

Quad Consulting

<u>Team Member Name</u>	<u>Year</u>	<u>Major</u>
Jonathon Jacome	Junior	Information Systems, T&M
Jonathan Yang	Junior	Finance + DS
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Advisor(s): Tanner Warnick

Topic Title: Datagonia: aligning Patagonia's data innovation with sustainability commitments

Audience: The executives at Patagonia

Sustainable Development Goal (2 max)

SDG 12 : Ensure sustainable consumption and production patterns

Executive Summary

Patagonia, a leader in sustainable business practices, is exploring the use of AI to optimize operations, enhance supply chain efficiency, and improve customer services and experiences. Previous cases have shown that AI technologies like predictive analytics and resource allocation can significantly reduce waste, improve inventory management, and minimize the company's carbon footprint. By forecasting demand more accurately, AI can help prevent overproduction which is one of the fashion industry's largest environmental challenges. However, the energy-intensive cost of AI infrastructure, including data centers, presents an ethical dilemma, especially regarding their more customer based services, which do not have a direct benefit to their environmental output the way that the supply chain additions do. Patagonia has to consider the operational benefits of AI implementation in conjunction with the emissions generated by these technologies.

To align AI implementation with its climate missions, Patagonia must prioritize transparency, accountability, and sustainability in its technological advancements. This involves using renewable energy for AI infrastructure, utilizing energy-efficient algorithms, and leading sustainable AI practices across the industry. By setting a standard for ethical AI implementation, Patagonia can inspire broader conversations on the intersection of technology, ethics, and environmental consideration in the corporate world.