

**FASHION MINORITY ALLIANCE BLURRED**

# **The Road to Inclusivity**

Is the Fashion Industry Heading in the Right Direction Towards an Inclusive Culture?

# INTRODUCTION

Over the last five years, brands and businesses have undergone a seismic shift in how they think about, design, and embed diversity, equity and inclusion within their organisation.

In the wake of the COVID-19 pandemic and the events following the murder of George Floyd – including the work of the Black Lives Matter movement – brands and businesses were compelled by stakeholders: from socially conscious consumers to NGOs, employees and investors; to examine how their organisations were approaching building diverse and inclusive teams internally and creating equitable outcomes across the value chain.

As the concepts of equity, inclusion and representation moved into the public consciousness, they began to play a significant role in how a business operates with authenticity in the eyes of its stakeholders. For some industries and sectors, particularly consumer-facing industries, creating a business representative of its audiences was an imperative, but often a struggle.

This has been a particularly acute issue for the fashion and creative industries which have struggled and stumbled across both the wider and more nuanced aspects of diversity, equity and inclusion leading to a series of public missteps and reputational issues. In response, many brands and businesses within the fashion and creative industries took decisive action from making public pledges and declarations to forming targeted advisory groups and taskforces to influence long-lasting change.

And this flurry of activity has started to become ingrained, leading to fundamental changes within the industry. Recent research from MBS/British Fashion Council shows that more than *70% of fashion companies have in place a formal strategy to drive inclusion and encourage representation of minority groups as of September 2023.*

Despite advances in thinking and approaches, translating strategies and policies into long-lasting inclusive change, measurable progress in equity and inclusion remain inconsistent. In a recent report launched by [The Minority Report Group](#), it was found that despite the buzz around championing diversity, -10% of senior and executive roles are held by people of colour (POC), illustrating little improvement from our starting point five years ago. Yet, diverse representation is just one side of the coin. On the other, we find that underrepresented individuals that have managed to get their foot in the door are still struggling with a sense of inclusion across the employee lifecycle, or the journey of an employee at their place of work.

For a candidate or employee with diverse characteristics, there are challenges present across all stages of the employee lifecycle when it comes to feeling a sense of belonging within an organisation; from talent attraction and recruitment through to employee engagement and development, and ability to retain employees<sup>1</sup>. And while businesses have made public commitments to enhance efforts, for underrepresented employees, additional work must be done to ensure that these stages are developed in a culture of inclusion.

**Through our research, Fashion Minority Alliance x Blurred found that the fashion and creative industries are still facing three critical challenges related to equity and inclusion in the employee lifecycle, namely:**

- **Attrition of staff from underrepresented backgrounds at the mid-level which is linked to lack of progression or promotion prospects for these individuals.**
- **Continued difficulty in creating a sense of inclusion and belonging consistently across corporate culture and business practices, leading to disengagement from affected employees and disruption to the employee lifecycle.**
- **A disconnect between policies and practice and a lack of preparation and education to avert crises related to representation – both internally and externally – and demonstrate commitment to inclusive practices.**

<sup>1</sup> Attraction; Recruitment; Onboarding; Engagement; Development; Retention; and Exit & Advocacy

## ACKNOWLEDGEMENTS:



Our *Road To Inclusivity Report* started with an Instagram conversation, in the summer of 2023, about the lack of Black Women Creative Directors at global luxury brands. Our social media conversation turned into an article published on our blog. It was the encouraging, and sometimes disturbing, feedback on the piece that led us to investigate the barriers and enablers to career success for underrepresented<sup>1</sup> talent in the fashion and beauty industries and write this report.

Resolving a crisis is not done overnight; it involves taking the first step in acknowledging the issue, setting a course and developing a plan. To understand why underrepresented talent are routinely denied opportunities and exit companies in larger numbers than their counterparts our starting point was to go beyond diversity and look at the fundamental indicators of inclusion in the workplace; how involved, developed, (leadership pipeline progression), empowered, respected, valued and trusted are underrepresented talent in their organisation. *The Road To Inclusivity* is the culmination of research-driven analysis and lays out a practical

blueprint, for business leaders willing to put structures in place to support and incentivise the development of underrepresented employees, that can be used as a guide to build working environments which allow underrepresented employees to thrive which, in turn, contributes to future business bottom-line and growth<sup>2</sup>.

Without the help of, by no means comprehensive, key industry players across the fashion, retail and beauty sectors, mass to luxury, to probe how high retention attrition rates of underrepresented employees adversely affects the potential of all employees, as well as ESG performance and business profitability, we would not have been in a position to create *The Road To Inclusivity Report*.

We extend our gratitude to our strategic advisory and research partner **Blurred Global** particularly Consulting Director **Veronica Patton-Cemm** and Senior Partner **Jeremy Cohen** as well as Managing Director **Rachel Minty** and CEO **Nik Govier**. Special thanks to contributors **Neesha-Ann Longdon**, **Talia Shehadeh** and **Tapiwa Nyirenda**.

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We are indebted to all those who responded to our survey with their valuable insight and comments as without their generous input and time to be interviewed there would be no data to analyse and no accurate assessment that contributes to leading the way to a more inclusive and just fashion and beauty sector.

Finally, we are grateful to **Tom McEvoy** for his creative and artistic vision in compiling and collating this report.

**Barbara Kennedy-Brown, CEO  
Fashion Minority Alliance**

1. Fashion Minority Alliance opted, for reasons of capacity and scope, to focus on five protected characteristic groups to define underrepresented in examining the key barriers to inclusion in this report with specific reference to ethnicity, disability, gender, socioeconomic status and sexual orientation.

2. McKinsey 2023 Diversity Matters The Case for Holistic Impact

## FOREWORD FROM THE CHAIR – FASHION MINORITY ALLIANCE

**I**n the aftermath of the tragic events surrounding George Floyd in 2020, the Fashion Minority Alliance emerged as a beacon of hope and action within the fashion and beauty industry. United by a shared commitment to equity, a group of pioneering underrepresented voices catalysed the formation of Fashion Minority Alliance, aiming to dismantle barriers and forge pathways for underserved communities within our creative landscape.

What began as a response to a specific injustice quickly evolved into a broader mission: to champion all historically marginalised groups across society. Our journey has been defined by collaboration, resilience and an unwavering dedication to fostering inclusivity in one of the world's most dynamic and influential sectors.

From our humble beginnings in London, we have expanded our reach globally, establishing a presence in renowned fashion capitals such as New York, Paris and Milan. Moreover, our attainment of charitable status in the US underscores our commitment to effecting meaningful change on a global scale.

Central to our ethos is the belief that inclusion is not merely a buzzword but a catalyst for innovation and progress. We have cultivated strong partnerships with leading fashion and luxury brands, together with fashion adjacent businesses and institutions, earning their trust through our transparent advocacy and steadfast resolve.

As we reflect on our achievements, we remain steadfast in our pursuit of a more inclusive creative landscape. Our ongoing efforts are dedicated to empowering organisations and individuals to navigate the complexities of diversity, equity and inclusivity, fostering environments that not only embrace differences but celebrate them.

This report serves as a testament to our collective journey and a roadmap for the future. It encapsulates our vision for continued evolution and outlines actionable steps for organisations committed to creating a more equitable and inclusive world.

Together, let us embark on this journey of transformation, ensuring that our creative industries reflect the rich tapestry of humanity and serve as catalysts for positive change.

**Warm regards,**

**Alexis Williams, Chair  
Fashion Minority Alliance**



# EQUITY & INCLUSION IN ESG – BLURRED

**A**t Blurred, we recognise the value of integrating both ESG and Purpose into corporate strategy as key to unlocking impact authentically. Research from McKinsey has demonstrated clearly, that ethnically diverse businesses have continuously outperformed businesses without diversity by 39% as of 2023.

Issues related to diverse representation have often been considered as a social issue within ESG, typically referring to strategies organisations take to attract, hire, and develop talent from diverse backgrounds. However, having a diverse workforce does not necessarily derive impact if the organisation is unable to harness these relationships to create a sense of belonging and inclusion for minority groups who have typically been locked out of certain professions- for reasons including discriminatory hiring practices, limited career development opportunities and overall sense of not being a “cultural-fit” for the organisation.

We recognise that the failure of companies to harness these relationships could impose risks such as loss of talent through lower employee retention, higher turnover rates, and in extreme cases, allegations (and even court cases) of discriminatory practices. And we understand the role an inclusive, representative business has to play across all aspects of ESG and in creating a just energy transition. It is essential to embed inclusivity within corporate strategy, covering all level aspects across organisational structures. Inclusivity that is active and present in HR and other policies, employee career development plans, and corporate culture.

That is why at Blurred, we see inclusivity to be as much a governance imperative as well as social.

By including diverse perspectives from the highest level of governance at the Board level, we recognise the benefits of setting the tone from the top. Senior oversight can determine how inclusion is embedded across an organisation’s policies and culture, leading to better outcomes for employees in the workplace and throughout their careers.

Addressing diverse communities and their key concerns goes beyond direct employees, to considering how communities across your value chains – within your supply chains and at the end of the value chain managing textile waste – are managed.

Purpose-led organisations recognise creating value for all stakeholders and we recognise that fashion’s value chain includes diverse communities in developing countries that make up its supply chain and are the end users for garments once they reach end-of-life. Creating inclusive and representative workplaces can support businesses to make decisions in a more holistic way, harnessing the insights and experience of empowered employees to support across the value chain and into the just energy and waste transition.

**Veronica Patton-Cemm, Consulting Director  
Blurred**



## ABOUT THE AUTHOR

Veronica is the in-house research and insights lead at Blurred with more than 15 years’ experience developing and delivering bespoke research to inform decision-making and create evidence-based solutions. Alongside data and insights, Veronica has worked extensively in the DEI space. During her time at Teneo, Veronica co-created and launched the internal and external DEI programmes, working closely with international counterparts. She has developed and delivered DEI purpose, positioning and narrative work alongside a range of DEI projects with a focus on inclusion, governance and communications.

With a passion for community and change, Veronica is devoted to giving back. In addition to mentoring and volunteering with organisations such as BME PR Pros, she is also a Trustee at Reboot the Future, a sustainability charity providing education and leadership capability building to help create a better and more compassionate future for everyone.

# BACKLASH TO DEI AND THE IMPACT ON COMPANY COMMITMENT

At its height in 2020, companies spent approx. \$7.5 billion globally on DEI programmes, making both public and internal commitments to diverse representation and equitable treatment. Yet over the past year there has been a stagnation in focus and activity.



**T**hough its origins are in the US there has been a global sense of regression, as businesses contend with growing backlash to the term and tenets of diversity, equity and inclusion in cultural and social spheres.

From the US Supreme Court's decision to strike down affirmative action, through to legal cases against programmes aimed at helping minority owned businesses, DEI as a practice and a way of thinking has come under attack across the world. Brands and businesses have faced boycotts and a decline in share price and profits as a result of their commitments to recognising and celebrating diversity.

This has led to a change in the way brands and businesses address the issues around equity and inclusion with companies altering the language around their policies, halting initiatives aimed at underrepresented groups, decreasing investment in programmes, and limiting courses and education around topics such as bias.

This pushback and the potential reputational fall-out has made companies nervous about pushing forward on existing DEI strategies with some postponing programmes and campaigns and others completely eliminating roles and departments.

**According to ZipRecruiter, job postings for DEI roles fell 63 percent in 2023.**

This is exacerbated by multiple overlapping and competing challenges including global conflicts, the cost-of-living crisis, inflationary pressures and responding to climate-related issues. These challenges cross audiences and stakeholder groups leaving many brands and businesses with 'DEI fatigue' – an exhaustion with tackling a complex and constantly shifting issue(s) – despite issues of equity, inclusion, and belonging being directly affected and impacted by these global challenges.

Within the same period that DEI has become increasingly polarised and support wanes, anti-sustainability sentiment has become increasingly contentious. This can be seen in the significant decline in discussion of subjects

such as "environmental, social and governance" and "diversity, equity and inclusion" on earnings calls according to market intelligence platform AlphaSense. Executives at US-listed companies mentioned "environmental, social and governance," "ESG," "diversity, equity and inclusion," "DEI" or "sustainability" on 575 earnings calls from 1st April to 5th June 2023, down 31% from the same period a year earlier. This is the largest year-over-year decline and the fifth consecutive quarter of year-over-year drops, following a pickup in these discussions and corporate social efforts in the wake of the police killing of George Floyd in May 2020.

However, the pushback from a minority of stakeholders (primarily in the political and culture 'wars' space) is in direct contrast to what consumers look for in their brands and businesses – a sense of integrity, empathy and engagement with organisations that align to their values. According to global research by Kantar, 88% of people agree that "not enough brands do a good job of representing people similar to me or my community".

The study also found that 59% of consumers say it's important that the companies they buy from actively promote diversity and inclusion. Looking by generation, amongst younger millennials, 70% claim that more diverse casting in ads is a key driver of preference. For fashion and the creative industries this is particularly critical as brands seek to create an emotional connection between their products and consumers through representation.

And this translates into consumer spend and business performance. A four-country<sup>2</sup> study conducted by Ipsos for the Unstereotype Alliance, sponsored by Cannes LIONS, found that consumers' expectations of brands are changing, and those that create content with diverse representations of people in terms of race, ethnicity, creed, body size, sexual orientation, gender, ability and more, in roles that defy traditional stereotypes are best positioned to strengthen business performance and meet consumer expectations.

<sup>2</sup> US, UK, Turkey and Japan

# BACKGROUND & RESEARCH METHODOLOGY

Over the past nine months, Blurred and the Fashion Minority Alliance have conducted in-depth research into the employee lifecycle for underrepresented and minority groups, exploring how companies are drawing in applicants from underrepresented backgrounds, their ability to retain underrepresented employees, and how companies can enable the progression of underrepresented staff within organisations and the wider industry.

## RESEARCH METHODS

We found compelling evidence that demonstrate how far the industry has come in its attempts to attract and recruit diverse talent as well as the gaps in ways of working and experience that the industry must improve to create a holistic working environment and experience for all employees.

The online survey of c.30 questions was open from w/c 25 September 2023 until w/c 6 November 2023. The survey asked a series of questions – around demographic and role (type of business; professional level; education related to role), with open ended as well as ratings questions (aligned to the five-point Likert scale) to measure and assess behaviours, attitudes and opinions of the survey group.

Participants were solicited via social media, direct engagement and through Fashion Minority Alliance and Blurred mailing lists.

Participants had to have worked or be currently working in the fashion and creative industries and from a diverse background/ have diverse characteristics as noted in UK legislation.

Data collection was conducted by an online self-completion questionnaire with online interviews available upon request by a respondent and to provide more in-depth insights, however the predominant mode of collection was online.

# INSIGHTS AND RECOMMENDATIONS

## Below we have outlined three key insights from our research:

- **Difficulty in creating a sense of inclusion and belonging consistently across the culture and in business practices leading to disengagement.**
- **Attrition of staff from under-represented backgrounds at the mid-level linked to lack of progression or promotion prospects.**
- **Lack of preparation and education to avert crises related to representation – both internally and externally – and demonstrate commitment to inclusive practices.**

Throughout our research, we found an interesting dynamic at play. While companies had taken the correct approach to embedding inclusion and purposeful representation in their culture and business practices, this had not translated into employees feeling a sense of belonging within the business.

Respondents were fairly positive when discussing how their respective companies and teams have worked to create diversity both in culture and through actions. When reflecting on their brand or business' overall approach to diversity, 38% of respondents agreed that the company was making 'adequate progress towards a diverse and inclusive workplace, that is authentic' with 42% agreeing that they believe the senior leadership team has shown commitment through visible actions to creating a more diverse and inclusive environment'. This reflects well on the top-down work done over the past few years within both the fashion and creative industries and the wider business community to embed an inclusive approach and way of working amongst the senior team.

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**Difficulty in creating a sense of inclusion and belonging consistently across the culture and in business practices leading to disengagement.**



However, this has not filtered down into ways of working and individual engagement. Instead, respondents noted a disconnect between the business' outward facing stance on issues of equity and inclusion and its ability to bring that to life for employees consistently.

For the fashion and creative industries, as with many industries with high thresholds to entry, much of the culture is built on existing relationships, access and nuances that are exclusionary for those not 'in the know'. Respondents noted that often team members had shared experiences linked to socio-economic status (e.g. skiing at certain locations, shared educational experiences and setting) that meant they were shut out of the conversations and unable to build the rapport needed to progress.

This is most evident in the job seeking stage of the employee lifecycle. When asked about entering the industry, respondents noted difficulty in searching for and finding jobs within the fashion industry and a lack of equal access and opportunity to roles when compared to peers. This was found across levels of seniority and types of role. Respondents noted geographical barriers as well as awareness of issues such as being the "only person of colour in the room".

However, this was also echoed by those further along in their careers who noted that their ability to progress was influenced by the lack of advocacy from and engagement with senior leaders in their organisation. 52% of respondents agreed that their professional success is directly influenced by their relationships with peers and colleagues. While this is an expected aspect of professional life, it can become difficult when your peers and colleagues have existing relationships via their shared cultural experiences.

For many underrepresented groups, this lack of connection and shared experience becomes endemic, leading to disengagement from the culture and norms of the workplace. According to Gallup's State of the Global Workplace: 2023 Report, employees who are not engaged or who are actively disengaged cost the world \$8.8 trillion in lost productivity.

This is often exacerbated by the ways underrepresented people are brought into the workplace culture and conversation – specifically and often only through DEI. For many, this is a double-edged sword, as employers disproportionately lean on them to come up with initiatives, join committees and help formulate diversity strategies.

Individuals from underrepresented groups are often tasked with this heavy lifting while juggling their usual duties amid a number of overlapping crises and pulls on attention – and not being offered additional compensation for the work. The burden also carries a high emotional price tag. Asking individuals from these groups to only engage by sharing their experiences can feel demeaning and reductive.

**Recommendations**  
**Purposeful and impactful ways of working**

**Focus on the 'whole' individual and not what they represent**

For many businesses, not just those in the fashion and creative industries, it can be helpful to showcase the strength of diversity within the business. Highlighting the presence of underrepresented groups has been shown to boost recruitment and the wider employer value proposition. However, brands and businesses must take care to not burden employees with a role that focuses primarily on their identity. This may mean not asking people directly to join employee resources groups, lead cultural days or roundtables that focus solely on aspects of their identity. Instead, companies should be investing in and learning about their employees across the lifecycle with a clear focus on individual goals and objectives.

Alongside this, team and business unit leads need to ensure they are trained and cognisant of the challenges particular groups face within society and business. This sets the stage for more inclusive and sensitive conversations about the role(s) employees can play, including their contributions to inclusion and belonging.

**Map out culture and identify gaps for underrepresented groups**

Understanding the culture of a business is critical if companies want to be intentional and inclusive. In particular, companies should look at the underlying assumptions, or the unconscious beliefs that inform how employees perceive, think and feel. These assumptions can unintentionally exclude employees from underrepresented backgrounds and lead to disengagement. Instead, companies should take time to understand how individuals engage with culture throughout their career – from junior, through mid-level to senior – and how it impacts their progression and retention. There are multiple tools for measuring and assessing company culture, including focus groups and employee surveys. However, to be intentional companies should ensure:

- Team leads and people managers have the skills to manage one on one conversations around culture and impact on employees from underrepresented groups.
- Training is in place so that recruitment and hiring are not about 'culture fit' – a concept which is infused with bias – but rather the individual's ability to contribute to culture in novel or interesting ways.
- There are policies and procedures in place to guide and support employees who feel disengaged from culture.

Over the past few years, the creative and fashion industry has focused on improving its ability to attract and hire from underrepresented groups. Programmes and initiatives aimed at attracting and hiring entry level and junior employees has been moderately successful in diversifying the composition of the fashion industry. At the same time, companies have also worked to improve representation at the senior level. However, at both ends of the scale representation is still lacking.

Research from the British Fashion Council, the Fashion Minority Report and McKinsey found that only 9% of executive and 11% of power/ C-suite roles, which include chief executive, chief financial officer, chair and creative director positions, are held by people of colour. Following the appointment of Seán McGirr to Alexander McQueen in October 2023, it was reported that all the creative directors at Kering were white men. According to the Vogue Business Index, of the top 30 luxury brands in the index, just under a quarter (24%) of the 33 creative director roles were held by women with only two men from racial/ethnic backgrounds in post.





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## Attrition of staff from underrepresented backgrounds at the mid-level linked to lack of progression or promotion prospects. disengagement.

This lack of representation in the middle, causes issues across the business:

1. Businesses have no talent pool to draw from to promote underrepresented employees from within the business, leading to increased investment in external hiring and/or internal learning and development.
2. Junior staff have no mid-tier employees to look to for inspiration, support or education, leaving many discouraged or concerned about their future prospects within the business and wider industry.
3. Senior team members are often external appointments, as there is no pool of mid-tier or emerging talent to draw from. These appointments are also often very public and can lead to scrutiny (e.g. where is the existing internal talent pool?) and accusations of tokenism (e.g. business acquiescing to public pressure, reputational fallout, senior leaders from ethnic minority backgrounds deemed less qualified).
4. The dearth of mid-tier representation leaves the individuals at the junior and senior level without the convening power, oversight, or leverage to input where it's most needed.

Insights and interviews show how once in-house, employees from ethnic minority backgrounds [when compared to white counterparts] found it difficult to understand the path towards seniority and often found themselves within businesses where there were no visible ethnic minority leaders to learn from through either mentorship or modelling of behaviours and culture.

More than a quarter of respondents gave no strong positive or negative response when asked about the perceived fairness of promotion decisions within their current company and whether they believe they have access to the same opportunities for career progression as their peers.

While this is an improvement over previous years, it demonstrates two core linked issues: a lack of focus or investment in a diverse talent pipeline contributing to attrition of talent at the mid-levels, and provokes questions around the employee lifecycle, progression and promotion within the wider industry.

Analysis from our survey shows that while much of the focus has been on bringing diversity into the industry, often at the junior or senior level; there is little focus on how to retain, encourage progression and cultivate a sense of belonging that encourages a push through the middle towards seniority. As a result, talent in the middle stages of their career leave the business to seek out progression at other businesses or on their own (e.g. freelance and self-employed).

These answers appear to suggest a gap between the positive change in the workplace, seen in policies and ways of working, and difficult at the individual level to harness the power of change and awareness within the company.

This gap between aspects of culture and working practices and the ability to move up in a business, demonstrates the focus many brands and businesses have had on creating external or public displays of support for DEI while failing to follow through on this internally.

**When asked if they had to leave a role to secure a promotion and/or raise, 45% of participants responded yes. Of these, 52% are now at the management and mid-senior level, highlighting the difficulty in breaking through into leadership positions in current mid-tier roles. Other respondents noted that they had to create their own businesses, tapping into the freelance and gig economy to move into senior leadership positions.**

This is a particularly challenging issue for the creative and fashion industry. These responses and figures show that the industry still has far to go in creating long-term and ingrained ways of working that link cultural practices with the employee lifecycle.

As HR teams grapple with the challenges of skills shortages and uncertainty in the labour markets, they will need to turn to more tech enabled ways of working to reach potential employees, particularly those in the middle of their careers. Methods and approaches which worked in the past will need to be adapted to handle shifting demographics and employee expectations.

Many companies are turning to AI and machine learning to support recruitment. And while AI has much to offer in terms of speeding up processes, pre-screening, its impact on DEI is mixed. Organisations will need to create and prioritise strategies to identify and eliminate algorithmic biases; going beyond 'traditional' experience to promote fair and equitable practices and embed the tenets of representation, equity and belonging into the acquisition strategy.

This is particularly relevant for people in or heading towards the middle of their career. Tech enabled talent acquisition strategies should also support easing the mid-tier stagnation felt by underrepresented groups by highlighting relevant skillsets, supporting transitions into adjacent industries, and encouraging leadership development.

### Recommendations

Purposeful and impactful ways of working

Observe power dynamics and become intentional

Future-proof and embed diversity, equity and inclusion in talent acquisition strategies

The mid-tier part of the employee lifecycle can be a difficult period, as employees struggle between meeting corporate and leadership goals and creating an inclusive environment that supports growth and retention amongst their direct reports. This is further complicated as an ethnic minority mid-tier leader. Individuals in these roles are often called upon to lead DEI and other related initiatives while at the same time lacking the seniority to make much-needed changes

and feeling pressured to participate in order to progress. To help staff at this level navigate the murky middle of their career, leaders should proactively observe the power dynamics at play in meetings and other forums.

This includes noticing who is in the room and represented in meetings, who speaks out and who is interrupted, whose views are given time and whose are dismissed. By doing this, leaders can be intentional in showcasing, supporting and in time, progressing mid-tier staff.

### 3

**Lack of preparation and education to avert crises related to representation – both internally and externally – and demonstrate commitment to inclusive practices.**

The contrast between the strides the fashion and creative industries have taken in applying inclusive and equitable practices and the individual experience is evident when it comes to respondents' experiences of discrimination.

When asked if they had experienced discrimination at their current company or previous place of work within the fashion industry, 53% of respondents stated they had. The same percentage had been witness to discrimination. Respondents highlighted discrimination against characteristics such as gender, race/ethnicity, education and cultural awareness (e.g. a person's knowledge of specific cultural norms and expectations).

Discrimination – whether implicit or explicit – negatively impacts the working environment and mental health and wellbeing. And research has found a link between experiencing discrimination as a result of a characteristic and experiencing workplace discrimination. According to The Young Foundation, almost three quarters (72%) of professionals with two or more marginalised characteristics have experienced 'discriminatory or exclusionary' behaviour in the workplace since the start of 2019.

And this figure jumps more than ten percentage points to 86% of professionals with three or more marginalised characteristics including gender, ethnicity, sexual orientation, lower socio-economic background or disability.

When asked how discrimination manifested in the workplace, respondents to The Young Foundation cited feeling undervalued in comparison to colleagues of equal competence (46%); being unfairly spoken over or not listened to in meetings (43%); colleagues taking sole credit for shared efforts (35%); and slights, snubs or other microaggressions (34%).

All of these are subtle and may not be covered by policy or other forms of governance. They are likely to be undetectable to those lacking those marginalised characteristics or those who haven't experienced discrimination. This can make it even more difficult to report.



While more than half of the respondents to the Fashion Minority Alliance x Blurred survey had experienced discrimination, some found it difficult to report or manage. This was not due to lack of awareness or fear of retribution. In fact, 67% of respondents stated positively when asked if they felt comfortable raising and/or escalating a complaint and that the situation would be dealt with adequately.

In addition, many respondents noted that their current place of work had DEI training, targets, strategies and policies. Our research found that instead, many felt that the application of these policies and approaches was not consistent, making it difficult to determine the outcome and impact on progression. This was due in part to a lack of representation across levels of seniority and misunderstanding of the impact or severity of the issue.

This inconsistency in response to significant missteps and misunderstanding of the core issues related to equity and inclusion, is also reflected in how companies manage external crises. And it can be attributed to the same issue: a lack of representation within decision-making groups. Over the past decade, there have been many incidents, from the high street to fashion houses, that have been poorly managed due to this issue. And the impact can be far-reaching and long-lasting, from an immediate decline in share price or reputational hit to decreased profitability and constrained license to operate (e.g. inability to expand, attain external funding, etc).

Despite training, strategies and policies, companies have not been able to successfully avoid these issues. It would appear that no amount of training or education can replace the authentic lived experiences that people bring into a business. With proper representation across the business, there are more opportunities to identify challenges, and address them before

# SUSTAINABILITY IN FOCUS: WASTE, FASHION AND REPRESENTATION



**A**nd this is also an issue that affects sustainability more widely. Supply chain due diligence and transparency in areas such as waste management have been growing areas of concern and focus, not just for fashion but across the global corporate space.

Incoming regulation such as the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD/CS3D Directive – together with the CSRD, the Directives) will establish a duty of corporate due diligence for companies to prevent adverse human rights and environmental impacts in the company’s own operations and across their value chains. For the fashion and creative industries, this means improving visibility around areas of the supply chain, such as Tiers 3 and 4 where most human rights violations occur, and these tend to operate in the global South.

Issues such as supply chain due diligence disproportionately affect groups in the global South as core parts of the supply chain—particularly in Tiers 3 and 4, and are often ‘invisible’ to brands and businesses. Use of sub-contracting and overall lack of visibility, transparency and reporting means that these countries are most at risk for human rights violations such as forced labour, child labour and wage theft.

Further, the adverse environmental impacts of the fashion industry have become increasingly evident from its contribution to global emissions, (contributing 8 – 10% of global greenhouse gas emissions) to its contributions to water stress through high water use, through to overall pollution such as textile waste. According to a 2023 report from McKinsey, the EU generates 12.6 million tons of textile waste a year, equivalent to 12kg of waste per person, every year.

Beyond the disproportionate exposure to climate risks, developing countries particularly within Africa, as well as Latin America are the largest recipients of second-hand clothing, creating nuanced challenges of addressing textile waste. And these nuanced challenges can only be tackled by involving those affected. This means brands and businesses have to take a multi-pronged approach – from policy and advocacy efforts to support better environmental standards to partnering with organisations in the region to create long-term sustainable solutions.

Across the scale of issues, there needs to be representation and inclusion to ensure that it isn’t just tokenistic head counts but a robust sense of belonging that encourages and values participation.

To combat this, brands and businesses need to consistently and contextually review and update their governance to reflect the changes they want to create and embed in the business. Governance is the core of decision-making and while most organisations surveyed had some form of inclusion focused governance - usually a council and employee resources groups - there can be a gap between corporate governance and efforts to actively create a sense of belonging. Policies, and governance more widely, should seek to do three core things:

- Reflect the issues and challenges of the current social and cultural landscape.
- Support employees from reporting through to remediation and beyond. Managers and team-leads need to feel confident going beyond reporting to truly support teams.
- Form part of a wider governance structure that can be linked in order to create a system for driving change top-down, bottom-up, and middle-out.

## Recommendations

### Purposeful and impactful ways of working

### Create robust governance processes and mechanisms that empower leaders to deliver policy in a holistic ways

As noted, the existence of policies and codes of conduct does not necessarily lead to a decrease in discrimination or micro-aggressions. Policies and procedures need to be underpinned by an inclusive culture that supports reporting AND retention through after-care. Retaliation for reporting is often subtle, manifesting in more nuanced ways that may exclude or hinder individuals from working on projects, clients or teams needed to progress. This erosion of inclusion leads to a feeling of not belonging and in time may lead individuals to leave the business or even the sector entirely.

By doing this, brands and businesses can develop effective and robust governance that works to support and drive actionable strategies, create systemic change and produce holistic employee lifecycles.

### Embed representation, equity and inclusion into the wider sustainability conversation

For many companies, issues around equity and inclusion sit within the corporate space, but as noted previously, this is part of a wider discussion around sustainability. DEI forms part of the often overlooked ‘S’ of ESG, connected to social factors across the organisation’s value



## CONCLUSION

**T**he theory and practice of diversity, equity and inclusion has experienced a journey of transformation. How it's defined and applied has fundamentally altered as social and cultural events shaped stakeholder focus. In a post-pandemic and post-George Floyd world, the concepts of representation, equity and belonging have taken on newer forms, as attentions waned, and bad actors harnessed distraction to push certain political and cultural agendas.

Yet despite the pushback, stakeholders continue to focus on how brands and businesses work to create equitable, inclusive organisations that represent them and their communities. Research continues to demonstrate the inclusion imperative – the need to embed inclusive ways of working, thinking and acting across the value chain – and make clear connections to purpose and wider sustainability goals.

And this will become even more critical as the regulatory threshold rises. Incoming regulation such as the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD/CS3D Directive – together with the CSRD, the Directives) will establish a duty of corporate due diligence for companies, to prevent adverse human rights and environmental impacts in the company's own operations and across their value chains. This will require more than pure sustainability knowledge.

For the fashion and creative industries, this means improving visibility around areas of the supply chain, such as Tiers 3 and 4 where most human rights violations occur, and these tend to

operate in the global South. This means brands and businesses will need to have both the right in-house representation to help build the cultural knowledge but also have created an inclusive environment that will allow those people to work at their best and progress.

While many brands and businesses within the fashion and creative industries have taken robust steps to strengthen their culture and practices, these are not applied consistently throughout the employee lifecycle. The focus at the junior and senior levels often means those within the business and those at the mid-level struggle to progress, and it means businesses struggle to attract and retain individuals at the mid-level which goes on to impact the workforce at all levels.

A focus on more comprehensive governance combined with clarity on practices (e.g. what good looks like) could make a significant difference in the lived experience on employees not just in fashion but across industries more widely, driving improvements in how the business thinks, behaves and approaches areas such as sustainability.

chain; including working conditions, supplier relationships, modern slavery and human rights to community engagement. And for fashion this is particularly acute as seen through events over the past four to five years; from the staggering amounts of clothing waste in developing nations to issues around representative leadership.

When diversity, equity and inclusion is disconnected from the wider conversation, companies are only working with a partial understanding of the wider risk and regulatory implications. Ensuring the team within the business reflects the communities it works with is one way to demonstrate to stakeholders – investors, customers, employees, and regulators

– that the business understands and wants to manage risk effectively. Representation does not mean tokenism, it means 'diversity of thought and of experience'. It allows leaders to harness new knowledge, interesting perspectives, and ways of thinking and learning that can support the business to take a more subtle and complex approach to challenges and risks.

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