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Promoting ESG Awareness
+ Risk Literacy in SMEs

PEARL
Case Study
Module 2

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Case Study Identification

Case Study Title: From Paper to Practice: ESG Vision and Governance at "Bursa TexStyles"

Partner Institution: Bursa Uludağ University

Country: Türkiye

Sector /Industry: Textile & Garment Manufacturing

SME Profile:

Company size (micro / small / medium):
Medium-sized (110 employees)

Ownership structure (family-owned, partnership, etc.):
Family-owned (2nd generation transition)

Market scope (local / regional / international):
International (Primary export market: European Union)

2. Relevant PEARL Curriculum Module(s)

*(**Select one primary module and, if relevant, secondary modules:** Module 1 – Introduction to ESG, Module 2 – ESG Onboarding, Vision and Responsibility, Module 3 – ESG Risk Analysis and Materiality Assessment, Module 4 – ESG Strategy and Implementation, Module 5 – Reporting, Communication and Branding, Module 6 – Sustainable Financing and Funding Options for SMEs)*

Primary Module:

Module 2 – ESG Onboarding, Vision and Responsibility

Secondary / Supporting Modules (if any):

Module 5 – Reporting, Communication and Branding

3. Learning Purpose of the Case

What ESG challenge, decision, or dilemma does this case illustrate?

The case illustrates the challenge of moving beyond "compliance-only" sustainability. It focuses on the internal transition from a traditional business mindset to an ESG-integrated one. The core dilemma is how to establish a formal ESG governance structure in an SME where resources are limited and the leadership is skeptical about the strategic value of ESG.

Why is this case relevant for SMEs?

Many SMEs face "top-down" pressure from international buyers to prove their sustainability commitment. This case provides a roadmap for SMEs to move from informal practices to a structured governance model without overstretching their organizational capacity.

Which competence gaps (knowledge, skills, attitudes) does it address?

Knowledge Gaps: Addresses the lack of understanding of formal ESG governance and the difference between operational compliance and strategic leadership.

Skills Gaps: Addresses the inability to draft authentic sustainability visions and design internal cross-functional responsibility frameworks (e.g., ESG committees).

Attitude Gaps: Addresses the perception of ESG as a "marketing cost," shifting it toward a "strategic market access requirement."

4. Case Context and Background

Provide a concise but concrete description of the SME's situation:

Bursa TexStyles is a well-established textile dyeing and garment firm in Bursa, Türkiye. Founded by Ahmet Bey 30 years ago, the company has thrived on high-quality production and cost efficiency. However, the landscape is changing. Ahmet Bey's daughter, Selin, who recently took an executive role, realizes that the company's biggest client, "Global Fashion Group" (GFG), now requires more than just a low price.

GFG has sent a "Supplier Sustainability Code of Conduct" requiring Bursa TexStyles to provide:

1. *A formal ESG Vision Statement signed by the board.*
2. *Evidence of an Internal ESG Governance Structure (who is responsible for what?).*
3. *A roadmap for Onboarding Employees into the sustainability culture.*

Ahmet Bey views this as a "bureaucratic marketing exercise" and suggests assigning these tasks to the Quality Manager as an "extra duty." Selin, however, argues that without a genuine vision and a cross-departmental team, they will fail the next audit and lose their "preferred supplier" status.

5. ESG Challenge / Problem Statement

Clearly describe the central ESG-related issue, for example:

As a consultant or an internal ESG lead, you are asked to:

Task 1 (Visionary): Draft a concise and authentic ESG Vision Statement for Bursa TexStyles that aligns with its textile heritage but addresses modern sustainability (Environmental stewardship and Social responsibility).

Task 2 (Organizational): Design a realistic ESG Responsibility Matrix (RACI) for this 90-person SME. Who should be in the "ESG Core Team"? Should it be one person or a committee?

Task 3 (Strategic): Develop three "Business Case" arguments to convince Ahmet Bey that ESG Onboarding is an investment in market access rather than a sunk cos

6. Data, Evidence, and Inputs

(Use realistic but simplified data where needed)

(ESG-related qualitative information, Basic quantitative indicators (where applicable), Stakeholder inputs or assumptions, Regulatory or market references (e.g. CSRD, VSME, customer demands)

Not needed for this case

7. Suggested Tools from the PEARL Toolbox

Indicate which PEARL tools can be applied in this case and how?

- *Project Milestone Plan for ESG Integration (M2)*
- *Onboarding Tool for Internal Decision-Makers(M2)*

To address the challenges in this case, learners are expected to apply the following tools from the PEARL Toolbox, adapting them to the specific needs of a medium-sized textile SME:

Tool 1: Onboarding Tool for Internal Decision-Makers (M2)
Application in the Case: This tool should be used to prepare the "Persuasion Strategy" for the CEO (Ahmet Bey).
Action: Learners will use the tool's framework to map out the *Cost of Inaction* (e.g., potential loss of the GFG contract, which accounts for a significant portion of revenue) versus the *Strategic Value of Action* (e.g., securing "Preferred Supplier" status and gaining a competitive edge in the EU market).
Output: A structured "Executive Brief" or a "Pitch Deck" outline designed to shift the CEO's perspective from seeing ESG as a cost to seeing it as a market-access necessity.

Tool 2: Project Milestone Plan for ESG Integration (M2)
Application in the Case: This tool is used to design the 6-month roadmap for setting up the company's internal ESG structure.
Action: Learners must define specific, time-bound milestones for "Bursa TexStyles," such as:
Month 1: Formalization of the ESG Core Team (cross-departmental).
Month 2: Stakeholder mapping and initial ESG gap analysis.
Month 3: Board approval and official internal announcement of the "ESG Vision Statement."
Months 4-6: Employee onboarding workshops and departmental goal setting.
Output: A visual Gantt chart or a Milestone Table that ensures the "Onboarding" process is systematic rather than impulsive.

Tool 3: ESG Responsibility Matrix - RACI (Supplementary from M2 Framework)
Application in the Case: To solve the dilemma of "extra duties" versus "formal responsibility."
Action: Learners will assign roles for ESG-related tasks (e.g., data collection, reporting, communication) across departments like Production, HR, and Quality Management using the Responsible, Accountable, Consulted, and Informed (RACI) model.
Output: A clear organizational chart showing that ESG is a shared management function led by the executive board (Selin).

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8. Suggested Solution

Task 1: Drafting the ESG Vision Statement (Model Approach)
Instructors should look for statements that move beyond generic "greenwashing" and instead connect sustainability to the company's core business (textiles) and its specific location (Bursa).
Model Solution Example: *"At Bursa TexStyles, we weave the future with respect for our resources. We commit to reducing our water and carbon footprint by 30% by 2030 while ensuring 100% ethical working conditions across our supply chain, proving that heritage and sustainability go hand-in-hand."*
Evaluation Criteria: Does the vision (1) reflect the industry (textiles)? (2) Include both Environmental (E) and Social (S) elements? (3) Sound professional enough to be signed by a Board of Directors?

Task 2: Designing the ESG Responsibility Matrix (RACI Model)
In an SME with 90 employees, creating a massive, dedicated sustainability department is unrealistic. Instructors should evaluate whether the student has designed a "cross-functional" team that shares the burden.
Proposed Organizational Structure:
Accountable (A): The Deputy General Manager (Selin). She is ultimately responsible for the strategy's success.
Responsible (R): The ESG Core Team (e.g., Quality Manager, Production Lead, and HR Coordinator). They collect data and implement daily actions.
Consulted (C): The Purchasing Department (for sustainable raw materials) and the Founder (Ahmet Bey) for strategic approvals.
Informed (I): All employees (via monthly internal newsletters or digital boards).
Key Discussion Point: Why should the Quality Manager not be the *only* person responsible? (Answer: ESG affects everything from procurement to sales; "siloing" the responsibility leads to fragmented data and lack of company-wide buy-in).

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8. Suggested Solution

Task 3: The Business Case for the CEO (Persuasion Strategy)
Students should use these three core pillars to counter the "cost-only" mindset of a traditional founder:
Market Access & Revenue Protection: The contract with "Global Fashion Group" (GFG) represents a significant percentage of total revenue. The cost of losing this contract far outweighs the cost of ESG implementation. ESG is now an "Export Visa."
Operational Efficiency: Reducing water and energy consumption in textile dyeing directly lowers production costs. Sustainability is essentially "waste elimination."
Risk Mitigation & CBAM: Preparing for the Carbon Border Adjustment Mechanism (CBAM) now will prevent heavy carbon taxes in the near future. It is proactive risk management.

Instructor's Key Discussion Questions:
"Is the founder's resistance justified? How can an SME balance a limited budget with such a large-scale transformation?"
"If the client (GFG) hadn't made these demands, should Bursa TexStyles still have initiated this ESG onboarding process?"
"Once the Vision Statement is signed, what should be the very first concrete step to make employees believe it is not just 'paperwork'?"

Instructor's Pro Tip:
To maximize engagement, consider a **Role-Play** exercise. Assign one student the role of the traditionalist founder (Ahmet Bey), another as the visionary lead (Selin), and a third as a PEARL consultant. This is the most effective way to address the "Attitude" competence gap identified in the learning purposes.

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9. Expected Learning Outcomes

After working on this case, which KSAs will learners be able to develop?

(Aligned with Related competences (ref.PEARL framework)

Knowledge: Understand the components of ESG Governance and the importance of "Leadership Commitment.«

Skills: Ability to draft professional ESG vision statements and design organizational responsibility frameworks for SMEs.

Attitude: Develop a proactive mindset that views ESG as a core business strategy rather than an external reporting burden.

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