exchange. (2022, May 20). Tech Pack 101: Everything you need to know about fashion tech packs. <https://www.worldfashionexchange.com/blog/tech-pack-101-everything-you-need-to-know-about-fashion-tech-packs/> **\*For Design\***