Diversity and Inclusion in the Fashion Industry

IN-DEPTH RESEARCH AND ANALYSIS FROM THE MBS GROUP AND THE BRITISH FASHION COUNCIL
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DIVERSITY AND INCLUSION IN THE FASHION INDUSTRY

Foreword

2022 was a wake-up call for industry to address imbalances in the workforce from Board to entry level positions. The dialogue post George Floyd’s murder highlighted many stories of barriers to entry, closed doors and systemic racism and bias.

Most organisations took the time for critical reflection and put their hands up that they need to do more to improve workforce diversity in all senses and ensure that they are truly inclusive. One question that kept getting asked was about industry data on the diversity of its workforce, there wasn’t any that gave an overview across the industry and out of this questioning, the need for this report became evident.

MBS approached the British Fashion Council, having already created a robust report for the Beauty Industry. The results of this report give us an opportunity to evidence the anecdotal feedback received, to highlight organisations that are leading the way, and to look at industry-wide programmes that will accelerate change.

The MBS Group is delighted to partner with the British Fashion Council for the first edition of Diversity & Inclusion in the Fashion Industry.

Fashion has gone through some monumental changes over the past few years. As part of this, it has been encouraging to see brands and businesses grow to become more inclusive in their product, marketing and messaging efforts.

However, our research finds that urgent change is still needed. Data from more than 100 fashion businesses in Europe shows that our industry’s leadership is still far from reflecting the communities it serves. Moreover, driving up representation and creating an inclusive culture are not nearly high enough on the industry’s agenda.

The business case for D&I has been well established: diverse teams make better, more creative decisions and produce greater financial returns. Without teams at the very top levels who represent varied genders, ethnic minority backgrounds and life experiences, businesses will not reap the many rewards of diversity of thought. Moreover, today’s customers are looking to connect with brands which reflect their values – and D&I is a critical part of this.

In order to feel its many benefits, businesses must treat D&I as an urgent corporate priority. Just like digital transformation, D&I is central to business modernisation. And just like digital transformation, companies that don’t commit to it today – with a strategy, budget, and targets – will be left behind.

From my conversations, it’s clear that fashion businesses with the most impactful D&I strategies have made it a pillar of their corporate identity. They have hired dedicated D&I leaders with authority and gravitas who report into the CEO, and equipped them with a suitable budget to drive change. In these businesses, D&I is owned from the top, not siloed as an ‘HR issue’, and can be felt across every department from marketing to design to supply chain.

The fashion industry has a critical role to play in shaping our culture, and in shaping our society. With an evolving industry identity, and a large proportion of women in the customer and employee base, fashion is well placed to make progress on D&I and to quickly see its benefits. Today is the time to take action.

I would like to thank the Chairs, CEOs and HRDs who generously gave up their time to be interviewed for this research, and to Caroline Rush, Clara Mercer and Daniel Peters at the BFC for their passion and commitment to creating a more inclusive industry. I’d also like to thank the team at The MBS Group for their significant contribution to delivering these insights.

CAROLINE RUSH
Chair
British Fashion Council

MATHEW DIXON
Director, Fashion, Luxury & Lifestyle Practice
The MBS Group
Executive summary: where are we now and what comes next?

We are holding up a mirror to the industry

In the summer of 2020, the fashion industry called for change. In the wake of the Black Lives Matter movement, businesses of all sizes and scopes denounced racism, and committed to prioritising diversity and inclusion in all its forms.

Two years on, and The MBS Group and the British Fashion Council have partnered to hold up a mirror to the industry and ask: are fashion businesses really prioritising D&I?

This is a first-of-its-kind industry report which measures the leadership diversity of fashion businesses and the extent to which D&I is being prioritised. Our findings are based on comprehensive research into leadership diversity from more than 100 fashion businesses operating in Europe of all sizes, ownership types and sub-sectors. This is combined with insights from in-depth conversations with CEOs, Chairs and HRDs about how D&I is being addressed in the industry.

Additionally, this report includes an ‘industry insights’ section, which highlights some examples of best practice in the industry. From global groups to small challenger brands, the organisations featured are at different stages in their D&I journey but are all rolling out creative policies which are driving change.

We hope this report will inspire further conversations around D&I, and provide leaders with the tools to move the dial in their business. We intend to repeat this research annually to measure progress year-on-year, and to keep up momentum on this critical issue.

Where are we now?

What we’ve found is that fashion businesses are not adequately prioritising D&I. Only half (51%) have coordinated D&I strategies, few have specific targets for representation of minority groups, and even fewer have specific budgets allocated for D&I.

Most broadly, we detected the need for a cultural refresh within fashion. Many businesses are still hiring for ‘culture fit’, and placing undue emphasis when recruiting on previous experience from specific ‘aspirational’ brands. As a result, the industry’s talent pool is small, narrow in its scope, and often features similar types of people who reflect traditional industry convention.

However, there are shoots of progress. The industry is home to some creative and comprehensive strategies, and best-in-class initiatives which are driving positive change in the industry. In forward-thinking companies, leaders are rolling out policies to drive up social mobility, implementing ambitious targets, and leveraging employee networks to learn more about their workforce and empower colleagues.

What comes next?

This research shows that there is urgent need for change.

By providing an annual benchmark for progress, and deep insight into how other organisations are moving the dial, we hope this report will be a useful tool for leaders looking to renew their focus on D&I.

Quick-fire recommendations:

What gets measured, gets done

The furthest ahead businesses are prioritising data collection to better understand diversity in their organisation and measure progress.

Put your money where your mouth is

Where specific budgets have been allocated, companies are more advanced on D&I.

Lead from the top

While employee networks and grassroots activity is a critical part of the journey, D&I is owned by the Board, CEO and executive committee in gold-star businesses. It is a leadership, not a human resources issue.
Over the past few months, The MBS Group has undertaken
comprehensive analysis of diversity and inclusion in the fashion
industry, looking to understand how diverse the industry’s
leadership is and the extent to which D&I is a priority for
fashion businesses. In this section, we outline our key findings
from the data and insights from in-depth conversations with
Chairs, CEOs and HRDs.
DIVERSITY AND INCLUSION IN THE FASHION INDUSTRY

Key insights: how diverse is the industry?

Our research has found that the fashion industry is not adequately prioritising diversity and inclusion. Analysis of leadership data shows that senior roles are predominantly held by men, and that there are very few senior leaders from ethnic minority backgrounds.

There is evidence of real progress in some businesses, but D&I is not being prioritised consistently in the fashion industry.

Just over half (51%) of businesses have a coordinated D&I strategy. As shown on the graph opposite, this is a much smaller proportion than in adjacent consumer-facing sectors.

However, gradual progress is being made, with a further 21% reporting to be actively building a formal D&I strategy. Encouragingly, the businesses prioritising D&I have implemented some innovative and best-in-class policies and initiatives which are driving wholesale change in the industry.

Senior roles in the industry are still dominated by men

Despite women making up the majority of fashion customers and the majority of fashion employees, most senior roles in the fashion industry are held by men.

While these figures are far from reflecting the 50/50 split which exists in society, they are slightly above the consumer-facing sector average for women in leadership roles.

Progress is slow on ethnic diversity

Against the backdrop of the 2020 Black Lives Matter movement, many fashion businesses promised to renew their focus on ethnic diversity. While our research found evidence of initiatives designed to increase ethnic minority representation, the effects of these have yet to be felt in the most senior roles.

In particular, the low proportion of direct reports from an ethnic minority background speaks to the lack of a diverse talent pipeline in the industry. Indeed, some businesses told us they had placed ethnically diverse leaders on their Boards and executive committees as a reactionary response to the events in 2020. Moreover, there remain some businesses with zero ethnic diversity on their Boards and executive committee.

Beyond gender and ethnicity, our research paints a mixed picture

Our analysis of the industry found that fashion is an inclusive space for LGBTQ+ colleagues. Well over half (62%) of businesses we spoke to have at least one LGBTQ+ leader in the top two levels of their organisation. By contrast, disability remains a significantly under-developed area, with only 7% of businesses reporting to have a Disabled leader in those levels. This is a serious oversight from businesses, and should be a central consideration going forward.

Prioritising social mobility presents an exciting opportunity

Across our conversations, a recurring theme was the traditional inaccessibility and exclusivity of the fashion industry. Many leaders told us that a “who you know” attitude still feels engrained in many spaces. To counter this, the furthest-ahead businesses are putting social mobility at the heart of their D&I strategy. Doing so will not only make the industry a more inclusive place, but drive up other areas of diversity such as ethnic minority representation.

Why should D&I be a priority?

As detailed in PwC’s report ‘Diversity is the solution, not a problem to solve’, there are five reasons why diverse businesses perform better.

Diversity brings:
1. Better outcomes for customers
2. Better business returns
3. Greater innovation and new ideas
4. Improved reputation and brand
5. Greater attractiveness to employees

Diversity should therefore be treated as a business-critical issue, and prioritised in the same way as other areas of business modernisation, like digital transformation.
Beyond the numbers: themes from conversations with Chairs, CEOs and HRDs

Over the past few months, The MBS Group has spoken with our industry’s Chairs, CEOs and HRDs to explore the extent to which D&I is being prioritised. In this section, we look at the key insights from those conversations.

1. Diversity and inclusion is a new priority for the fashion industry

Our research found that most fashion businesses are at the start of their journey, with many only implementing formal policies in the past twelve to eighteen months.

- Businesses are starting to collect diversity data on their workforce and leadership teams
- Efforts to engage employees in D&I have been kickstarted
- Most companies are still in a trial-and-error phase
- Leaders have been hired to lead the diversity agenda

“Leaders are still learning. Currently, they don’t know how to open the conversation with their teams.”
CEO, luxury brand

2. The maturity of policies varies significantly across the sector

The fashion industry is highly saturated, and different businesses face different opportunities and challenges.

Large businesses are leading the way
- Bigger businesses are more likely to have formal D&I policies that are built into long-term strategy
- The furthest-ahead businesses have targets for representation and have allocated specific budgets towards D&I
- Some large groups reported challenges in restructuring the business around D&I

Small businesses are less advanced
- Smaller companies are less likely to have formal policies in place
- Many small and mid-sized organisations are focusing on developing a ‘culture of inclusion’ rather than building structured policies
- A handful of small businesses told us that D&I wasn’t a priority at the moment
- Smaller companies do benefit from less rigid organisational structures, so can more quickly roll out new policies and see their impact

“Why now?
- There are greater external pressures. Many leaders in the fashion industry reported increased scrutiny on D&I from customers and the media, as well as more internal pressure from colleagues
- The murder of murder of George Floyd and the Black Lives Matter movement kickstarted conversations around race and ethnicity in many businesses
- D&I is becoming a critical part of employer brand and critical to employee retention

“With a handful of small businesses told us that D&I wasn’t a priority at the moment”
CEO, small business

Progress is impacted by ownership structure
- Public companies are furthest ahead due to increased scrutiny
- PE-owned businesses often struggle to engage their owners
- Family businesses are still hiring for ‘culture fit’, which consistently leads to a lack of diversity of thought
- International businesses have to navigate differing cultural attitudes and regulations around data collection

Some markets are more advanced than others
- With a few exceptions, businesses in the UK and Northern Europe are more advanced on D&I than those in Southern Europe
- The introduction of mandatory gender pay gap reporting has driven progress in the UK
- Geography was frequently cited as a barrier to progress. More information on this can be found on page 11
- Engagement in this research was significantly lower from businesses in the French and German markets. This partly reflects hesitance in these regions to discuss D&I in general
A lack of data is a barrier to progress

Collecting data on gender, ethnicity, disability, sexual orientation and social mobility is a critical part of advancing D&I. With the understanding that what gets measured gets done, businesses should be prioritising gathering information, setting targets and measuring progress.

Most businesses don’t have sufficient visibility of diversity in their business

- Only 29% of businesses have thorough data on the diversity of their organisation. A further 29% say that the data they do have is insufficient. The remaining 42% say they do not collect data.
- Many businesses are struggling with legacy HR systems that are not set up for gathering data at scale.
- European GDPR laws hinder data collection for businesses operating in Europe, especially around ethnic diversity.

"On the data, it’s very early days for us. A lot of our systems are manual – not even in Excel – so we’re in the process of putting in an HR database. Without this it’s just very difficult to get visibility.”
- CEO, luxury brand

Collecting data should be treated as an urgent priority

- The gold-standard businesses have set up data collection programmes measuring all aspects of diversity at every point of the employee life cycle.
- The best efforts are underpinned by education around why disclosing personal data is important, and what will be done with the data collected.
- Leveraging employee network groups to drive up engagement.
- Establish executive sponsorship of diversity-related data collection efforts.
- Use data to support progression of specific groups within the company.

"In Europe, gathering data is challenging due to GDPR. While we’re able to gather insights into gaps, areas of improvement and opportunities, it restricts us from having access to data that would allow us to analyse trends and outcomes.”
- CEO Europe, international fashion group

Four steps to success on collecting data

1. Underpin voluntary employee surveys with education campaigns about why disclosing personal information is important, and what will be done with the data collected.
2. Leverage employee network groups to drive up engagement.
3. Establish executive sponsorship of diversity-related data collection efforts.
4. Use data to support progression of specific groups within the company.

Businesses face similar functional and geographic challenges

Through our research we have pinpointed several recurring challenges for businesses.

Geography

- Location of head office was most frequently cited as barrier to progress on ethnic diversity. This applies nationally, for example for businesses based in Scandinavia or the Netherlands, and regionally, for example for businesses operating in predominantly white parts of the UK.
- The most advanced businesses are considering how to mitigate this by providing remote work solutions and relocation bursaries.
- Most Italian businesses reported needing to hire people who speak Italian, which significantly shrinks the talent pool.
- “We have production sites in Morocco, and it’s been challenging navigating the cultural biases that exist in that market. It’s much, much, harder to achieve gender balance there.”
- HRD, fashion retailer

Balancing different cultural priorities

- For businesses which operate in different national markets, balancing and catering to differing values can be difficult.
- One business told us that it struggles speaking about its D&I strategy in “certain parts of rural Europe where prejudice is still rife.”
- Certain populations are less willing to speak about their personal background, or engage in open conversations around inclusion.
- “Scandinavians just don’t like to talk too much about themselves.”
- CEO, luxury brand

Certain functions require more attention than others.

- Identifying female talent for IT and logistics roles is highly challenging.
- By contrast, almost all garment manufacturing workers are women.
- Ethnic diversity in creative roles is very low.
- More information on ways to increase gender and ethnic diversity can be found on pages 20–21.
Fashion still has many features of an “exclusive” industry

For decades, the fashion industry has been known for its exclusivity. While some businesses have made concerted efforts to shrug off this reputation, there are still features of the industry that are obstructing D&I, especially from a class perspective.

It is not easy to get a foot in the door

- Many junior-level roles come through unpaid internships in capital cities, which are financially inaccessible to many
- Recruitment efforts are predominantly targeted at a limited number of fashion schools
- There’s still a ‘who you know’ attitude to hiring that perpetuates the same people moving around the industry

“It has historically been very difficult for people from less fortunate backgrounds to find their way. If you haven’t worked for a big brand, you don’t get a look in.”

HRD, luxury retailer

Investing in social mobility will break the cycle and encourage diversity of thought

- The furthest-ahead businesses are lowering the barriers to entry in the industry by removing unpaid internships; lowering qualification requirements and broadening the recruitment process away from a certain number of elite fashion schools
- Unlocking social mobility is also critical in driving up ethnic diversity among junior employees
- Some businesses are partnering with external charities. More information on policies around social mobility can be found on page 22

“The network that you need is the biggest barrier. If you’re from a small town outside of London how are you going to get in front of Vogue?”

CEO, luxury brand

The industry must move away from hiring for culture

- Undue emphasis is placed on experience in a small number of brands, perpetuating the same people moving around the industry
- Leaders should be brave in their approach to hiring. Rather than hiring for culture fit, leaders should bring in people with the right skillset, and allow a culture to develop organically
Moving the dial

How are businesses driving lasting change? In this section, we consider the different areas of inclusion and discuss how businesses are addressing the challenges, and harnessing the opportunities, associated with each. Five case studies highlight how businesses of different sizes and scopes are moving the dial in their organisation, providing practical examples that can be replicated across the industry.
Areas of inclusion: what initiatives are in place?

Just over half of businesses in the fashion industry have coordinated D&I strategies. In this section, we look at what those strategies include and how companies are driving up representation and fostering cultures of inclusion.

1 Women

All strategies in the sector include efforts to increase female representation at senior levels. Despite women driving the majority of consumer spending and making up the majority of the workforce, most senior roles are still held by men in the fashion industry:

![Women in Tech](image)

Most initiatives are focused on:
- Supporting women (and all parents) on their return after parental leave
- Identifying future women leaders and providing management training
- Bringing women into the technology and logistics function

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Spotlight on: Women in Tech

The best businesses are putting measures in place to close the gender gap in certain functions.

One online fashion retailer told us that: "We recognise that 70% of our customer base are women, yet 70% percent of those who are sitting behind the platform are men. So, we built a specific programme to get more women into the tech function. We’re aiming to have 40–60% of tech roles held by women by 2023."

Since this initiative, the business has increased its share of women in tech jobs to more than a fifth, compared to 16% in 2020.

2 Ethnic diversity

After gender, ethnic diversity is the most-focused on area of inclusion, with 91% of strategies covering the topic.

Fashion has been slow to take action in this area – many reported that ethnic diversity only became an agenda item in the aftermath of George Floyd’s murder in 2020. Most initiatives are based on:
- Employee networks
- Partnering with designers from ethnic minority groups
- Auditing ethnic diversity in marketing, social media and fashion shows
- Establishing calendars of inclusion events that take into account different faiths

Very few businesses have specific targets in place to increase the representation of ethnic minorities. For an example of best practice in this area, please see page 24.

3 LGBTQ+

Our research has found that fashion is inclusive for LGBTQ+ colleagues. A large majority (78%) of strategies include the topic and well over half of businesses (62%) reported to have an LGBTQ+ leader in the top two levels of their business.

The furthest-ahead businesses have employee networks which work alongside leadership to shape policy around LGBTQ+ inclusion, for example how best to celebrate Pride month.

From a customer-facing perspective, fashion businesses are increasingly considering how to make their product lines and marketing efforts more inclusive of the trans community.

Spotlight on: Tommy Hilfiger Fashion Frontier Challenge

The Tommy Hilfiger Fashion Frontier Challenge is a dedicated program that echoes Tommy Hilfiger’s sustainability vision to Waste Nothing and Welcome All, by finding and supporting global entrepreneurial ideas that can lead to a more inclusive fashion landscape.

Since its launch in 2018 and through three editions, the programme has received more than 1,800 applications, from 108 countries and awarded €550,000 to 10 winning entrepreneurs.

In 2021, the programme strived to amplify and support Black, Indigenous and People of Color (BIPOC) entrepreneurs who are working to advance their communities, while fostering a more inclusive future for the fashion industry.

Last year’s winners were:

- Lalaland, a Netherlands-based platform that uses artificial intelligence to generate customised and inclusive synthetic models of different ethnicities
- UZURI K&Y, a Rwandan-based eco-friendly shoe brand that uses recycled car tires from sub-Saharan Africa and employs local youth
- Clothes to Good, a South African-based social enterprise that creates micro-business opportunities and jobs for people with disabilities through textile recycling
Diversity and Inclusion in the Fashion Industry

Social Mobility

The fashion industry has traditionally been considered a ‘exclusive’ industry, which is accessible to those from lower socio-economic backgrounds. In our research, just over a third of businesses reported to have a socially-mobile leader in the top two seniority levels, and many said that the industry still felt ‘cliquey’ and ‘elitist’.

Unlocking social mobility can drive up representation of other areas, specifically ethnic diversity. Just over half (53%) of strategies in the sector include social mobility.

Most initiatives are focused on:
- Academy and apprenticeship programmes to get candidates from underprivileged backgrounds into work
- Partnerships with charities, schools and colleges
- Lowering educational requirements for certain roles like administration
- Rethinking guidelines and providing manager training to encourage a competency-based approach to interviews
- Removing unpaid internships
- One brand told us it was identifying its senior leaders who represented social mobility and encouraging them to tell their story to show people that everyone has the chance to step up
- The furthest-ahead businesses are developing talent pipelines from their retail workforce, which is more likely to be diverse and to include colleagues who represent social mobility.
- There is also an opportunity to leverage local communities. Our research showed that the most successful schemes work with local areas to drive up social mobility and create opportunities

Spotlight on: Middle Management Masterclass

One business told us that it has launched a middle management masterclass to support its diverse candidates and build its pipeline of internal talent.

A cohort of 20 people per year receive training on:
- problem solving skills
- project management skills
- managerial skills
- how to give feedback

The business said: “There’s been a real positive buzz around the masterclass. People love to be invested in. They love to feel that their organisation really cares about career development.”

Spotlight on: Disability

Very few people are actively talking about disability in the fashion industry. While 59% of strategies in the industry include disability, most are focused on general inclusion initiatives rather than targeted at bringing in or supporting Disabled colleagues. Moreover, just 7% of businesses have a Disabled leader at the top two levels of their company. Some businesses noted that the move to remote working has provided more opportunities to hire Disabled candidates.

From a customer-facing perspective, a small number of businesses are embracing disability inclusion by:
- Auditing their website for digital accessibility
- Producing adaptive lines
- Considering the accessibility of their physical stores

More information on disability inclusion can be found on page 32.

Organisations looking to foster a culture of inclusion and collect accurate data on their employees should first provide a holistic and broad definition of disability. Tilting The Lens, a disability consultancy founded by Sinéad Burke, uses the following definition, sourced from the WHO:

“Disability is part of being human. Almost everyone will temporarily or permanently experience disability at some point in their life. Over 1 billion people – about 15% of the global population – currently experience disability, and this number is increasing due in part to population ageing and an increase in the prevalence of noncommunicable diseases.

Disability results from the interaction between individuals with a health condition, such as cerebral palsy, Down syndrome and depression, with personal and environmental factors including negative attitudes, inaccessible transportation and public buildings, and limited social support.”

Social Mobility

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DIVERSITY AND INCLUSION IN THE FASHION INDUSTRY

Embedding D&I initiatives at scale: D&I at Burberry

GEOFFREY O. WILLIAMS
Vice President / Global Head Diversity & Inclusion

What does D&I mean to Burberry? What does it look like?

As a creative business, a commitment to diversity, equity and inclusion is absolutely vital to our success as a brand. We are focused on valuing and embracing differences and creating an environment where everyone feels they belong, has a voice and can reach their full potential. When we do, we know that our colleagues are more engaged, committed, and effective in driving results, we are more successful as an organisation, and we also make a more meaningful contribution to the world around us.

Our approach to D&I is underpinned by four strategic pillars, which are:

• Attracting and Retaining Diverse Top Talent
• Fostering an Open and Inclusive Culture
• Educating and Raising Awareness
• Implementing a Global Approach

Across these areas, we are implementing key policies and programmes to create lasting change. We work in partnership with key organisations, our Internal D&I Council and our Cultural Advisory Council to challenge ourselves and make sure we are addressing key issues in a meaningful way.

As part of our strategy, we set aspirational goals to increase diversity across ethnicities in the UK and US which are two of our largest markets in terms of colleague population. We also aim for our candidate and internal succession planning shortlists to have at least a 50/50 gender split and at least 25% ethnic diversity, to support increasing representation at Burberry.

As Burberry’s Global VP of D&I, what are your key priorities?

Since joining, my focus has really been to understand the work done so far and look at how to build on what the team has already established. Beyond this, our priorities are thinking about how we can take more tangible actions across the spectrum of diversity, equity and inclusion, and how we can help the wider fashion community understand why pushing for progress in these areas is so important.

How do you roll out your D&I strategy at such a large scale, particularly given you’re a global organisation?

We believe creating positive change only happens when everyone is involved and understanding local nuances is critical to success. We are embedding local action plans across regions and business areas in line with our fourth pillar: Implementing a Global Approach. These targeted D&I plans are created with the support of working groups within different areas of the business, applying a local understanding of the D&I landscape while supporting our global priorities. Each plan is sponsored by one of our senior leaders and is regularly monitored to track progress.

Empowering voices across Burberry globally, the plans came to life across 10 months, engaging over 200 working group members and incorporating over 4,500 contributions and pieces of feedback from colleagues. These plans are now being actioned and embedded around the business, with groups continuing to meet regularly to move their bespoke actions forward. Key themes across functions included an enhanced talent approach to attract, retain and invest in diverse talent, encouraging openness and regular communication and fostering local community and partner support.

What’s one piece of advice you’d offer to leaders looking to move the dial on D&I?

It’s important to think about the level of honesty that goes into your approach, and to consistently measure your progress and hold everyone accountable to delivering on your goals. Additionally, the landscape around these issues is constantly evolving, so we have to remain agile and make sure we’re really listening to our colleagues and communities to make sure our initiatives are adaptable.
Kickstarting progress: building a D&I strategy at GANNI

GANNI is a reasonably small business which is early on in its diversity journey. When did you begin considering D&I?

Andrea: We are still in the phase of our journey where we are considered as an SME, with just around +200 employees and a store footprint of +30 stores, but we are on the path to becoming a global player. In order to succeed, we need to keep upgrading our D&I work.

D&I really became an ingrained priority for us back in 2019 after receiving important feedback from a show we held during Copenhagen Fashion Week where we collaborated with a National Geographic photographer to showcase her imagery as part of our show scenography. The show was centered around raising awareness of the climate crisis whilst underlining nature and human interconnectivity. Some of the imagery featured marginalised groups whose voices were not directly elevated as part of the show, which as a result ended up being perceived by some as though they were mere props. This led to some heavy criticism that also ended up being perceived by some as though they were elevated as part of the show, which as a result ended up being perceived by some as though they were

Today, what sort of strategy do you have in place?

Roberta: I joined in April 2021 to build and lead our people teams. I inherited a broad set of policies from the sustainability team and the D&I working group we had in place at the time. Since my arrival, we have consolidated the existing work to build a long-term action plan for diversity and inclusion. Building on what was already in place, such as the unconscious bias training as well as internal guidelines towards D&I, we’re creating a plan that will look at recruitment, onboarding and developing diverse candidates. It will also cover every area of inclusion. At the moment, we just cover gender and ethnicity.

How are you making D&I central to GANNI?

Roberta: Working on becoming a diverse and inclusive brand and employer is not a tick-box exercise, it is a collective responsibility and a big change management exercise. We are working on making diversity and inclusion part of our core practice and ‘business as usual’, this means moving the work out of the Responsibility team and ensuring that D&I mentality is spread out across the business.

At GANNI we are honest, not perfect and we recognise that we still have to take so many more steps on this agenda. We have however taken some concrete actions that are moving us in the right direction.

We have significantly improved recruitment processes and launched a new onboarding programme that gives new joiners the opportunity to establish connections across the wider business and build solid relationships with colleagues. In 2021, we launched a revised version of our core company values that drive our decisions, behaviors and actions every day. They are at the core of the way we do things at GANNI. We call these the GANNI Way:

• RESPONSIBILITY
• OPENNESS
• OPTIMISM
• AUTHENTICITY
• ACCOUNTABILITY.

Since the end of 2021, we have made sure that values and the GANNI Way are part of our performance management conversations with employees. As part of the GANNI Way we have launched a series of new policies to help us building a more inclusive and responsible workplace: we have introduced sabbatical leave policy; breastfeeding mothers at work policy; activism; volunteering activities; right to vote policy, and a flexible work policy. We have additionally significantly improved our parental leave policies in two of our markets where the original policy was below benchmark. We have also implemented new guidelines and processes for internal recruitment and internal moves, extended ‘Know your Bias’ training and by the end of 2022 we hope to roll out a professional survey to map our diversity in the workplace.

Engagement surveys are often a critical part of D&I. How are you using surveys at GANNI?

Roberta: We have started to regularly run engagement surveys on a quarterly basis to keep assessing the ‘temperature’ of the business. This gives us important insights on what we need to keep working to support our company DNA. As part of this survey, D&I is a dimension that we regularly assess, and it helps us in taking future decisions on how to tackle this important topic. According to the latest surveys, freedom of opinions and openness is something that people really appreciate at GANNI and this makes us really proud. It means our people feel free to express their own ideas and contribute, it’s all about having open doors every day and letting new ideas in as this is the only way to keep learning and evolving.

What are your biggest challenges?

Andrea: One of our biggest hurdles is geography. Copenhagen simply isn’t nearly as diverse a city as London, New York or Paris if you look at the data. For instance, the percentage of the population that identifies as BIPOC in Copenhagen is significantly lower (around 13%) than in New York (57%) or London (36%). This means that the talent pool is naturally smaller, making it more difficult to find diverse talent. Obviously, the talent is there but you just have to look in different places and ensure you are attractive as an employer. We talk about the need to grow globally but building diverse teams in our home market is often more difficult than in many of our subsidiaries. Luckily, we are seeing a shift there too as Copenhagen has been an increasingly popular work destination for international talent.
Driving lasting change: harnessing data and empowering people at lululemon

Can you tell us how your comprehensive D&I strategy, IDEA, was built?

At lululemon, we are on a journey to drive meaningful, lasting change in the world and promote wellbeing across our communities. We have defined a purpose to elevate human potential by helping people feel their best.

We do this by creating transformative products and experiences that build meaningful connections, unlocking greater possibility and wellbeing for all. Since our inception, we have fostered a distinctive corporate culture; we promote a set of core values our organisation which include taking personal responsibility, acting with courage, valuing connection and inclusion, and choosing to have fun.

Within the IDEA department, our mission is to expand corporate culture; we promote a set of core values and include, diversity, equity in action.

We know that auditing, measuring and reporting is one of the most important aspects on D&I. What does that look like at lululemon?

We have different ways of measuring progress, depending on the area of our strategy. In Europe, we have numerous objectives and key results, and we measure them on a monthly basis.

Company-wide, we have two big goals. The first one is to reflect the diversity of the communities we serve and operate in around the world by 2025. For that, we aim to have 40% of our retail teams coming from diverse backgrounds and 30% of our leadership positions by the end of 2023.

We measure progress three times a year through different voluntary and unattributed employee surveys that measure the impact of intersectional identity on employee experience.

With our Pulse Survey, we measure IDEA through four questions and isolate results per region. With our Demographics Survey, we measure IDEA through seven questions, and over 18 intersectional aspects of people's identities. With that, we pursue our other big goal: achieve 90% of our teams experiencing inclusion, across every community.

We also measure guest engagement and the customer-facing experience of our brand and stores. By asking “how welcome you felt / inclusive was your experience?” we saw that guests find their store experience to be more inclusive in locations where employee belonging sentiment is higher. So, when we talk about our goal of having 90% of teams feeling that they belong, it translates to a better store experience for customers too.

In addition, we are committed to gender pay equity as a global organisation – and we have achieved this annually since April 2018. Our hiring and reward practices are regularly assessed to ensure we are making informed and inclusive decisions, ensuring consistency year after year for our people.

How is D&I owned by the top at lululemon? Who are the senior sponsors?

Our IDEA Strategy is owned by every leader. Stacia Jones leads our team as Vice President of IDEA, and our CEO Calvin McDonald is a D&I champion. On a European level, each person on the leadership team has objectives related to D&I, an indication of the level of accountability.

Once a month, we produce an IDEA report, which we present and discuss for two and a half hours with our senior leadership team. In this meeting, we discuss progress and our commitments for the next four weeks. It is a privilege to host the session with our Executive Vice President of International and our senior directors for EMEA.

Can you tell us a bit more about your People Networks?

We have 10 employee resource groups, which we call People Networks. They include: Asian People; Black People at work; chronic illnesses; disability; Indigenous People; Jewish People; Latinx People; LGBTQIA2S+; Mental health; Size inclusivity and South Asian People; women in STEM.

As a recent example of how one of the networks impacted the business – the LGBTQIA2S+ network was consulted from the beginning in what Pride should look like in our organisation.

We want to ensure this community feels that Pride isn’t just a celebration, it is a fight for more rights and inclusion, and that this would be felt long after Pride month ends.

Our programme, Proud & Present, happens 365 days a year – Pride Month is only a platform to amplify the work we are already in. And although we don’t get things always right, it is important to partner with those with lived experiences to have their views shaping our actions.

People Networks have executive sponsors, team leaders, and enablers to support their partnerships across the organisation to ensure that we are all committed to drive positive change.

We also compensate those who lead the People Networks. It was important for us to release under-represented communities from the burden of having extra work to drive equity. They are enablers and co-designers, and this space is very important for our business.

Our purpose is to support these People Networks to work towards the same goal, which is understanding the needs of each individual group and empower us with knowledge from which to base our future decisions.

Is there anything else you’d like to share with us?

We understand that one of the most important indicators of a healthy diversity, equity, and inclusion program is the manner in which an organisation listens to its employees and then actions on what it learns. At lululemon, we have more than ten ways in which we listen to our employees, from open office hours to anonymous systems where people can submit questions. Feedback is shared with managers of all levels and we track what we hear through the different listening avenues, and we take meaningful action.
Leading the way: implementing a global D&I strategy at PVH Europe

As for the Marketplace, we are going to implement a formal quarterly review process of consumer-facing touchpoints to validate our efforts and make sure we are aligned with consumers’ sentiment. We continue to invest in expanding our relationships and engagement with Inclusivity and Diversity partners in the communities where we live and operate.

Can you tell us a bit about PVH Europe’s inclusion initiatives and learning programmes?

We strive to create a culture of inclusion where associates have the space to learn, interact, and communicate. This includes internal panel discussions and guest speaker sessions, an important part of our strategy. Besides celebrating distinct cultural moments from diverse communities, we also established the Business Resource Groups, which are voluntary, associate-led groups that foster an inclusive culture and support us in staying connected to associates’ sentiment.

On a consumer-facing front, across both brands we strive to implement programs that are inclusive and accessible to all. The Tommy Hilfiger Fashion Frontier Challenge echoes the brand’s sustainability vision to Waste Nothing and Welcome All, and other initiatives like the partnership with online learning platform FutureLearn, that offered a selection of social impact educational courses for free. At Calvin Klein, partnerships with non-profit organizations continuously run year-round. The brand has a proud history rooted in inclusivity since the original launch of CK-ONE fragrance, and today leverages high-profile collections like Heron Preston, to introduce gender inclusive styles.

Diverse recruitment is a critical area of focus for any business looking to drive up I&D. How is PVH Europe recruiting with diversity in mind and what is the importance of a diverse workforce at PVH Europe?

Diverse and inclusive teams build a workplace that amplifies motivation, creativity, and innovation — so it is extremely important to continue our recruitment efforts and candidate experience to attract talent that represents a broad spectrum of diversity.

We continue to push boundaries on this and have recently implemented in the US a diverse slate requirement for applicants, along with tools and technology to prevent human bias when assessing them – these tools are planned to be implemented in Europe by end of 2022.

Internally, through PVH’s global education and training programs such as Unconscious Bias, we aim to strengthen our I&D capabilities as an organisation.

For European businesses, GDPR rules make it difficult to collect data on the diversity makeup of employees. How is PVH navigating this?

Gathering data is extremely challenging in Europe due to the General Data Protection Regulation (GDPR). While we can access insights into gaps, areas for improvement, and opportunities, it restricts us from using data to analyse trends and outcomes.

To overcome this, we have a dedicated I&D team that works closely with key internal and external partners, including our regional Business Resource Groups, that help provide insights and information.

We have also launched a global Self-Identification campaign, asking associates to self-identify within the different dimensions of diversity. Through these initiatives, we hope to evolve and elevate our I&D strategy while measuring progress and setting new targets.

What one piece of advice would you give to leaders looking to make progress on I&D?

Imperative to progress is action. While staying open to learn and listen, it’s equally important to find ways to translate insights into action. This can be challenging as it does not happen naturally — it requires focus from senior leadership teams to truly achieve a positive impact. Having a strong foundation of Inclusivity and Diversity can cause a ripple effect through distinct areas of the business — from hiring, promoting, and retaining associates, to collaborations with external partners and consumer-facing initiatives.

PVH is often cited as best-in-class on inclusion and diversity in the fashion industry. What does I&D mean at PVH Europe, and how do you ensure that it remains high on the agenda?

Our top priority is to make sure all our associates feel a sense of belonging while working in a safe and supportive environment. We continue to work hard to cultivate a culture where everyone feels confident to speak up, if they choose to, and share their experiences. We recognise that change starts from the inside out and by taking the time to listen and educate ourselves is one of the ways we can drive positive change, not only in the workplace but also within communities we are part of.

How are PVH Corp’s Inclusion and Diversity commitments being implemented at PVH Europe?

Our strategic Inclusion and Diversity pillars are composed of Workplace, Marketplace, and Community. In the Workplace, we rolled out unconscious bias training for associates to have greater self-awareness, with +70% of associates trained across Europe so far; and the goal to reach 100% by the end of 2022.

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Disabled community remains underserved and underrepresented in the fashion industry and beyond. Focusing on disability inclusion should be a priority for business leaders today.

We must think about disability inclusion not merely as something that's good to do – but as something that is essential for the future of each business.

First, through talent. Prioritising disability inclusion significantly widens the available talent pool, giving businesses choice of the very best people to bring into their organisations. And, it’s worth remembering that companies that establish themselves as purposeful will be more attractive to future generations, who want to be part of businesses that are rooted in societal change.

Second, disability inclusion brings innovation. Disabled team members – for example those with a disability, and it is a community which spends $1.7tr every year. In the UK alone, businesses lose an estimated £2bn every month by ignoring the Disabled market, and Forbes recently undertook research which found that $1bn in funding and spending (in the US and Canada alone) will be migrating over the next ten years to the businesses which take accessibility seriously in their design.

How would you suggest leaders begin to address disability inclusion?

At Tilting the Lens, which is an accessibility consultancy, our practice is deliberately holistic. We focus on education, advocacy and design across four broad areas: people, places, products and promotion. I think within any organisation, you should be able to audit your business, establish which of those four pillars you can start with, and set out short, medium and long-term goals for each.

Most pressing, leaders should make disability inclusion a Board agenda item, allocate resources to it, and set measurable ambitions which clearly demonstrate commitment from the top and accountability throughout the organisation. If disability inclusion is just a grassroots project, it will never be sustainable, nor will it ever be central to our workforce, and core to the business values and brand.

What is the biggest barrier to progress in this area?

Some of the biggest opportunities and the most pressing challenges lie in the retail space. These are particularly urgent to address, as the lion’s share of recruitment in industries such as fashion and beauty happens for positions in retail.

If we think about the fashion industry through a luxury lens, retail destinations are mostly found in historic buildings that are largely protected by legislation. When you’re not allowed to put a lift in a building, or introduce a ramp for front-door access, that creates immediate barriers around accessibility and whether intentional or not, narrates a message of who is welcome – both as a customer and as an employee.

Physical retail is the long-term investment that requires action, not only from fashion institutions but from local councils and landlords, too. We need to bring in a minimum set of requirements that moves our mindset from compliance to creativity, to ensure the accessibility of retail spaces and company headquarters, that is consistent with the brand vision.

Because here’s the thing; fashion could make an enormous difference for cities as a whole. If every luxury brand said, “We’re going to prioritise accessibility in retail,” cities would have to move the dial, because cities need fashion groups.

How can companies recruit with accessibility in mind?

We need to completely rewrite the hiring and onboarding process. We need to be proactive rather than reactive, asking people at the earliest possible opportunity whether there are accommodations that can be made to encourage them to join the company. Adjustments like providing adaptable workstations and screens, better lighting, colour-coded keyboards and screen reader software can also make a difference.

What advice would you give to leaders looking to support their Disabled colleagues?

It needs to be about engaging with your colleagues and facilitating a dialogue, inviting meaningful responses about their needs, whether those are cultural, religious, sensory, physical or digital accommodations.

What bold moves could fashion leaders be making? What would best practice look like?

Best practice is to set a clear agenda and attach goals and objectives accordingly while measuring the progress along the way. Where do you want to be in the next year or 3-5 years down the line? The boldest leaders should address accessibility across physical spaces such as their retail spaces or corporate offices, as change in these areas not only takes time but is also integral to inviting Disabled talent and not just customers into the brand universe.

What would you like to see in the future?

The focus of the conversation needs to shift, from discussing output and visibility metrics to working towards systemic long-term change. We need to embed principles of disability inclusion into the entire industry – not just our design rooms and marketing departments.
About Us

About The MBS Group
For more than 30 years, The MBS Group has been a leading sector-specialist executive search firm advising all consumer-facing industries, with a particular focus on the fashion industry. Clients consider us to be the partner of choice when searching for critical leadership roles that make a difference. We work at board level and on executive positions across all functions of strategic importance.

For more information, visit www.thembsgroup.co.uk

About the British Fashion Council
The British Fashion Council (BFC) is a not-for-profit organisation set up in 1983 with the role to strengthen British fashion in the global economy as a leader in responsible, creative businesses. We do this through championing diversity and building and inviting the industry to actively participate in a network to accelerate a successful circular fashion economy. Our work encompasses promoting British fashion internationally and does so through Fashion Weeks, Exhibitions and Showcasing Events.

For more information, visit www.britishfashioncouncil.co.uk

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