

# The George Washington University (Graduate)

## Member Information

<b><u>Name</u></b>	<b><u>Year</u></b>	<b><u>Major</u></b>
Max Leo	2020	International Business
Olivia Morgan	2020	International Business
Lauren Lamar	2021	International Affairs
Justin Dembowski	2019	International Business
Nicole Simos	2020	International Economics

**Advisor(s):** Anna Helm, David Ruda

**Topic:** Victoria's Unsustainable Secret

**Audience:** L Brand Board of Directors and Victoria's Secret Executives

**Division:** Graduate

## Sustainable Development Goal

SDG #12: Responsible Consumption and Production

Target #12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Indicator #12.6.1: Number of companies publishing sustainability reports.

## Executive Summary

The \$2.5 trillion fashion and textile industry is an economic heavyweight. As one of the largest consumer industries, it employs over 60 million people along its global value chain. For many companies in the fashion and textile business, the negative externalities of their global supply chain are not being adequately addressed.

Our consulting group was hired by L Brands to assess how their subsidiary, Victoria's Secret, can adopt more inclusive, transparent, and lawful sustainability reporting measures in relation to the social and ecological impact of their supply chain. Indeed, Victoria's Secret's sustainability reporting is lackluster: in the 2018 Ethical Fashion Report, L Brands was given a rating of "D+" overall, with lower scores in worker environment, auditing and supplier relationships, transparency and traceability, and overall policies. Corporate social responsibility (CSR) is primarily used to communicate the social and environmental effects of an organization's economic actions. While the U.S. does not have a static framework for CSR reporting, a growing number of corporations are voluntarily reporting on their sustainability annually. However, L Brands, and subsequently Victoria's Secret, is not one of them. In order to increase their sustainability measures, we recommend the following: (a) create a publicly held set of company CSR reporting standards, (b) release an annual CSR report audited by an outside organization, and (c) publicly record all measures taken and results achieved to improve ethical, social, and environmental standards with suppliers to ensure transparency. In the long run, these improvements in reporting have the added benefit of decreasing costs of capital, raising stock price, and increasing investment.