"Real" Marketing Within the Fast Fashion Industry: An Analysis of Internal vs. External DEI Practices

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“Real” Marketing Within the Fast Fashion Industry: An Analysis of Internal vs. External DEI Practices

by

Marinda Lynn Carlyle

An undergraduate honors thesis submitted in partial fulfillment of the requirements for the degree of Bachelor of Science in University Honors and Business Administration: Marketing Business Administration: Advertising Management

Thesis Advisor

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Portland State University

2022
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Abstract

This thesis will analyze the social media marketing (SMM) practices of Fast Fashion industry trends that have surfaced due to recent events. Specifically, this work will compare customer-facing SMM efforts related to diversity, equity, and inclusion (DEI) initiatives against the internal values and practices a company expends towards these efforts. This thesis will use H&M as an illustrative example in representing a company within the Fast Fashion industry. The motivation of this thesis orginates from the ongoing shifts in corporate SMM practices after the murder of George Floyd in May of 2020 and the corresponding increase in social justice activism in the United States and abroad. Noticeable changes in SMM include broader and more diverse representation of different races, ethnicities, sexual orientations, and body images across fashion and beauty brand marketing campaigns. Another noticeable development relates to significant changes within the power margins that separate consumers and corporations. Increasingly, consumers exert greater influence over corporate decision-making, especially within marketing and communications. Consequently, this thesis focuses on whether Fast Fashion companies have genuinely diversified their marketing materials to reflect their developing social values or whether their marketing activities are in response to consumer expectations, absent concrete commitments to DEI initiatives. Analyzing a company's external marketing efforts against their internal values and practices will allow for a better understanding of whether their marketing is "real" or dishonest.
Introduction

This thesis will analyze the social media marketing (SMM) practices of Fast Fashion industry trends that have surfaced due to recent events. Specifically, this work will compare customer-facing SMM efforts related to diversity, equity, and inclusion (DEI) initiatives against the internal values and practices a company expends towards these efforts. This thesis will use H&M as an illustrative example within the Fast Fashion industry.

Following the death of George Floyd while in the custody of Minneapolis Police officers on May 25th, 2020, increased awareness of Black Lives Matter (BLM) has led consumers across all different social media platforms to question and push brands to be more intentional about inclusion in their corporate practices. In May and June 2020, companies and many other social media users took to Instagram to post and express inspirational vows for the changes they promised to make to be more diverse, equitable, and inclusive. During this time, companies received pressure from their consumer base via social media as a result of the perception of insufficient corporate efforts to support immediate and lasting changes. Now, diversity and inclusion play a significantly larger role in consumers' buying decisions and greater influence over corporate decision-making, especially within marketing and communication (Kim, 2020).

After the major events of 2020 (a presidential election, a pandemic, climate related weather disasters, social justice movements, etc.), the shift in the content that companies marketed on social media appeared to be noticeably more diverse and displayed a broader range of races and ethnicities through the individuals they choose to use in their content. Consequently, this raises the question of whether Fast Fashion companies have genuinely diversified their marketing materials to reflect their commitment to addressing social justice shortcomings in corporate practices, or if their marketing activities simply respond to consumer expectations but
without concrete plans for genuine change. “Real” marketing is defined as being both honest and truthful in representing what a company internally believes and values through their marketing strategies and campaigns. Analyzing a company's external marketing efforts against their internal values and practices can help to determine whether their marketing is "real" or dishonest.

**Contemporary Marketing Trends in SMM & DEI**

Social media platforms gained popularity in the early 2000s with the launch of MySpace, shortly followed by YouTube and Facebook. Since then, social media has only gained momentum and influence. Today, over half of the world's population uses one or more of the hundreds of different social media platforms (Daly, 2020). Li, et al., (2020) demonstrate that social media opened a door for marketing that created three significant shifts in the marketplace:

1. Social media provided an opportunity for companies and consumers to connect.
2. Social media transformed the way companies and consumers interact and influence one another.
3. Social media data allows companies to evaluate their relationship with the consumer and drive effective business decisions in light of their resources they provide and the objectives in which they serve.

These changes in the marketplace resulted in the power shifting away from companies and into the hands of the consumer and gave the consumer a greater ability to influence, create, produce, and distribute consumer content with limited filters. In turn, this has provided consumers greater power to dictate business decision-making and marketing strategies (Niininen, 2021).
Moreover, increasing attention to social justice goals since the summer of 2020 has brought about the realization among companies and consumers that existing DEI efforts throughout a company's workforce, marketing strategies, and operations are no longer sufficient for many stakeholders. Many agree that more needs to be done. The conversation and research around DEI serve to provide evidence that the increased emphasis on normalizing DEI standards is not only a social movement but benefits productivity and profitability of a company as well. A recent study by McKinsey & Company argues that the most diverse companies are now more likely than ever to outperform non-diverse companies in terms of profitability (Hunt, et al, 2020). Additionally, in an interview on LinkedIn News Live, Kai Wright, a marketing lecturer at Columbia University, said,

"... in 1960, 85% of the U.S., according to the census bureau, was white. In 2010 almost 60% was white. By 2030 to 2040, we will have a majority-minority U.S. country. So, it really is about recognizing the reality that demographics are shifting, communities of consumers are shifting. The employee base is not only shifting from a generational standpoint, right? But it's shifting from the standpoint of what it values and what it wants to prioritize" (Diversity in Advertising, 2020).

Research Analysis

To determine whether there is alignment towards “real” marketing between corporate messaging and corporate action related to DEI, I first evaluate changes in SMM content on H&M’s Instagram pre- and post-May 2020 by collecting 100 observations of content and scoring each observation on a scale of 1-5 in each criteria. Then I assess the data from the 20201 Remake Accountability Report regarding H&M’s DEI initiatives by isolating the DEI subsection from the
Finally, I cross analyze the data and conclude whether H&M uses “real” or dishonest marketing.

**External Analysis**

An external analysis was performed to evaluate social media content via Instagram pre- and post-May 2020, when the murder of George Floyd occurred. This analysis uses H&M’s Instagram (@hm) as an illustrative example to represent a fraction of the Fast Fashion industry. The analysis collected photo and caption content from H&M’s Instagram in the form of observations. The data consists of the first 50 observations leading up to May 1st, 2020 (referred to as Pre-May 2020) and of the first 50 observations immediately following May 31st, 2020 (referred to as Post-May 2020). Pre-May 2020 observations were used as a control group prior to the incident in May 2020, and Post-May 2020 observations were used to factor the immediate results of what happened after the incident in May 2020. Excluding the month of May 2020 allows for a coherent vision of the content that was posted pre and post the murder of George Floyd. The observations from the Pre-May 2020 data date from March 22nd, 2020 to April 30th, 2020. In this collection 50 observations were made, and 46 observations (excluding Observations 9, 25, 36 and 41) were used in the final data set. The observations from the Post-May 2020 data date from June 1st, 2020 to July 17th, 2020. In this collection 50 observations were made, and 44 observations (excluding Observations 4, 11, 19, 21, 25 and 19) were used in the final data set. All observations used were measured in likes and comments. Observations measured in views were not included in the final data set. After collecting data, the observations were placed in a spreadsheet and cataloged by:

---

1 The 10 observations not included in the External Analysis were due to the inconsistency in evaluation of content. To keep the evaluation consistent, only the observations measured in likes and comments were kept in the final data set.
1. Date (i.e. July 17th, 2020)

2. Number of likes and comments on Instagram

3. Percentage of the likes to the total Instagram following of H&M (38 million)

Once the data was cataloged, the final data set was described using descriptive statistics; total, average, minimum, maximum and standard deviation\(^2\). After performing these calculations, each observation was scored on a scale of 1-5 across six categories including; brand recognition, clear purpose, content engagement, content quality, diverse representation, and relevancy of content. In addition, each observation received a comment. Comments were not used to add to the score but used as a determining factor to why content had received a particular score. A description of the evaluation criteria can be found in Appendix A. Contrasting examples of low and high scoring observations are found in Table 1 below.

Table 1 – Observations 49 (Pre-May 2020) & 18 (Post-May 2020)

<table>
<thead>
<tr>
<th>Observation 49</th>
<th>Observation 18</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="https://example.com/observation49" alt="Image" /></td>
<td><img src="https://example.com/observation18" alt="Image" /></td>
</tr>
</tbody>
</table>

Table 1 – Observations 49 (Pre-May 2020) & 18 (Post-May 2020)

\(^2\) These calculations can be found in Table 3.
An example of a poor score is Observation 49 from the Pre-May 2020 data. This observation received a one (1) in brand recognition, a one (1) in clear purpose, a two (2) in content engagement, a four (4) in content quality, a four (4) in diverse representation, and a two (2) in the relevancy of content. The comment left for this observation reads, “No HM hashtag, no call to action (CTA) with a shoppers tag, below average likes and comments, looks like professional/ model shoot, unclear with relevancy besides that it was posted on a Monday.” An example of an observation with an exceptional score is Observation 18 from the Post-May 2020 data. This observation received a four (4) in brand recognition, a four (4) in clear purpose, a five (5) in content engagement, a five (5) in content quality, a five (5) in diverse representation, and a five (5) in clear purpose. The comment left for this observation reads, “HM hashtag, CTA to purchase products with shopping tag and recognizing being together through the copy, the maximum number of likes for data, above-average comments, professional shoot, different races, ethnicities, body types, relevancy due to swimsuits because it is summer.” In addition to the differences of averages between the timeframes (Pre-May 2020 from March 22- April 30, 2020 and Post-May 2020 from June 1- July 17, 2020) of content, the average scores for the data set can be found in Table 2 below.³

³ With an improvement in 4 out of the 6 criteria post-May 2020, it demonstrates that there is a correlation between the murder of George Floyd in May 2020 and improved DEI initiatives through H&M’s SMM.
Table 2 – Final Averages of Pre- & Post-May 2020 Final Data Set

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Pre-May</th>
<th>Post-May</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Recognition</td>
<td>3.65</td>
<td>3.86</td>
<td>0.21</td>
</tr>
<tr>
<td>Clear Purpose</td>
<td>3.85</td>
<td>3.66</td>
<td>-0.19</td>
</tr>
<tr>
<td>Content Engagement</td>
<td>2.80</td>
<td>3.09</td>
<td>0.29</td>
</tr>
<tr>
<td>Content Quality</td>
<td>3.67</td>
<td>3.91</td>
<td>0.24</td>
</tr>
<tr>
<td>Diverse Representation</td>
<td>3.33</td>
<td>3.68</td>
<td>0.36</td>
</tr>
<tr>
<td>Relevancy of Content</td>
<td>3.30</td>
<td>3.09</td>
<td>-0.21</td>
</tr>
</tbody>
</table>

Internal Analysis

The internal analysis was performed to evaluate internal practices and efforts towards DEI. Again, H&M is used as an illustrative example to represent a fraction of the Fast Fashion industry. The analysis used for this evaluation was taken from the 2021 Remake Fashion Accountability Report; an annual industry report assessed by 14 expert consultants. It scored 60 fashion companies across six areas: traceability (5.33%), wages and well-being (15.33%), commercial practices (10%), raw materials (13.33%), environmental justice and climate change (28%), and governance, diversity and inclusion (28%). The analysis of H&M generated a score of 39 points out of a possible total of 150 points.

To provide a comparison of similar Fast Fashion companies to H&M, Forever 21 received a score of -13 points, Shein received 5 points, and Inditex (Zara, Bershka, Massimo Dutti) received 24 points. Another important comparison to note is that the highest scoring company, Nisolo, received a score of 83 points out of possible 150 points (55.33% of possible

---

4 Percentages add up to 100% and demonstrate the weight each category has on the final score.
5 Forever 21 received -5 points for not paying suppliers in Bangladesh for finished goods after canceling orders resulting in mass layoffs without pay during the pandemic. They also received -5 points for not signing the International Accord that extended and expanded the Accord on fire and building safety in Bangladesh. Lastly, they received -5 points for failing to support and/ or opposing SB62, the California Garment Worker Protection Act.
points). This illustrates that even the highest scoring companies still have significant room for improvement within the criteria and standards developed throughout the accountability report.

For the purpose of focusing on DEI, the area in which the Internal Analysis pulls from is the Diversity, Equity and Inclusion (DEI) subsection of the Governance, Diversity and Inclusion section of the accountability report. The DEI subsection makes up 50% of the total Governance, Diversity and Inclusion subsection score, resulting in DEI making up 14% of the total Accountability Report Score (21 points out of a total of 150 points). Category criteria for the DEI subsection include hiring policies (8 points), retaining and investing in employees (10 points), and investing in Black, Indiginous, People of Color (BIPOC) and marginalized communities (3 points). Each of the criteria was broken down into smaller point brackets for answering specific

Figure 1: 2021 Accountability Report: H&M, Forever 21, Shein, Inditex and Nisolo
questions or looking for specific details. The scoring and criteria breakdown can be found in Appendix B and the scoring table can be found in Appendix C.

When analyzing the DEI score that H&M received, it is important to recognize that the only place in which this company received points is within the hiring policies criteria. Within that criteria, they received 4 points for the demographic of their company’s board reflecting that of the region. H&M received no further points for any of the other criteria within the DEI subsection. This resulted in H&M scoring 4 points out of a possible 21 points and fulfilling 19% of the DEI criteria.

Discussion

External Analysis Results

When comparing the data Pre- and Post-May 2020, there were a few key differences noted, including the increased engagement after Observation 1 from the Post-May 2020 data. Observation 1 is dated June 1st, 2020 (a week after the murder of George Floyd), and in the
content description is a white square with the words “Let’s change.” The caption for this observation reads:

“We believe in equal rights for everyone. We stand with and support the Black community - today and every day. We understand that this goes far beyond a social media post. We’ve learned the hard way how much work we still must do to live by the values we believe in. We’re committed to using our voice and influence to do our part and stand up against racism and discrimination. Today, H&M group will donate 500,000 USD to @naacp, @colorofchange, and @aclu_nationwide. We support these organizations in their efforts for justice, economic rights, and democratic empowerment. Let’s change. Together. #BlackLivesMatter H&M” (@hm, 2020).

After this content was posted, the next 43 posts of content received an increase of 1,691,794 likes and 7,365 comments compared to the total likes and comments received in the Pre-May 2020 data. With a total of 6,357,849 likes and 29,622 comments in the Post-May 2020 data. Table 3 illustrates the increase in measurements seen between the data. All descriptive statistics except max number of comments (1900 comments), in the Post-May 2020 data are larger than the Pre-May 2020 data’s descriptive statistics. 6

Another key takeaway was the variety of content that H&M was posting during the two different time frames. In the Pre-May 2020 data it was noticeable that H&M had posted and reposted content from brand ambassadors, influencers, and their consumer base. The reason for this is assumed to be due to the start of the pandemic in early March 2020, which forced companies, employees, etc. into quarantine and a remote work structure. In comparison, the

---

6 A large factor to why the comment maximum did not increase is due to an outlier in the data. Observation 1 Pre-May 2020 has 2,277 comments. The nearest number of comments to Observation 1 is Observation 31 Pre-May 2020 with 1,081 comments. A difference of 1,196 comments. If the maximum comments for Pre-May 2020 were 1,081 then there would be an increase in maximum comments by 75.76%.
Post-May 2020 data included more professional-looking content using an increased number of models. This is assumed to be due to the increased use of social distancing measures, mask mandates and companies transitioning out of quarantine. This could contribute to the increase in measurements seen in the Post-May 2020 data because better quality (i.e. professional) content is more likely to have a higher number of engagements.

Lastly, when looking at the final averages of the data, results show that between the Pre-May 2020 data and the Post-May 2020 data, there is an increase in four of the six categories; brand recognition, content engagement, content quality, and diverse representation. Two categories demonstrating no improvement between the two timeframes were the relevancy and clear purpose of content.\(^7\)

### Internal Analysis Results

The written accountability report includes reflections of the collected data. A key finding illustrated that out of the 60 companies evaluated in this report, only 12 (20%) invested in the communities in which they operate when taking race, class, and gender into consideration. Further the report reflects on how the murder of George Floyd resulted in brands expressing support through donations and inspirational vows to champion change on social media with little

---

\(^7\) A visual representation of these statistics can be found in Table 2.

---

### Table 3 – Differences in Data Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Pre-May 2020 (N= 46)</th>
<th>Post-May 2020 (N= 44)</th>
<th>Percentage Increase/ Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Likes</td>
<td>Comments</td>
<td>Likes</td>
</tr>
<tr>
<td>Total:</td>
<td>4,609,071</td>
<td>20,357</td>
<td>6,357,849</td>
</tr>
<tr>
<td>Average:</td>
<td>100,197</td>
<td>407</td>
<td>144,497</td>
</tr>
<tr>
<td>Min:</td>
<td>30,580</td>
<td>87</td>
<td>43,113</td>
</tr>
<tr>
<td>Max:</td>
<td>360,303</td>
<td>2,277</td>
<td>457,064</td>
</tr>
<tr>
<td>Stdev:</td>
<td>67,010.83</td>
<td>350.82</td>
<td>86,840.34</td>
</tr>
</tbody>
</table>
to no follow through on their promises internally through basic business practices (Remake, 2021). In addition, the report goes on to discuss the increased use of “woke-washing,” which occurs when “ethically problematic companies use social movements to increase sales without addressing how their business is complicit” (Pitcher, 2021). The report pointed out that companies are using this concept to specifically market products to Black and brown communities without taking internal action to recruit, retain and compensate people of color (POC) at headquarter and supply chain levels (Remake, 2021). The report’s final remarks on DEI express that their “report scores companies based on what they are doing, not what they say they should do, what they’re going to do, or what they did once” (Remake, 2021). This report recognizes that there is not a single company evaluated that is perfect in any regards. As one can conclude, there is still a lot that needs to be done and it is up to the companies themselves to decide if, how and/or when they will take the necessary steps to fight for change on a larger scale.

Conclusions

This work analyzed the external SMM on Instagram and the internal practices of the Fast Fashion industry regarding DEI using H&M as an illustrative example. This was done by evaluating on an external (customer-facing SMM) and internal (company values and practices in regards to DEI) scale. Then the results of both evaluations were compared to conclude whether or not they aligned. Evidence suggests, the external analysis demonstrated that after May 2020, there is a positive increase in inclusive marketing, indicating that after the murder of George Floyd there was an influx in improving brand image by posting content aligned with the rise in social justice activism. This is illustrated through the increases in total (likes- 37.94%,
comments- 45.51%) and average (likes- 44.21%, comments- 45.51%) number of likes and comments\(^8\) and the increase in average scores in brand recognition (by 5.79%), content engagement (by 10.22%), content quality (by 6.40%), and diverse reputation (by 10.70%) post-May 2020.

Apart from meeting the criteria for the demographic of their company’s board reflecting that of the region, the internal analysis H&M demonstrated that they do not value DEI within hiring policies, investment in employees, and investment in BIPOC and marginalized communities. Based on these findings, this work concludes that H&M is not practicing “real” marketing because their external analysis fails to align with their internal DEI practices.

The use of H&M as an illustrative example demonstrates that this type of analysis could be used for other Fast Fashion companies and has potential to demonstrate similar findings. Using this information, one would conclude that the Fast Fashion industry is practicing dishonest marketing, however; this cannot be stated as a definitive conclusion as H&M is only representing a fraction of the Fast Fashion industry. With that said, further research using this type of analysis to examine the “real” marketing practices of the broader Fast Fashion industry would be informative to both consumers and marketing practitioners.

**Limitations & Further Research**

The first limitation to this work is within the External Research section. The evaluation criteria was created using social media content evaluation research and personal knowledge on content development, Instagram engagement and algorithm. A standard or active marketing evaluation guide was not used to evaluate data. Data coding was also scored based on personal

\(^8\) Found in Table 3.
understanding of evaluation criteria and personal opinion. It is important to note that if someone else used the same criteria and coding method, there is a high possibility of differing results due to subjectivity and bias. A suggestion for expansion of this project is to create an evaluation criteria guide or algorithm that evaluates the content on its clarity, purpose, inclusivity, quality, and relevancy.

The most significant limitation to this work is the lack of scholarly discourse on “real” marketing. The sources used to collect secondary research on the Fast Fashion industry and marketing communication after the murder of George Floyd primarily came from news articles, blogs, and nonprofit organization research like the 2021 Remake Fashion Accountability Report, and the primary data was collected from Instagram. Although these sources helped provide valuable information to investigate this topic further, it is taken into account that these sources are not peer reviewed scholarly based discussion. However, there is opportunity for further research pertaining to “real” marketing by investigating and evaluating a company’s internal and external practices. This research could lead to developing a standard internal vs. external evaluation template to illustrate and investigate just how “real” Fast Fashion companies are with their marketing.
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Appendices

Appendix A

Evaluation Criteria- External

**Brand Recognition**

Is the consumer’s ability to identify and differentiate a brand when they come in contact with it. This is done through color schemes, tone of voice, logos, packaging, etc., and any visual material that might aid a consumer to familiarize themselves with a brand’s products or services.

Scoring Guide:

**Scoring 1:**
- Cannot recognize or identify the brand
- Cannot recognize products or services being promoted
- Inconsistent brand messaging

**Scoring 5:**
- Brand is recognizable and easily distinguishable from competitors within industry
- Can easily recognize products or services being promoted and attach them to brand
- Brand image is consistent

**Clear Purpose**

Is the underlying opportunity or activity that content is hoping to get from engagement. This is formally known as a Call to Action (CTA).

Scoring Scale:

**Scoring 1:**
• Does not have a CTA
• Does not state the “why” or a “what to do next”
• Consumer does not understand or know proper next steps
• Consumer does not connect with content

Scoring 5:
• Has a clear and obvious CTA
• Clearly states the “why” or a “what to do next”
• Consumer clearly understands and knows proper next steps
• Consumer connects with content

**Content Engagement**

Is the consumer activity/response to content and can be measured to help guide decision making and popularity.

Scoring Scale:

Scoring 1:
• Has low likes, loves, etc. on content
• Has low engagement to follower ratio on content
• Has low comment activity on content

Scoring 5:
• Has high number of likes, loves, etc. on content
• Has a high engagement to follower ratio on content
• Has high comment activity on content
Content Quality

The caliber of photo, image, or video content.

Scoring Scale:

Scoring 1:

- Minimal photo/image/video/audio quality (blurry, unclear, unrecognizable)
- Has a bad use of language
  - Grammatical errors, misspelled words, incorrect links, not inclusive language
- Is not interesting or eye catching
- Does not provide value to the consumer

Scoring 5:

- Has high quality photo/image/video/audio quality
  - Clear, professional, good editing
- Has a good use of language
  - No errors or misspelled words, inclusive language
- Is interesting and eye catching
- Provides value to the consumer

Diverse Representation

The use of people, models and influences is diverse with regard to race, ethnicity, identity, sexual orientation, and body image.

Scoring Scale:
Scoring 1:

- People / models/ influencers used are only of one identity and background
  - With regards to race, ethnicity, identity, sexual orientation and body image
- Representation does not provide a “natural” or “real” view of products or services
- Is not inclusive and is offensive

Scoring 5:

- People/ models/ influencers used are of many different identities and backgrounds
  - In regards to race, ethnicity, identity, sexual orientation and body image
- Representation provides a “natural” and “real” view of products or services
- Is inclusive and not offensive

Relevance of Content

The timeliness of content, in particular when it is posted and how it relates to trends currently happening.

Scoring Scale:

Scoring 1:

- Does not align or connect with popular trends
- Is not presenting new or useful information for the time
- It is old or outdated
- Is not posted in a timely manner
- Consumer does not connect with content
Scoring 5:

- Aligns and connects with popular trends
- Presents new and useful information at the time
- Is new and fresh
- Is posted in a timely manner
- Consumers connect with content
Appendix B

Evaluation Criteria- Internal

A. Hiring Policies (Remake, 2021)

The company's hiring policies take into account regional histories and recognize that traditional methodologies may be limiting.

- Is the company investing in the communities where it operates in terms of its hiring practices, taking into account class, gender and race?

- Do the company's job descriptions and requirements take into account local/ regional history?

- Does the company's board and leadership reflect the region's population?

Scoring:

- The company is building relationships with local communities and Historical Black Colleges and Universities (HBCUs) to create career pipelines and opportunities for historically marginalized communities? (2 pts)

- The company recognizes that a pool of uniquely qualified candidates may not meet the criteria usually sought out in traditional job descriptions (2 pts)

- The demographic of the company's board is reflective of that of the region (4 pts)

  - WHAT DOESN'T COUNT: Tokenism

    - The practice of making only a perfunctory or symbolic effort to do a particular thing, especially by recruiting a small number of people from underrepresented groups in order to give the appearance of sexual or racial equality within a workforce (Oxford Dictionary).

B. Retaining and Investing in Employees
DEI goes beyond "box-ticking" - the company is invested in setting all of its employees up for success throughout their career trajectories.

- Does the **company** provide all of its direct employees with a living wage?
- Does the **company** actively support and promote the participation of its direct employees in trade unions and other collective bargaining associations?
- Does the **company** have the infrastructure in place to be able to welcome and retain employees from diverse backgrounds?

**Scoring:**

- The company publicly discloses the percentage of direct employees receiving living wages (1 pts)
- Company is transparent about the living wage benchmark it uses i.e. MIT Living Wage Calculator (1 pts)
- Publicly disclosed year-on-year wage data shows that the company is on track to provide 100% of direct employees with a living wage (2 pts)
- Does the company disclose what % of direct employees are covered by collective bargaining agreements, with goals to increase? (1 pt)
- Company uses its corporate power to advocate for union capacity building in environments where Freedom of Assembly (FOA) is constrained (1 pt)
- The company incentivizes employees, removes hurdles and sets them up for success (4 pts):
  - Paid a living wage and can demonstrate year-over-year improvements on wages that keep pace with the cost of living
  - Investment in employee education
○ Job training
○ Travel stipend
○ Mutual aid
○ Employees have the right to unionize and their collective bargaining rights are protected
○ Employees can air and escalate grievances without fear of retaliation/retribution

C. Investing in BIPOC and Marginalized Communities

- Does the company invest in the same communities it extracts value from?

Scoring:

• This means that (3 pts):
  ○ Company reinvests the profits it extracts from marginalized communities back into those communities
  ○ Company does not exploit, woke wash or co-opt movements and cultures for profit
  
  ■ DOES NOT COUNT: selling product, merch around BLM, Pride etc. simply because it is trending
<table>
<thead>
<tr>
<th>Category</th>
<th>Criteria</th>
<th>Questions</th>
<th>Tips: Consider if the following publicly available, can consumers reasonably determine your company’s DEI actions?</th>
<th>Possible Points</th>
<th>Points</th>
<th>Yes/No</th>
<th>Score</th>
<th>Explanation/Notes</th>
<th>Under the evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendix C</td>
<td>H&amp;M DEI Scoring from 2021 Remake Accountability Report</td>
<td>6.2.1 Does the company’s job descriptions and training materials take into account local regional history?</td>
<td>This company is taking measures with local communities and others to create union opportunities and opportunities for historically marginalized communities (2 points)</td>
<td>4</td>
<td>2</td>
<td>No</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6.2.2 Does the company’s board and leadership reflect the region’s population?</td>
<td>The demographics of the company’s board are reflective of that of the region (4 points)</td>
<td>4</td>
<td>4</td>
<td>Yes</td>
<td>4</td>
<td>No information on this for direct employees.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.2.1 Is the company investing in the communities where it operates in terms of its hiring practices, taking into account their race, gender and even?</td>
<td>This company is taking measures with local communities and others to create union opportunities and opportunities for historically marginalized communities (2 points)</td>
<td>4</td>
<td>2</td>
<td>No</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.2.2 Does the company provide all of its direct employees with a living wage?</td>
<td>Does the company provide all of its direct employees with a living wage? (4 points)</td>
<td>4</td>
<td>4</td>
<td>Yes</td>
<td>4</td>
<td>No information on this for direct employees.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.2.3 Does the company actively support and promotes the participation of direct employees in equity, diversity and other collective bargaining associations?</td>
<td>The company is providing employees, removes barriers and sets them up for success (4 points)</td>
<td>4</td>
<td>2</td>
<td>No</td>
<td>0</td>
<td>No information on this for direct employees.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.2.1 Does the company’s DEI initiatives include and impact a diverse range of people who have historically been excluded from their industries?</td>
<td>The company’s DEI initiatives include and impact a diverse range of people who have historically been excluded from their industries (10 points)</td>
<td>10</td>
<td>3</td>
<td>No</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.2.2 Are the company’s DEI initiatives reflected in their selection of suppliers and vendors?</td>
<td>The company’s DEI initiatives are reflected in their selection of suppliers and vendors (2 points)</td>
<td>2</td>
<td>2</td>
<td>No</td>
<td>0</td>
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<tr>
<td></td>
<td>6.2.3 Does the company invest in EMPOI and Marginalized Communities</td>
<td>The company’s DEI initiatives include and impact a diverse range of people who have historically been excluded from their industries (10 points)</td>
<td>10</td>
<td>3</td>
<td>No</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.2.2 Retaining and Investing in Employees</td>
<td>Does the company actively support and promote the participation of direct employees in equity, diversity and other collective bargaining associations?</td>
<td>The company is providing employees, removes barriers and sets them up for success (4 points)</td>
<td>4</td>
<td>2</td>
<td>No</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<td>2</td>
<td>No</td>
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<td>3</td>
<td>No</td>
<td>0</td>
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Total Points = 21
HM Points = 4