

The Business Case for Sustainable Apparel

Strategy for Investing in Sustainable Brand Marketing and Communications

Phase 1: December 2020

Phase 2: April 2021



Investing in Sustainable Brand Marketing and Communications*

*Includes Employees, Customers, and Other Stakeholders



Investing in Sustainable Brand Marketing and Communications

Overview of Sustainability Strategy and Relevant Mediating Factors

In the following slides, we will be focusing on benefits from *Investing in Sustainable Brand Marketing and Communications*, which are categorized based on the relevant mediating factors highlighted below:

Sustainability Strategy Definition

Investing in Sustainable Brand Marketing and Communications

Company invests in marketing and education around sustainability through engagement campaigns and branding

Relevant Mediating Factors

Customer Loyalty (CL)

Benefits that...
Attract an increasing number of conscious buyers & consumers, while reducing retention costs

Employee Relations (ER)

Improve employee workplace culture and retain talent

Media Coverage (MC)

Increase a company's media presence with the development of both traditional and social media content

Sales & Marketing (SM)

Increase volume of sales through brand and marketing policies

Supplier Relations (SR)

Improve upon the relationships between the company and its suppliers

Stakeholder Engagement (SE)

Improve goodwill amongst the broader stakeholder community (i.e. NGOs)

Risk Management (RM)

Encourage risk mitigation and resilience within the value chain

Investing in Sustainable Brand Marketing and Communications

Overview of Benefits and Monetization Methods (1/1)

Practice	Sub-Practice	Proposed Benefits	Mediating Factors	Proposed Monetization Methods	Financial Impact Priority
Promote Brand Sustainability	Communicate Corporate Sustainability Strategy and Progress	Attract and retain top tier talent in sustainability through communications on sustainability strategy	ER	Calculate annual investment in top talent compared to previously invested talent for recruiting %	✓
		Increase attractiveness to suppliers and manufacturers with sustainability focus within the value chain	SR	Calculate annual profit from partnering with sustainability focused suppliers and manufacturers compared to previous supplier/manufacturers relationships to determine sustainability progress %	
		Increase business opportunities by investing in stakeholder relationships through communications on sustainability strategy communications	SE	Calculate annual profit from business opportunities associated with sustainability minus costs associated with sustainability communications	
		Decrease costs associated with reputational damage for not engaging in sustainability strategies	RM	Calculate estimated reduction in # of potential reputational issues before and after implementation of sustainability strategies multiplied by cost per reputational issue	✓
		Increase unpaid earned media	MC	Calculate cost per media exposure multiplied by # of unpaid media exposures (given program visibility) to achieve avoided cost savings	



= If implemented, this benefit can realize substantial financial impact



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Overview of Benefits and Monetization Methods (1/1 Cont.)

Practice	Sub-Practice	Proposed Benefits	Mediating Factors	Proposed Monetization Methods	Financial Impact Priority
Promote Brand Sustainability	Promote Sustainability Practices & Certifications through Branding / Labeling	Increase sales by converting customers to purchase through explicit labeling and branding on products	CL SM	Calculate incremental profit to the company from sales spurred by the existence of sustainability labels/branding minus associated costs (labels, branding, certifications and sustainable manufacturing) and estimated increase in customer lifetime value	✓
	Ex. BCI Cotton Ozone, waterless washing Tencel, sustainable fiber	Lower customer acquisition costs	CL SM	Calculate cost differential between customer acquisition costs before and after the implementation of sustainable branding/labeling OR calculate estimated # of customers who purchase parent company products for the first time (via the specialized product) multiplied by customer acquisition costs per customer to achieve avoided cost savings	
		Increase unpaid earned media	MC	Calculate cost per media exposure multiplied by # of unpaid media exposures (given specialized product visibility) to achieve avoided cost savings	


Investing in Sustainable Brand Marketing and Communications

Overview of Benefits and Monetization Methods (1/1 Cont.)

Practice	Sub-Practice	Proposed Benefits	Mediating Factors	Proposed Monetization Methods	Financial Impact Priority
Promote Brand Sustainability	Inspire Sustainable Actions through Consumer Engagement Campaigns	Increase sales from sustainability-focused consumer engagement marketing campaigns	CL SM	Calculate incremental profit to the company from sales spurred by consumer engagement marketing campaigns minus associated marketing costs	✓
	<i>Examples: Wash jeans less, Buy artisanal products, Reduce carbon footprint- (based on product return methods)</i>	Lower customer acquisition costs	CL SM	Calculate cost differential between customer acquisition costs before and after the implementation of consumer engagement marketing campaigns OR calculate estimated # of customers who purchase parent company products for the first time (via the consumer engagement campaigns) multiplied by customer acquisition costs per customer to achieve avoided cost savings	
		Increase sales from conversion based on consumer engagement marketing campaigns	SM	Calculate incremental profit attributed to sustainability consumer engagement campaigns (profit differential before and after) and estimated increase in customer lifetime value	
		Increase unpaid earned media	MC	Calculate cost per media exposure multiplied by # of unpaid media exposures (given sustainability consumer engagement campaigns) to achieve avoided cost savings	


Investing in Sustainable Brand Marketing and Communications

Overview of Benefits and Monetization Methods (1/1 Cont.)

Practice	Sub-Practice	Proposed Benefits	Mediating Factors		Proposed Monetization Methods	Financial Impact Priority
Promote Brand Sustainability	Promote Inclusivity through Product, Campaigns, and Customer Experience	Increase purchase sales from promotion of inclusivity <i>*This includes but not limited to employee training, more inclusive and expansive product offerings, and broader more inclusive marketing campaigns</i>	CL	SM	Calculate incremental profit to the company from sales spurred by inclusive promotion (product, marketing, and experience) minus associated costs to create inclusive product, marketing, and experience	
		Lower customer acquisition costs	CL	SM	Calculate cost differential between customer acquisition costs before and after the implementation of inclusive promotion OR calculate estimated # of customers who purchase parent company products for the first time (via the consumer engagement campaigns) multiplied by customer acquisition costs per customer to achieve avoided cost savings	
		Increase unpaid earned media		MC	Calculate cost per media exposure multiplied by # of unpaid media exposures (given promotion of inclusivity through product, campaigns, and customer experience) to achieve avoided cost savings	
		Increase sales from conversion based on consumer engagement marketing campaigns		SM	Calculate incremental profit attributed to promote inclusivity through product, campaigns, and customer experience (profit differential before and after) and estimated increase in customer lifetime value	

Investing in Sustainable Brand Marketing and Communications

Overview of Benefits and Monetization Methods (1/1 Cont.)

Practice	Sub-Practice	Proposed Benefits	Mediating Factors	Proposed Monetization Methods	Financial Impact Priority
Promote Brand Sustainability	Promote Inclusivity through Product, Campaigns, and Customer Experience	Increase opportunities and potential partnerships by promoting inclusivity with the ability to diversify more broadly around issues, such as with NGOs	SE	Calculate annual profit from business opportunities associated with inclusivity minus costs associated with communications	
		Reduced brand reputational risk by fostering inclusivity	RM	Calculate estimated reduction in # of lost sales and opportunities before and after implementation of the promotion of inclusivity multiplied by cost per loss (or loss of sales per opportunity) to achieve avoided cost savings Ex. Reduction in boycotts	