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Purpose, Communication and Sustainability

Towards closing the trust gap

By

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A research endeavor is never done individually. One of the cornerstones of science is the ability to stand on the shoulders of giants. Thanks to this research, I first got to experience this process, which is why I would like to give thanks to several people. First, Joy Roeterdink, my supervisor at Suitsupply, for allowing me to do the research internship at the place that I dreamt of doing it for 4 years and for providing valuable insights into CSR. Secondly, Duncan Liefferink, for the supervision surrounding this research. Your feedback, even though not always well received, was continuously valuable and made me strive towards the highest level possible. Lastly, Benthe Sondag, my other colleague within the CSR team, for providing the necessary support when acclimatization in an office environment turned out to be a bigger challenge than expected. Your advice always resonated.

Executive Summary

We are living in a crisis of trust. The trust gap between citizens and government, employees and companies and consumer and industry is only getting bigger and bigger, according to the Edleman Trust Barometer (2019). In this context, fashion and the rise of fast fashion have continuously profited from the globalization of labor, leading to a constant stream of garments in a system that is inherently unsustainable (Gardetti & Torres, 2013). Several companies within the fashion industry have made attempts at implementing Corporate Social Responsibility policies in order to counter this unsustainability, but when communicating these efforts, have been faced with accusations of greenwashing, academical criticisms and naming and shaming tactics that have only enlarged the trust gap. Faced with this scrutiny, several companies have adopted an Organizational Purpose, a narrative, value-based tool that gives meaning to the existence of the company. In this research, an attempt is made to analyze this intersection between CSR, Communication and Fashion through analyzing the intentions and ambitions, implementation procedures and communication strategies of Kering, Suitsupply and Inditex in order to ascertain the role of Organizational Purpose in the endeavor of communicating sustainability.

Through analysis of the Intentions, Implementations and Communications of companies' CSR endeavors, four positions can be distinguished in each category: Inactive, Reactive, Active and Proactive. According to Van Tulder (2018), the main challenge of CSR is alignment between Intention and implementation, with Communication being a department of implementation.

After having determined the motivational positions of each company, with Suitsupply's general intentional position being Active, implementational position being reactive, this means that it's general ICSR approach can be categorized as Active/Reactive, which means they are struggling with aligning internal departments. Their main tool for alignment is the Fair Wear Foundation's Code of Conduct, which concerns mostly social sustainability. Since their marketing is nonexistent and their additional communication on CSR very limited, their communications strategy is then placed in the inactive/reactive category, being highly *selective* and employing no Organizational Purpose.

Kering's intentional position is proactive and it's implementational proactive Active, having invested heavily in CSR endeavors. However, their ultimate ambitions are more far-reaching than Suitsupply, meaning they aim to mobilize the fashion industry in the direction they are taking. Interestingly, their way of communicating that call for action is, while employing an Organizational Purpose, limited to contradictions, saying on the one hand to foster collaboration, but at the same time putting up barriers in the form of limited transparency, hard-to-reach infrastructure and window-dressing an open-source EP&L

while not making the code available (Kering, 2019a). Their communication strategy is therefore still selective, with lack of transparency being the main issue. This is not offset by the implementation of Organizational Purpose, which does however create a relatable and clear value-driven narrative for Kering to frame their CSR approach, which is effective in building a reputation, but unable to sustain it. This still enlarges the trust gap, regardless of the use of Purpose.

Inditex' intentional position is one of an Active actor in the fashion industry, with firm claims of sustainability all-around (Inditex, 2018). However, when taking a closer look, their intentions go beyond their implementation, saying more than they are willing to do. This means that Inditex' implementational position in the reactive phase, resulting in an ICSR approach that is active/reactive, facing mostly internal alignment challenges. Inditex is and probably will be a prominent part of the inherently unsustainable fast fashion system, and while Inditex does try to offset this partly through extensive philanthropy, the fact that they make claims such as "employing a sustainable business model" and "caring for their people and planet" while all evidence suggests the opposite, they only enlarge the trust gap.

Throughout the assessments, it has become clear that there is not one way to set up your communication and CSR strategy in order to guarantee success. However, there are three aspects that are recurring with regards to the implementation of an effective communication strategy concerning ICSR: Alignment, Narrative and Transparency. Alignment is central to CSR and means practically aligning departments under the same governance framework, integrating sustainability in the end in every (strategic) decision within the company. Naturally, this means that there needs to be clarity about a company's ambitions, position in the system and goals with regards to CSR and the approach the company takes/plans to take in order to achieve those. Additionally, it means that the goal of alignment might never be reached, however if no effort is made, transformations towards more sustainable business models may never become reality.

Secondly, narrative. Narrative provides the tool with which companies frame their CSR endeavors, bringing together all those ideas and vague terms sustainability entails, and making it relatable, tangible and full of meaning. Narrative links the intentional with the implementations, providing a vehicle of alignment. However, narrative is nothing without facts to back it up, which means transparency. Transparency about the efforts taken in the implementations, but also acknowledgement that some goals may never be reached. Transparency gives credibility to the narrative, making these the two cornerstones in communicating CSR. However, even when there is transparency and a narrative, without alignment, CSR is still a hollow concept, meaning all three aspects need to be present when communicating CSR and in the end, close the trust gap.

Contents

Acknowledgements.....	2
Executive Summary	5
Introduction.....	10
Research Question	12
Theoretical Framework.....	16
CSR: Challenged, Contested and Controversial	16
Mapping the Field	18
Marketing Sustainability: A Paradox?	21
Organizational Purpose	25
Fashion, Marketing and Sustainability.....	27
Research Strategy and Methodology	30
Epistemology and ontology	30
Methods & Data analysis	31
Content Analysis.....	31
Interviews.....	32
Survey	33
Participant Observation.....	33
Context and Choice of Cases	34
Cases	38
Suitsupply	39
Intention	40
Implementation	41
Communication.....	48
Kering	50
Intention	51

Implementation	52
Communication.....	58
Inditex	60
Intention	61
Implementation	63
Communication.....	70
Results.....	74
Conclusion	76
Alignment	76
Narrative	76
Transparency.....	77
Points for future research.....	79
Recommendations.....	79
Reflection.....	82
Reflection on the used literature	82
Reflection on the methods	83
Reflection on the researcher.....	83
Reflection on the results.....	83
List of References	85
Appendices.....	94
Appendix I, Mapping Generic Motivations and their Consequences	94
Appendix II, Mapping Systemic Motivations and Nature of Sustainable Issues	95
Appendix III, Mapping ICR Approaches/Frames.....	96
Appendix IV. Mapping Sustainable Marketing Motivations.....	98
Appendix V, Coding Scheme	99

Introduction

We are living in a crisis of trust. According to the Edleman Trust Barometer study, 56% of the population nowadays does not know which politicians to trust, 42% do not know which companies to trust and 85% think that institutions do not have their best interests in mind (Edleman, 2019). In this era of fake news, misinformation and greenwashing, the truth is hard to grasp and the trust gap between employees and companies, consumers and industry and citizens and governments only seems to get bigger and bigger.

Faced with this lack of trust, companies in all industries have been adopting the concept of (International) Corporate Social Responsibility (ICSR)¹, trying to incorporate responsibilities apart from generating profit for shareholders into their business model (Van Tulder, 2018). However, the implementation and communication of these efforts has often experienced major setbacks, with efforts sometimes not only failing to bridge the trust gap but widening it through window-dressing and greenwashing practices.

In this context, the company of Suitsupply was founded by a Dutch college student/entrepreneur called Fokke de Jong. The company turned out to be a game-changer in the luxury men's fashion industry. After being inspired by Inditex, de Jong opted for a vertically integrated supply chain in which a lot of the 'middle men' present in the fashion industry were cut out in order to make a quality garment that would cost a fraction of the price compared to other brands (Green, 2016).

Suitsupply's success can be ascribed to its early adoption of an 'omnichannel' approach to sales in which stores, website and social media work in unison in order to deliver a user experience aligned with their goal for customers to not just "fit in, but to find their own perfect fit". Proclaiming to be pioneers at everything they do, Suitsupply has been able to grow steadily over the last nineteen years to the point where they have become a global brand with over 100 stores in all continents of the world with a yearly turnover of over €300 million euros (Suitsupply, 2018a).

However, the fashion industry has changed over the years and become more and more scrutinized for poor working conditions, negative environmental impacts and stimulating disposability of garments (Larsson et al. in Gardetti & Torres, 2013). Within this context, De Jong has frequently defended his choice for manufacture in China and other countries saying "The Chinese have been doing it for a long time (..), some of the best manufacturing is done there (..), it's almost impossible to do it properly and on this scale

¹ Since all companies in this thesis are multinationals, the term ICSR and CSR will be used interchangeably.

anywhere else”. Furthermore, de Jong has claimed that sustainability, both social and environmental, has always been on the agenda and played a role in sourcing policies (De Graaff, 2018). This position has been echoed by Suitsupply’s long-standing allegiance with the Fair Wear Foundation, a non-profit organization aiming for better labor conditions throughout the sector, having been a member since 2007.

At this moment, fashion’s biggest challenge is closing the trust gap without losing revenue (Fashion Revolution, 2019). While several brands have been predominantly marketing themselves as sustainable, such as Patagonia (CSR Central, 2015), Veja (Danigelis, 2018) and Mud Jeans (Purpose People, 2018), with success, most major fashion brands have had trouble to do so. With this in mind, there are two main problems with regards to CSR: alignment between intention, implementation and communication and the communication of brands’ Corporate Social Responsibility endeavors. In this context, several companies have adopted an Organizational Purpose, a narrative tool to address the purpose of an organization in the broadest term for all stakeholders involved.

Through content analysis of the communication of CSR efforts of three fashion brands, Suitsupply, Kering and Inditex, and third-party publications surrounding these efforts, an assessment will be made on the intention, implementation and communication of the corresponding brands’ CSR approaches. Kering is a French luxury conglomerate with the reputation of a frontrunner with regards to sustainability and sustainability reporting, already employing a purpose: “Empowering Imagination”. Inditex is, similar to Suitsupply, a vertically integrated company that has transformed the market she operates in and has an elaborate track record of not being sustainable (Cotton, 2018). Through Qualitative analysis, a comparison can be made with regards to intentions of these companies with regards to ICSR, their efforts to transform these intentions to implementable measures and lastly, their attempts at communicating their efforts in ICSR effectively, with or without the application of Organizational Purpose.

The aims of this research are twofold: to contribute to the fashion’s shift towards a more sustainable sector through providing valuable insights into how to communicate their CSR efforts in a way that does not enlarge the trust gap, and to gain theoretical insights into the intersection between marketing, CSR and Purpose in general. In this endeavor, the three concepts of ICSR, Strategic CSR Communication and Organizational Purpose will be central in the content analysis of the communication of these three brands: Suitsupply, Kering and Inditex. Through this comparative analysis, knowledge will be generated about the intersection between Marketing and CSR in the context of the fashion industry in general, the luxury fashion industry in particular, as well as regarding the usefulness of the concept of Organizational Purpose in pushing companies to the next stage of transition regarding ICSR.

In the end, the scientific relevance of this research lies in the intersection between intention, implementation and communication of CSR policies. Hildebrand & Sen (2011, 1360) have voiced the need for more insights on how CSR initiatives can be used as a strategic lever through its communication and call for an analysis of the “formulation, implementation and evaluation of comprehensive CSR programs” from a marketing perspective. Furthermore, Hur et al. (2014) call for an approach that identifies the different dimensions of CSR and their relation to CSR communication which is one of the key aspects of this research.

Additionally, the new practical concept of Organizational Purpose has been relatively new and especially in the context of CSR, not been elaborately researched yet. Hurth et al. (2018) call for a further examination of the different approaches towards implementation of Organizational Purpose and the implications of these different approaches on the process of embedding Purpose in different departments. In this research, it will be specifically the CSR and Marketing department that will be researched in relation to Organizational Purpose and its manifestations.

Concerning this research’ societal relevance, it addresses a topic compatible with the trend of growing movements towards several alternative economical paradigms. This movement towards a “New Economy” will need CSR to be more than just window dressing, but impact will need to be met with yields. One of the hardest challenges in marketing CSR efforts is the trust gap. This research addresses this specific problem, potentially acting as driver towards closing the trust gap. Additionally, since this research has been conducted during a research internship at the Headquarters of Suitsupply, Suitsupply will be supplied with an elaborate assessment and recommendation of both her CSR practices as well as towards a possible implementation of Organizational Purpose. With Suitsupply’s role as pioneer in mind, this research might be the start of Suitsupply achieving the full potential of this pioneering role in the fashion industry.

Research Question

In order to address the research problem and to achieve the goals laid above, the following question will be leading:

What influence does Organizational Purpose have with regards to the Intentions, Implementation and Communication of the ICSR approaches of Kering, Inditex and Suitsupply?

In order to map the areas on which this research elaborates on, theoretical questions are relevant:

- What kind of intentions can companies have with regards to ICSR?
- What stages of transition reflect the alignment phase of these companies in the implementation of ICSR?

- What is Organizational Purpose and what is its relation to ICSR and its communication?

These questions are answered in the theoretical framework on CSR, Communication and Organizational Purpose. In the case studies, the chapters are built chapter by chapter following the intention, implementation and communication framework in which the following questions will be guiding:

- What are the intentions with regards to ICSR of Kering, Inditex and Suitsupply?
- How are the intentions implemented in business with regards to ICSR?
- How are the ICSR endeavors communicated by Kering, Inditex and Suitsupply?
- What role does Organizational Purpose fulfill in Kering's, Inditex and Suitsupply's ICSR endeavors?

This thesis will first start with an outline of the first theoretical questions formulated, giving answers to these questions and to the multidimensionality of ICSR, Marketing and Organizational Purpose. In these chapters, the analytical framework used in this research will be highlighted and elaborated upon, after which the case studies will contain the information that was acquired during the application process of this analytical framework, starting with Suitsupply, then Kering and lastly, Inditex. After the case studies, general conclusions will be drawn and directions for future research and specific recommendations will be provided.

Theoretical Framework

Ever since the Brundtland report coined the phrase *Sustainable Development*, the aim for creating a future that “meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland, 1987), the focus of *sustainability* within the business context has moved from ‘a company’s ability to increase its earnings steadily’ (Werbach, 2009) to a multi-dimensional approach aimed at improving environmental and social responsibility, also called Corporate Social Responsibility (CSR).

In this theoretical framework, first the concept of Corporate Social Responsibility and its history will be elaborated upon in order to convey the multidimensionality and controversiality of this concept within the academic realm. After this elaboration, the specific framework used in this research will be explained. The framework by Van Tulder (2018) will be used in order to assess the ‘walk’ of companies, after which we will go into the ‘talk’, the communication and marketing aspect of CSR. Lastly, Purpose, which supposedly should unite both the ‘walk’ as well as the ‘talk’, will be elaborated upon.

CSR: Challenged, Contested and Controversial

This concept Corporate Social Responsibility has consistently been scrutinized and challenged within the academic world, resulting in a wide range of definitions (Dahlsrud, 2008). Scholars do tend to agree that it entails some form of commitment to taking up responsibilities beyond legal compliance with the aim of long-term economic, societal and environmental well-being (van Tulder, 2018; Heikkurinen et al., 2011, Sen et al., 2016). Porter and Kramer (2011) see this process as a process of creating ‘shared value’, enhancing the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operated.

Notwithstanding the definitional scrutiny Corporate Social Responsibility has had to endure, five aspects of CSR can be identified. The economic aspect, actions performed in order to create *shared value* are performed in such a way as to enhance sales and gain competitive advantage, creating economic sustainability. Secondly, the social dimension which concerns the relationship between business and society where business ‘contributes to a better society’. Thirdly, the environmental dimension that refers to the natural environment and the preservation of the natural environment throughout business operations. Moreover, the stakeholder dimension is about healthy interaction with stakeholders such as employees, suppliers, customers and communities. Lastly, there is the ethical aspect of Corporate Social Responsibility where business commits to actions not prescribed by law, but out of ethical values (Dahlsrud, 2008).

Naturally, every aspect noted above has been subjected to heavy scrutinization and controversy. To go into all controversies regarding CSR is beyond this theoretical framework, but few have been highlighted to

represent the inherent controversial character of the concept and to explain these aspects at the same time so the framework developed by Van Tulder can be elaborated upon.

First, the economic aspect of CSR. Economically, the hypothesis that Corporate Social Responsibility activities as part of a marketing strategy to enhance economic performance is highly contested. Several studies suggest a higher willingness of people purchasing from responsible companies (Ekmekçi in Mermod & Idowu, 2014) (Fatma et al., 2018), but there is no consensus at this point and several scholars call for more extensive research (Oberseder, 2013) (Park et al., 2014).

Secondly, the social aspect of CSR has given way to several forms of criticisms that mainly challenge the involvement of the market sector in the realm of civil society. Shamir (2004) posits that the CSR ‘trend’ has led to so called MaNGO’s, Market-oriented Non-Governmental Organizations, with the goal of structuring the field of CSR through spreading corporate-inspired versions of ‘social responsibility’ (Shamir, 2004). He argues that the ‘Corporatization of Civil Society’, made possible by the emerging discourse of CSR, has transformed the idea of social responsibility into a commodity that, through marketing, conceals power relations that underlie the relationship between global capitalism and social inequality, social harm and social justice (Shamir, 2004).

Probably the field that has received the most scrutiny is the environmental dimension. The term ‘Greenwashing’ is a form of corporate deception where the company’s product, aims or policies are promoted as more environmentally friendly than they actually are (Laufer, 2003). Used mainly by corporations in order to repair or increase public perception of the brand, it is argued that greenwashing diminishes the power of the consumer in driving companies towards greener solutions (Dahl, 2010). Furthermore, environmental impact of a product has proven to be hard to measure. Life-cycle assessment, a method for assessing environmental impact through a product’s lifecycle, is plagued by its dependency on systems thinking and reliance on questionable data, leaving ample room for academic disagreement on environmental impacts and climate change (Korhonen et al., 2018) (Finnveden et al., 2009).

Regarding the stakeholder dimension of Corporate Social Responsibility, companies are often scrutinized because of the superficial way CSR is managed internally. Few companies charge all their employees with thinking about CSR, instead appointing few people in strategic management positions to govern (Gardetti and Torres, 2013). Moreover, Cherrier et al (2012) highlight several problems for management to sustain organizational change because of widely differing attitudes towards CSR in different managerial layers within a company and Shamir highlights the problem where CSR is used to exercise normative control of corporate culture, “the shared ruled governing (..) aspects of membership in an organization”, as

problematic because of its hegemonic properties. Leading from the hypothesis that employees are more committed to an organization where attention is paid to its social responsibilities, the ability to transform employees from stakeholders into a ‘community’ calls into question the motives behind the implementation of Corporate Social Responsibility, from a force to do good, to a secret hegemonic tool to exercise control over employees (Shamir, 2006).

Lastly, when talking about the ethical dimension of Corporate Social Responsibility, there is a debate on whether business and ethics are in general reconcilable, especially when other paradigms in business such as neoclassical economics and stakeholder-oriented approaches remain prevalent. Heikkurinen et al. (2012) argue here for a shift from a stakeholder approach, in which pragmatism is the main outcome of outsourced ethics, ethics derived from governmental institutions, NGO’s or the Market, to an awareness approach in which ethics are insourced, not bound to stakeholder’s intentions or institutional gain, but on what is morally right or wrong according to this company (Heikkurinen et al., 2012). This value-driven view is highly relevant for the institutionalization of a purpose, which we will get into later.

In sum, every dimension of Corporate Social Responsibility is up for heavy debate and this has made not only implementation of effective CSR policies difficult, but also research concerning the topic highly fragmented. While the measure of fragmentation in academic literature is not within the scope of this research, scholars have named this problem as one of the many barriers in implementation of made effective CSR policies, which in turn has led to an only enlarging trust gap in the meantime (Van Tulder, 2018). There is however one writer who has been able to incorporate a comprehensive framework in order to assess both the CSR intentions of a company as well as the stage of implementation.

Mapping the Field

While it is most certainly clear that most businesses have not been able to unite intent and implementation in their ICSR policies, companies have voiced ambitions for transformations towards this goal. Van Tulder (2018) specifies four attitudes of intention in which companies can find themselves when trying to implement sustainability: Inactive, reactive, active and pro-active. He sees the main challenge of driving CSR as an alignment challenge between intention and implementation and he argues that all challenges that accompany the implementation of ICSR are rooted in this alignment challenge (van Tulder, 2018).

		TALK ABOUT SUSTAINABILITY	
		NO	YES
WALK SUSTAINABLY	NO	Inactive: narrow fiduciary duty approach; low expectations/low trust	Reactive: green/blue-washing; confirms scepticism and increases trust gap
	YES	Active: Broad fiduciary duty approach; fear of reputational damage; regaining (tacit) trust	Proactive: Alignment of trust; building trust in collaboration (co-creation) with important stakeholders

Figure 1

With this challenge of ‘walking the talk’ in mind, the above categorization of intentions makes clear the full challenge of closing the trust gap, however, it doesn’t say anything about the actual implementation phase and where the alignment challenge lies within the company. His second step then is the identification of three implementation phases, or transition phases, Triggering, Internal Alignment and External Alignment. The Triggering stage here is defined by starting the transition towards CSR because of extrinsic, external pressure or scandals, or intrinsic motivations, for example a new leader. In practice this means adopting a liability approach of *not doing any harm* instead of *doing good*. The Internal Alignment entails trying to make the CSR policy more efficient through better internal coordination and aligning several departments under the same approach. Lastly, External Alignment is about getting stakeholders involved in a cooperative way through for example *naming and faming* instead of *naming and shaming* practices, with the goal of eventually closing the trust gap. The result of this mapping taxonomy is shown below.

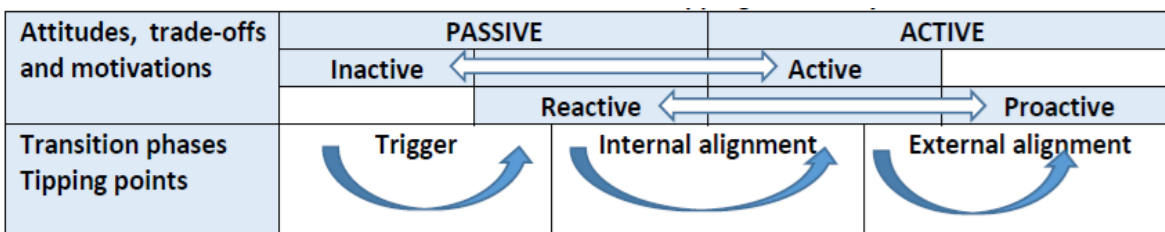


Figure 2

Van Tulder goes on as to argue that every stage of transition comes with its own bundle of challenges with regards to strategic fit. According to Van Tulder, the above framework can be applied on three scales in every department within a company: The International, Personal and Domestic scale. While there are four

types of good strategic fit² between these scales and their attitude, an alignment between intention and realization, there are 72 other possible combinations possible that do not create a strategic fit. While an elaboration of each of these combinations is beyond this theoretical framework, the three most common are:

- Stretched personal CSR intentions (Company leadership wants to do more on CSR but is unable to organize accordingly)
- Risk-driven (In HQ everything is sustainable, but internationally CSR is still lagging behind)
- Global Leadership (Internationally CSR is at a high level, but alignment within the company lags).

In order to make an accurate assessment on these forms of strategic fit, Van Tulder (2018) has supplied us with an operationalization of the taxonomy shown in Figure 2, in which statements, attitudes and approaches are categorized according to the taxonomy and per department, through which we can identify several key intentions and forms of implementation in specific departments of the company. Through codification of this operationalization provided, an assessment can be made about the intentions and implementation of International Corporate Social Responsibility throughout the whole of the company and identify alignment challenges. What results is a road map through which we can identify the general form intention takes in CSR policies, inactive, reactive, active or proactive, and the phase in which their implementation takes place, Trigger, Internal Alignment and External Alignment. When done, the type of strategic fit will quickly illuminate itself together with the alignment challenges that are congruent with that strategic fit. The road map and the coding scheme can be found in the appendices.

As we have seen, CSR has proven to be a hard concept to grasp. Every aspect of CSR has been scrutinized which has had a negative impact with regards to the trust gap. Finding widely agreed upon categories that cover the full range of intention, implementation and communication has been difficult but, Van Tulder (2018) has provided an extensively researched framework that has already been operationalized, providing a lifeline in the maze that CSR literature entails. His taxonomy based on inactive, reactive, active and proactive intentions, the Trigger, Internal Alignment and External alignment implementation phases and his practical approach to strategic fit address both the Intention as well as Implementation challenge in CSR. Thanks to this holistic approach, a full assessment can be made on the intention and implementation

² Opportunistic (Reactive), Responsive (Reactive), Strategic (Active) and Collaborative (Proactive)

of ‘the walk’, the ICSR endeavors of a company. After this assessment, another assessment can be made on ‘the talk’, the communication strategy companies adhere to when talking about CSR. We will now turn to this ‘talk’ and go into marketing and the complicated relationship marketing has had with implementation of CSR policies.

Marketing Sustainability: A Paradox?

Van Tulder (2018) starts his book by distinguishing two sides of the sustainability discourse in which all ICSR activities take place. The ‘Popular’ side of sustainability, which includes narratives, best-practices, worst-practices, moral judgement, skepticism, impressions, ideologies and so on, and the ‘hard’ side of this discourse, consisting of analysis, trade-offs and research. Everyone involved into sustainability must deal with both dimensions of the sustainability discourse, and while Intention and Implementation are placed in the ‘hard’ side, communication and marketing largely concerns the ‘soft’.

Marketing and sustainability have long been regarded as incompatible, with marketing being a core driver of large amounts of unsustainable outcomes, mainly because of its intricate relationship with dominant neoclassical economic thought (Hurth and Whittlesea, 2017). Furthermore, management studies have criticized the use of sustainable marketing as a way to maintain and reify the hegemonic authority of large corporations through ‘building a sustainable reputation’, but with the motivation of economic returns which has led to ‘greenwashing’ practices. In this way, the relationship between CSR and marketing is little more than a public relations campaign aimed to strategically manipulate consumers (Prasad et al. 2013).

The apparent inherent incompatibility between CSR and contemporary marketing has proven to be a major obstruction, contributing to a trust gap where stakeholders ascertain attempts at marketing CSR with high skepticism (Du et al., 2010, Kim & Lee, 2018). Within this context, it is undeniable that the combination of marketing and CSR must be looked at through a highly critical lens. When elaborating on the definition of Marketing, Hurth and Whittlesea (2017) use the definition of marketing used by the American Marketing Association: “the activity, set of institutions and processes for creating communicating delivering and exchanging offerings that have value for customers, clients, partners and society at large”. They acknowledge the impact marketing has on identities, culture and societal behavior (Hurth & Whittlesea, 2017).

While several authors do elaborate on the business case of uniting CSR and marketing (Hur et al., 2013), with Hildebrand & Sen (2011) even going as far as calling CSR “a near-perfect vehicle for the corporate marketing efforts of most companies [...] causing important stakeholders of all stripes to form strong and

long-lasting identification-based bonds with the company”, they do not provide any practical pointers for kick-starting such a movement.

Other research on the intersection between CSR and marketing show that, in order to close the trust gap, the focus of CSR communication should be on several key themes. Oberseder (2013) identifies fairness, respect and honesty as focal points around which the general CSR policies should be voiced. This call for ethics as focal point is echoed by Kim & Lee (2018), whom argue in their quantitative study that a higher level of transparency (which itself is an ethical rationale) plays an important role in enhancing consumers’ trust. They state that one of the best ways to enhance trust in CSR communication is to be highly transparent. However, both authors do not elaborate on the implications of their findings and on how these abstract terms such as “fairness” and “transparency” should be implemented. An NGO does. Fashion Revolution, a not-for-profit movement, states in her Fashion Transparency index the need for transparency as a “tool for change, not the goal itself”. They highlight the lack of information as major barrier towards systemic change within the fashion industry and that while transparency may not fix or close the trust gap in itself, it does reveal the structure of the fashion industry in order to better understand how systemic change can be achieved (Fashion Revolution, 2019).

Fortunately, some consistency can be found. Multiple authors call for CSR to be embedded deeply into the organization and identify three or four approaches communication approaches with which marketing and CSR can be practiced. The *Invisible* approach, which corresponds to no communication, the *Selective* approach, in which CSR manifests in very specific and targeted communication, and the *Integrated* approach, which entails full alignment between CSR, business model and communication (Blomqvist & Posner, 2004). These categorizations are then sometimes called differently but correspond to other categorizations including *Minimal*, *Departmental* and *Committed* (Oberseder, 2013) and the *Trigger*, *Internal Alignment* and *External Alignment* implementation phases of Van Tulder (2018)³. While all these categories are roughly similar, they fail to provide any useful operationalization. Fortunately, Mosca et al. (2018)’s framework based on the concept of Strategic CSR communication does. Utilizing the framework of Strategic CSR communication, a “transparent, homogenous, coherent and integrated way of communicating on ethics, sustainability, responsibility and environment” (Mosca et al 2018, 90), they

³ As already stated on page 10, the implementation phases of Van Tulder (2018) can be applied to every department in a company, including the marketing/communication department. Alignment of this department with CSR is thus crucial for achieving a strategic CSR communication plan.

identify three dimensions when communicating CSR: **Standards**, which are the alignment and implementation of standards regarding environment, quality, ethics, human resources and reporting systems. **Strategic Philanthropy**, which goal is informing stakeholders about the company's involvement in target societies. Thirdly, **Integrated outputs** consist of the results of the implementation of processes and policies regarding CSR in the company wide and in supply chain management and product development specifically.

Mosca et al. (2018) argue that when all dimensions and their actions are implemented in the core business of the company and are coherent with each other (aligned), the more the effective communication is facilitated. They stress the need for Strategic CSR communication to be the natural output of the initiatives with the aim of informing about tangible returns and concrete performances, rather than merely convincing the audience about the intangible attitudes (intentions) or values of the company (purpose).

When operationalizing this framework, four strategies can be distinguished according to Mosca et al. (2018). The first (1) category characterizes itself through a lack of CSR communication whatsoever, the *Invisible* approach. The second (2) category describes the extensive use of communication on Strategic Philanthropy without reporting the performances of their actions, the *Selective* approach. The third (3) category communicates on Strategic Philanthropy as well as their standards and values, but still pay small attention to performances related to their Integrated Outputs, a different form of the *Selective* approach. The last (4) category is the most strategic, with extensive reporting on Integrated outputs as well as standards and philanthropy, and with transparency as one of the cornerstones in reporting. This is the *Integrated* approach.

With these strategies of *Invisible*, *Selective*, and *Integrated* in mind, it is clear that the level of alignment, Trigger, Internal Alignment or External Alignment, correspond to these categories and very much influences the way CSR is communicated. It has also become clear that the field of CSR and the field of Communication of CSR is a highly obscure field with a lot of categorizations and typologies. This fragmentation makes academic inquiry into this subject all the more complicated, and in itself does not contribute to a clear, understanding of the subject. This theoretical elaboration is an attempt to portray a bit more comprehensive landscape in which CSR is communicated and linked to its implementations and original intentions. In Figure 3 the framework used for categorizing utterances on CSR is pictured.

What has happened in this landscape full of obscurities and bolstered by high skepticism towards fashion brands, is that a lot of companies choose to limit their amount of strategic CSR communication in fear of widening the trust gap, leaning more towards the 'hard' side rather than the 'soft' side. However, when

these two are united through integration of inhouse practices and the formulation of a narrative, CSR does have the potential to bring multi-faceted sustainability, from financial sustainability through strategic competitive advantage to higher brand equity and stakeholder engagement and environmental sustainability. The challenge of uniting the “walk” and the “talk” is therefore crucial, and the new concept of Organizational purpose has become more and more prominent in order to address this challenge, and it is to this term that we shift our attention now.

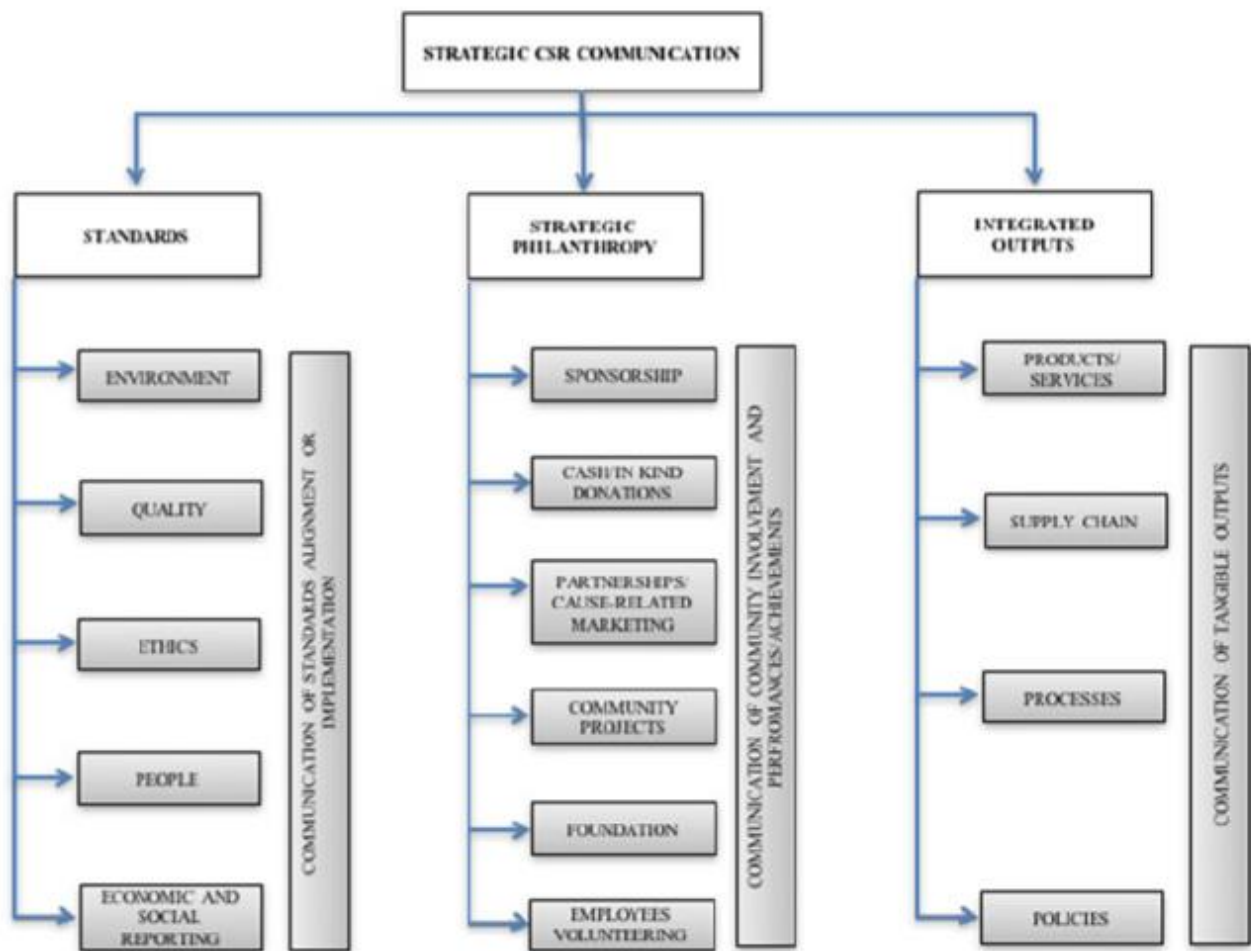


Figure 3

Organizational Purpose

Organizational Purpose, Purpose-driven business and other related concepts related to the emerging, practitioner-led concept placing a specific meaningful motivation at the heart of commercial enterprises, has been in use since 1994 (Bartlett & Ghoshal, 1994). While first being described as a movement “beyond strategy, structure and systems to purpose, process and people”, Hurth et al. (2018, 2) define the term as “an organization’s meaningful and enduring reason to exist that aligns with long-term financial performance, provides a clear context for daily decision making and unifies and motivates relevant stakeholders”. Using an elaborate qualitative study, Hurth et al. (2018) have performed a rigorous study of the term of Organizational Purpose, defining it next to other terms such as mission, vision and CSR. In this paper, the latter will be more elaborately discussed.

Hurth et al. (2018, 11) identify five key dimensions to Organizational Purpose: 1) a transcendent, meaningful reason why an organization exists, 2) a core attribute of the organizational identity, 3) an alignment with long-term financial performance, 4) a clear context that guides daily decision making, and 5) a unifying and motivating force for relevant stakeholders. In this context, the first aspect mainly relies on the quest to “convey how the organization fills basic human needs”, up to a transcendent level to serve the well-being of others, which Heikkurinen et al (2012) call insourced ethics. The second aspect relates to the creation of a shared identity with which stakeholders can authentically relate to and identify with, which relates to the stakeholder dimension of CSR. The third represents the potential of Purpose to bring performance yields for the company while at the same time contributing to social and environmental challenges. The fourth aspect of Organizational Purpose is the power of a clear, shared narrative under which all decisions can be framed while leaving room for creativity and entrepreneurial spirit. Lastly, the unifying and motivating force refers to the potential of collaboration and dialogue in a landscape where purpose of different firms aligns, and social, environmental and financial returns can be owned by a wide range of stakeholders with aligning purposes, touching upon the last three dimensions of CSR, environment, social and economic.

The difference between CSR, Sustainability and Organizational Purpose might be misleading. Hurth poses that where Purpose has the potential to change organizational logic, CSR on its own does not, rather being prone to adapting the dominant logic of organizations instead of transforming them. Furthermore, CSR is conceptualized as being an add-on to a business model, while Purpose starts at the core level pre-strategy. Furthermore, while sustainability and purpose both encompass delivering societal wellbeing, sustainability places the focus on the finite non-human resources, while purpose emphasizes the limitless source of human motivation to serve the well-being of others (Hurth et al., 2018).

While this definitional exploration sounds promising in uniting the “walk” and the “talk”, the boom of purpose-driven business has only recently taken place, with results being scarce but promising. Several studies have shown that there is a correlation between implementation of Organizational Purpose and financial performance. In a study by Gartenberg et al. (2019), they conclude that two types of high-purpose firms exist: High-camaraderie and high-clarity workplaces, with the latter exhibiting superior performance. The difference between these is whereas the high-camaraderie organizations, which stresses “fun work”, high clarity workplaces, which stress management clarity on purpose, are characterized by clear management systems and clear narrative. According to them, high purpose-clarity organizations exhibit higher financial performance, especially when those beliefs are held by midlevel employees. This study shows that when implemented correctly, Organizational Purpose can act as a vehicle of alignment.

Additionally, a study conducted by the Harvard Business Review (2015) that is comparable to Hurth’s study, see purpose as vehicle to transform business for better performance, higher employee satisfaction and greater legitimacy. Furthermore, and this is also echoed by other authors such as Levillain & Segrestin (2019), Hurth (2018) and van Tulder (2018), The Harvard Business Review (2015) argues that purpose has the potential to make CSR initiatives credible, to foster collective engagement towards innovation and to be the vehicle of change towards the “New Economy”.

While the actual process of implementation of Organizational Purpose in a company is beyond this paper, with some scholars going as far to say that it is too early to fully assess the effective transformation of for-profit purpose driven companies (Levillain & Segrestin, 2019), Organizational Purpose intersects with the themes of Intention, Implementation and Communication of CSR and is thus relevant for this research. All five key dimensions, transcendancy, identity, alignment, context and unity, of Organizational Purpose touch upon the dimensions of CSR, environmental, social, economic, stakeholder and ethics, uniting both the ‘hard’ side and the ‘soft’ side. However, it has proven to be a challenge of implementation as well, with many of the executives interviewed acknowledging the difficulty of this process because of the level of deep change required for an organization to become purpose driven. However, since it touches upon every aspect of CSR and apparently has the edge over it since it’s conceived pre-strategy, how can Organizational Purpose influence Intention, Implementation and Communication of CSR practices?

Fashion, Marketing and Sustainability

After having elaborated on the central concepts of CSR, CSR Communication and Organizational Purpose individually, we can distinguish four categories of Intention with regards to CSR and CSR Communication: (1) Inactive, (2) Reactive, (3) Active and (4) Proactive. When looking at the implementation of the CSR approach in communicative strategies, four approaches can be distinguished. (1) No communication (*Invisible*), (2) communication with the focus on philanthropy (*Selective*), (3) Communication with focus on philanthropy or standards or outputs (*Selective*) and (4) an integrated communication approach.

However, Organizational Purpose is the concept that does not fully sit comfortably in these categories, touching upon them all. However, there are four possibilities for Organizational Purpose to function in this framework of Intentions, Implementation and Communication. As already stated in the study by the Harvard Business Review (2015) and by Hurth et al. (2018), the implementation and formation of Organizational Purpose should be the task of strategic management in order to fully achieve its potential in a pre-strategy phase. It is only through an integrated approach that Organizational Purpose acts as a vehicle of alignment, where Strategic Management formulates the Purpose and CSR policies and stakeholder relationships are strengthened, corresponding to the Proactive category in which co-creation of values is stimulated

Intention and Implementation	Inactive	Reactive	Active	Proactive
Communication approach	<i>Invisible</i>	<i>Selective</i> (Focus on Strategic Philanthropy, window-dressing)	<i>Selective</i> (Focus on integrated outputs and standards)	<i>Integrated</i>
Role of Organizational Purpose	No purpose	Purpose disassociated from CSR, no alignment	Purpose associated with CSR but lack of implementation (missing key dimensions)	Full potential of Organizational Purpose implemented.

Table 1

However, Organizational Purpose can also be used as window-dressing, or implementation can be flawed with one of the five key dimensions can be missing. When categorizing this range of implementations of Organizational Purpose, a distinction can be made based on motivational intent: companies that are willing to strategically implement Organizational Purpose but fail to do so, and companies that use Organizational

Purpose in an in complementary way without ambitions for alignment or further implementation beyond communication and marketing. These correspond with the Active and Reactive motivational attitudes.

Within this context, several companies have been trying to adopt a more integrated CSR and Communication approach, sometimes through formulating an Organizational Purpose. For example, Kering uses the phrase “Empowering Imagination” to give meaning to all the work she and her subsidiaries do. Furthermore, Inditex, the holding company of Zara, Stradivarius, Massimo Dutti among others, reports elaborately on her sustainability measures, but without the formulation of an Organizational Purpose. Suitsupply uses “Don’t just fit in, find your own perfect fit” as slogan unrelated to any sort of purpose.

According to this categorization, Organizational Purpose is only viable when aligned with both Intentions as well as Implementation. If this is the case, Hurth et al. (2018, 43) argue that purpose “may provide a foundational basis for an operational environment in which various value focused ambitions can develop”. In this scenario, purpose can play a role in reducing the trust gap and supporting the creation of new forms of value such as ‘blended value’(Emerson, 2003) and shared value (Porter & Kramer, 2011) as well as alignment of intentions and implementation towards a proactive ICSR approach (Van Tulder, 2018).

Through this conceptual model, a systematic comparative analysis will be made with regards to the intentions and implementation of CSR policies through categorization in the Inactive, Reactive, Active and Proactive categories. Additionally, the alignment of their communication strategy in the categories of Invisible, Selective and Proactive will be assessed and lastly, a more inquisitive evaluation will be made with regards to the role of Organizational Purpose within the company’s researched, eventually leading to a categorization of each company’s ICSR approach, both intention and implementation, communication strategy and role of Organizational Purpose in both.

Research Strategy and Methodology

Epistemology and ontology

In order to achieve the research aims set out above, every researcher is required to elaborate on its position within the epistemological and ontological landscape of its field. Regarding this research, the research philosophical history of social sciences needs to be considered.

In order to appropriately build on the existing literature and to accurately employ the methods aimed for, this research adheres to a mostly constructivist epistemology, acknowledging that the topics, vernacular and context subjected to research are socially constructed. When researching within this epistemological tradition, the researcher needs to be highly aware of its role within the research process and reflexivity upon the validity of the data is paramount because of the close linkages between the observer and the observed, thus making this research value-bound (Dieronitou, 2014, 7). In this research this means acknowledging that the generalizability of this research is limited because of the interpretational nature of context analysis and the descriptive methods taken in presenting the cases. More reflection on generalizability, validity and reliability can be found in the concluding chapter.

Ontologically speaking, within this research, the acknowledgement is made that there is not possibly one correct reality, instead multiple realities which are highly contested and constantly changing due to varying perceptions of this reality. It is then of vital importance that the researcher tries to portray the individual construction as accurately as possible.

In the context of this research, not only individuals create realities and warrant research. Groups, companies and departments within a company create these realities in which they operate, and the circumstances surrounding these realities are constantly subject to change because of changing perceptions either induced internally or externally. Within this central debate in social sciences, a position is taken in which structures highly influence the interpreted reality of actors, but agents having the ability to change their behavior and in the long term having possible influence on structures. This means that in this applied research the main goal is to inform actors in the fashion industry towards systemic change, not seeing fashion and CSR as a problematic combination but rather a challenge to unite both the ‘hard’ side of CSR with the ‘soft’ side as highlighted by Van Tulder (2018).

Methods & Data analysis

Since the intersection of intention, implementation and communication has not been elaborately researched yet, the research undertaken is of a more inductive nature than deductive because of its inquiry into an intersection which is not elaborately researched yet, making use of several theoretical concepts and trying to unite them in a comprehensive conceptual model. When taking the epistemological and ontological positions into account, several methods can be distinguished that will be used in this research, all derived from social sciences. In this research, the main method employed will be content analysis of publications by Suitsupply, Kering and Inditex, either third-party or self-issued. The main condition for being part of the bulk of data here is the communication needs to contain information on Corporate Social Responsibility or Organizational Purpose.

A qualitative coding scheme has been developed using the conceptual model as laid out in the previous chapter, and all documents have been coded according to this coding scheme in order to make an assessment on the three core aspects of ICSR, intention, implementation and communication. In order to enhance validity, interviews with staff members have been requested and additional academic literature will be reviewed. In the section on the individual cases, when information is acquired from a different source than the original content analysis, this will be explicitly stated.

Taking into account the fact that this research is inductive and that a conceptual model has been developed that may not prove exhaustive, the possibility for generalizability and replicability of this study is limited. Additionally, the interpretative nature of coding can be a barrier to countering researchers' bias, but at the same time also reveal manifest content in which deeper lying intentions can be illuminated. The validity of these findings then needs to be confirmed by future research.

Content Analysis

Content analysis is a social science method which endeavors for the objective, systematic and replicable analysis of symbols of communication or the manifest content⁴ of communication (Krippendorff 2004 in Dieronitou, 2014). It is more quantitative, and hypothesis driven than other social science methods which is why it has often been associated with natural sciences. It's non-invasive nature and replicability has made it a highly popular method nowadays and IT technology is often used to further quantify findings in order to enhance replicability and stimulate validity. However, one of the main criticisms is that while written

⁴ Manifest content: "those elements of a text that are physically present and countable" (Dieronitou, 2014, 8)

text and other portrayals do have significance, content analysis fails to grasp the full latent content, the underlying meaning and unmeasured characteristics of a text (Dieronitou 2014, 9). In order to counter this, limited methodological triangulation has been employed.

The data is acquired from the websites of Kering and Inditex, with all documents downloaded concerning CSR. After this, a selection of third-party sources regarding the CSR approach of these brands is downloaded, mainly from larger research organizations such as Fashion Revolution and other research and activist companies. In the end, this has led to a total of 138 files, after which all the data is skimmed through and checked for overlap and relevancy. Several files, especially regarding Inditex, had major overlap with the Integrated report. In order to maintain reliability, additional sources on CSR approaches are searched for after the first skim, leading to 106 files to code and analyze. Through creation of three different project files in a Computer Assisted Qualitative Data Analysis program called NVivo, the three cases and the corresponding literature were separated and independently coded in the following sequence: First the coding scheme based on Van Tulder (2018), in the following order: Generic Motivations, Systemic Motivations, ICSR approach and Marketing Motivations. Afterwards, the mode of communication would be analyzed through the Strategic CSR Communication framework supplied by Mosca et al. (2018), providing a categorization on utterances in the three categories of Strategic Philanthropy, Integrated Outputs and Standards and lastly, mentions of Purpose were identified under one code. After this process a general assessment is made with regards to the Intentions of the CSR approach first, Implementation afterwards and lastly on the communication of these practices. When done, the process starts again for the second and the third case study.

Interviews

Several forms of interviews exist, all prevalent in dominant social science methods. The conversational methods entail the researcher as an observer of the conversation between informants without interference (DeWalt and DeWalt 2011, 138-139). Lacking any structure, the conversation method is critical for establishing rapport, but because of its covert nature, it is not suitable for discussing controversial or high-profile topics.

Two unstructured interviews have been conducted, elaborating on the assessment made earlier on with regards to Intention, Implementation and Communication of the ICSR approach. The Unstructured format gives a more informal feel that resembles a conversation more closely, which is preferable over a formalized setting because of the sensitive topic that we are discussing. Unfortunately, I was not able to conduct any interviews with Kering and Inditex, but two interviews have been conducted with the CSR manager of

Suitsupply. These interviews have been recorded with explicit permission of the interviewee and transcribed accordingly.

After the full transcription of the interviews, the transcription was imported into NVivo and coded according to the same methods as the content analysis, either confirming and validating the data, filling up gaps and sometimes bringing nuance to the assessment.

Survey

An online survey designed by colleagues from the Rotterdam School of Management, which can be found on <https://www.duurzaambedrijfsleven.nl/business-scan>, is based on the same operationalization provided by Van Tulder in order to determine Strategic Fit and Intentions with regards to International Corporate Social Responsibility. This test has been conducted by several employees of Suitsupply in order to validate the findings with regards to the assessment on intention and implementation of Suitsupply's ICSR efforts. The results were in the form of a position with regards to the Inactive, Reactive, Active and Proactive framework with regards to the motivation in every possible department and the phases of Trigger, Internal Alignment and External Alignment in the corresponding implementation phase. This resulted in a quantitative assessment on the intentions and implementation phase of Suitsupply. Unfortunately, Kering and Inditex were not available for participation in this research and thus additional validation. This research is still ongoing, which is why an elaborate explanation of methods cannot be provided.

Participant Observation

Participant observation, the cornerstone of anthropological scientific inquiry, is a combination of taking part in “daily activities, rituals, interaction and events of a group of people”, and on the other hand observing the research population in order to understand the native's point of view (DeWalt and DeWalt 2011, 1-3). This method will be used throughout the whole internship with the purpose of establishing rapport and providing a more elaborate context for being critical of the manifest content. Participant Observation has mostly been used to attain information needed for this research in a constructive manner based on rapport and to convey manifest content more closely than is possible exclusively from written drafts.

Context and Choice of Cases

The textile industry has, as has already been stated in the introduction, been growing tremendously the last couple of years. According to the European Commission, the textile and clothing industry is an industry ranging from the transformation of raw fibers to yarns, and from these to clothing, which may be either fashion or non-fashion (European Commission, 2012).

Fashion here can be defined as the discarding of clothes that are fully functional for purely semiotic or symbolic reasons (Gardetti and Torres, 2013), making the fashion industry an industry with an inherent impediment to sustainability. This impediment has been represented mostly by the rise of *fast fashion*. Traditionally, setup and switch-over times have allowed for two main seasons, the summer and winter season, regarding the release of newly manufactured clothing. Since then, multiple innovations, such as vertical integration, more effective yarning processing and the introduction of robotics, within the industry have allowed for this setup to be overhauled, instead making the situation possible where suppliers quickly time orders, having no need for setup and switch-over times but allowing a constant stream of new garments to pour into the industry. This situation has led to an acceleration of consumption of trend-driven clothing, maximizing profits for a limited number of brands. At the same time however, costs have gone down, overconsuming has been stimulated and the current prices do not value the true external environmental and social costs of the industry (Gardetti & Torres, 2013)

On the contrary, a countermovement has been growing called *slow fashion*. Slow fashion represents a new future vision for the fashion and textile industry, one where natural resources and labor are highly valued respected and who aim to transform the way garments are consumed through choosing quality over quantity. Within the slow-fashion movement, producers and designers acknowledge the environmental cost of processing, dying and fabricating a garment and aim to transform the relationship to the customer from a passive role towards an active, participatory consumer involved in the production process (Cataldi et al. in Gardetti & Torres, 2013).

Apart from these two categories, there is another form of fashion, luxury fashion. Within luxury fashion, customers purchase items based on their symbolic value rather than their functionality. Defined as more timeless, durable and unique, luxury naturally defends the value of rarity. This symbolic dimension of the product that is produced created a market in which companies have, apart from their economic actions, also have to take symbolic actions, which is why a lot of luxury fashion companies have been positioning themselves at the forefront of the transition towards more effective CSR policies (Carcano, 2013).

The choice for the three case studies, Kering S.A., Inditex S.A. and SuitSupply B.V. may seem farfetched at first, but when taking a closer look, the similarities become more and more striking. Kering S.A., founded in 1963 by François Pinault as a timber trading company and currently chaired by his son, François-Henri Pinault, has not always been the luxury magnate it is now known to be. Formerly known as PPR, among other names, it was first a distribution retailer conglomerate and only in 1999, through the acquisition of the Gucci group and Yves Saint Laurent, did it enter the luxury fashion realm (Kering, 2018a). In 2005 François-Henri Pinault starts transforming the whole company in a luxury group through selling other activities and acquiring more and more fashion houses such as Brioni and the transformation is finalized when PPR changes its name to Kering and adopting a new slogan: “Empowering Imagination”. Nowadays, Kering has 6 luxury fashion houses, 6 jewelry and watch makers, a fully owned eyewear brand and a foundation, totaling a revenue of 13.3 billion euros (Kering, 2019d).

At the same time, in 1964, Amancio Ortega makes his first steps into apparel industry, with the first Zara store opening in 1975 and the founding of Inditex in 1985 as major achievements. Utilizing a unique business model that does not release clothes twice a year but continuously replenishes her stores with new and different products thanks to continuous feedback and vertical integration, it is possible for a garment to only take 15 days from design stage to the store floor, making Inditex the quintessential example of a fast-fashion retailer (NPR, 2013). Amancio Ortega, currently No.6 richest in the world⁵, has production partially⁶ located in Spain and in 2006, Inditex first published its Environmental Strategic Plan. Nowadays, Inditex has 8 brands and 7447 stores, totaling a revenue of 26 billion euros (Inditex, 2018a).

SuitSupply, being by far the smallest of all, distinguishes itself by eluding both the luxury fashion category as well as the fast-fashion category. Being a lifestyle brand and producer of suits and jackets, but also in-house accessories such as ties, leather goods and eyewear, it employs a vertically integrated supply in which fabrics are directly sourced from fabric suppliers and then shipped to factories all over the world in order to fabricate the garment after which is shipped to stores on all continents, totaling a revenue of 255 million euros (SuitSupply, 2018a).

All these companies, while having very distinctive differences as we have seen above, do share striking similarities. After Kering changed her name, she has invested heavily in vertically integrating her supply

⁵ François Pinault and his family are scored by Forbes on a 30th place.

⁶ They claim to have 57% of production located in proximity to their Headquarters in A Coruña (Inditex, 2018a)

chain in order to increase efficiency and transparency, putting her on par with both Suitsupply as well as Inditex. Furthermore, all three companies have been adopting Corporate Social Responsibility around the same time, but all three have varied heavily in their approach, with Kering adopting an integrated approach based on innovation and luxury, Suitsupply using an approach laid out mainly by the Fair Wear Foundation and Inditex utilizing an in-house compliance approach.

However, even though all companies have been adopting CSR policies for a while now, none of them have been fully free of scrutiny and scandal. Recently, the Clean Clothes Campaign (2019) published her study on progress with regards to living wage and publicly named and shamed Gucci/Kering and Inditex/Zara for not even remotely reaching their goals with regards to a living wage, with Gucci/Kering scoring a moderate C, while Inditex/Zara failing to even remotely come close to their goals. At the same time, the Fashion Revolution Index portrays a different story, with all Inditex' brands scoring higher than Kering' brands (Fashion Revolution, 2019).

With these scrutinizations in mind, it has become clear that while their business models do differ in several ways, all the brands in this case struggle with aligning Intention, Implementation and Communication of their ICSR policies. While Kering is the high-end of the three case studies and considered to be one of the most innovative fashion companies in the world concerning ICSR (Carcano, 2013), Inditex can be regarded as the representative of fast fashion nowadays, and while innovative, also a major actor in this highly polluting system. Both are very vocal about their work in sustainability, but results prove inconclusive. Suitsupply defies both luxury as well as fast fashion categories but shares characteristics with both other brands such as vertical integration and a wide range of products with special attention to craftsmanship. Furthermore, communication on CSR is largely absent. These distinctive features as well as the similarities between these houses make a strong case for a fruitful comparative research endeavor, but how do all their efforts hold up in the face of the trust crisis?

Cases

As we have already seen in the abovementioned chapters, the clothing industry has not had the best track record with regards to labor standards and sustainability. Since the industry has been extensively globalized since the 20th century, enforcing worldwide or transnational regulation and diffusion of innovative technologies have been a major challenge.

While several actors, such as Zara, H&M and Kering, score high on indices such as the Global Transparency Index, Dow Jones Sustainability index and are part of the Global 100 Most Sustainable Corporations in the world, further research suggests that most of these companies still do not pay a living wage to their workers (CCC, 2019) and exhibit greenwashing practices (Vice, 2019), only enlarging the trust gap.

Throughout this chapter, the three cases of this research, Suitsupply, Inditex and Kering will be elaborated upon. First, the general business model of these three companies will be outlined and their Intention with regards to the business model as well as CSR, according to the typology by van Tulder (2018). Afterwards the focus will be shifted to the implementation of these motivations in their ICSR approach, also according to the model of Van Tulder. These two aspects concern the first row in table 2. Thirdly, the way they communicate their ICSR efforts will be analyzed using the model by Mosca et al. (2018), providing the position in the second row of Table 2. The figures provided with the distribution have been formed coding all statements present in the sources available, with the most prominent statistics Lastly, the integration of Organizational Purpose as narrative tool within this framework will be elaborated upon, completing the assessment in the last row.

Intention and Implementation		Inactive	Reactive	Active	Proactive
Communication approach		<i>Invisible</i>	<i>Selective</i> (Focus on Strategic Philanthropy, window-dressing)	<i>Selective</i> (Focus on integrated outputs and standards)	<i>Integrated</i>
Role of Organizational Purpose	of	No purpose	Purpose disassociated from CSR, no alignment	Purpose associated with CSR but lack of implementation (missing key dimensions)	Full potential of Organizational Purpose implemented.

Table 2

Suitsupply

“Suitsupply is a market defining brand showing strong international growth. We are pioneers at everything we do, and we work hard to keep it that way. (...). Our strength lies in our formula: straight, to the point and still personal. Fast and effective. Combining craftsmanship with flair”.

- Suitsupply (2019)

With the above statement, customers first get to know the company of Suitsupply. The website immediately impresses with sleek design, intuitive User Interface and dashing outfits worn by multi-ethnic models. When looking for the values of the company, the About us section is exactly as they claim to be: Straight, to the point and still personal. Combined with the “News” tab containing articles in which Suitsupply appeared and the “What they say about us” tab in which a carefully moderated pictures by third-parties is shown, this is the only information that the customer receives with regards to the business model of Suitsupply. There is a Corporate Social Responsibility section, which we will get into later (Suitsupply, 2019).

Having to look a bit further for the general business model, it soon becomes clear that Suitsupply does live up to their claim of strong international growth. With the recent opening of the 110th store in 20 years, a presence in all continents on the world except for Antarctica and a product that defies the status quo of luxury fashion (Green, 2016), even the claim as a market-defining brand has some resonance to it.

However, when looking closer and researching the origins of the company, the success of Fokke De Jong’s business model is based largely on efficiency. With suits, shirts and jackets as main source of revenue, Suitsupply has been able to produce a high-quality garment (Fashion United, 2017) (Nassauer, 2011) for a fraction of the price of other retailers thanks to limiting inefficiency through vertical integration, following the example of Inditex owner Amancio Ortega (Fashion United, 2017). The product is made of high-quality materials that are directly sourced from second tier suppliers, and then constructed in factories all over the world before it is shipped back to Europe, the USA or other local markets, where it is sold in highly maintained and futuristic stores or on the online webstore (Suitsupply, 2018a).

The early adoption of the webstore as important factor in the omnichannel approach to sales has been one of the crucial causes of the success of Fokke de Jong’s company (Brown, 2018). Combined with the choice for highly irregular store locations, that aren’t located in commercial zones but more pragmatically based in easy-to-access locations, so-called *destination* stores, the concept is to be able to order your suit online, have it ready for pick up the next day in store where it can be altered in 30 minutes if needed (Fashion United, 2017).

With the first opening in the USA in 2011, further elaborating on the proven concept of *destination* stores and omnichannel sales, De Jong also opted for stores in Asia and lately even Oceania. The brand has been able to go global with her distinguishing product and strategy, even without making large alterations to the business model. However, not all went without controversy. From the start on Suitsupply positioned itself as a nonconformist and this has been the case ever since the start of the company, from the design of the suit (De Gruiter, 2011) to their highly controversial marketing campaigns which portray naked women and kissing men among others, leading to these advertisements being unreleased in states such as Russia and United Arab Emirates where (expressions of) homosexuality is prohibited by law. In these campaigns, of which De Jong is still the main architect, Suitsupply has proven itself to not be afraid of controversy and even with major backlash on social media and in real life, the company has continued to grow its consumer base (Fashion United, 2017).

What further distinguishes Suitsupply from other similarly sized fashion companies is the relatively horizontal organizational structure. It is of no surprise that the buying and IT departments are the biggest departments with regards to employees, considering the focus de Jong has continuously placed on the product and the omnichannel approach. These departments directly report to the CPO and the CTO, with the CFO overseeing financial security and the CEO, still Fokke de Jong, who oversees all retail stores and is oftentimes still the decisive factor in the company.

Intention

“We believe that by taking care of our workers, they will take care of our products”

- Suitsupply (2017)

When looking at the motivations for this business model, the business model of Suitsupply is mostly focused on eliminating inefficiency through vertical integration and horizontal organization. The Unique selling point of Suitsupply is, according to multiple sources such as Fashion United (2017), Suitsupply itself (Suitsupply, 2017) and Wall Street Journal (Nassauer, 2011) the combination of value for money and the speed of effectivity, going as far as saying that “the (ICSR) approach is that everything is linked and comes back to improving efficiency” and “We believe that by taking care of our workers, they will take care of our products”(Suitsupply, 2017). The internationalization approach within their business model describes a largely top-down approach where products are distributed across all markets, with merchandising taking place mainly based on online sales (Bloomberg, 2018). Lately, several franchises have been opening, making the integration process in local contexts easier, but at the same time limiting the amount of influence Suitsupply can leverage. In the end, the business model is still a business model mostly rooted in a narrow

value proposition of designing and capturing value rather than the creation and sharing of value. These findings place this business model in the reactive category.

However, when looking at the perspective Suitsupply has on the fashion industry, it adheres to a narrative that is more proactive. Positioning itself as a nonconformist and market-defining pioneer (Suitsupply, 2019), the company acknowledges her responsibility within the flawed system of fashion by voicing that transparency is the transformative power needed to bring about change in the industry (Suitsupply, 2018a). They continuously search for ethical minimum standards for themselves as well as for their stakeholders and with these intentions Suitsupply joined the Fair Wear Foundation (Fair Wear Foundation [FWF], 2019). However, at the same time while voicing these intentions of bringing about change in the industry, the fact that the business model is mainly based on limiting inefficiencies does carry repercussions. On several occasions, the ambitious goals get nuanced quickly by the inclusion of the business model, saying that while the goals with regards to the labor standards are set in stone, “it is always a cost-benefit analysis” (Suitsupply, 2014) and that the main motivation is to limit negative externalities and “reduce risk with regards to her supply chain” (Suitsupply, 2015), eventually leading to a categorization of Suitsupply as a hesitant agent within the system instead of the pioneer it claims to be.

Suitsupply has, in her own way, acknowledged the need for sustainability. However, there is already a contradiction found in the way Suitsupply frames her CSR approach versus her actual business model. This difference between her general business model that is based on limiting inefficiency contrasts starkly with her message of thought leadership. We will now turn to the ICSR approach of Suitsupply and assess whether the discrepancy in her communication and her motivation has any effect on the implementation of her CSR intentions.

Implementation

“We aim to advance our sustainability initiatives and grow our business through the development of ethical business practices. By creating and sharing value with our customers, we can positively impact our supply chains, this industry and society.”

- Roos Fleuren, CPO (Suitsupply 2018a)

The ICSR approach of Suitsupply is cannot be seen without the incorporation of another organizational entity, the Fair Wear Foundation (FWF). Having been a member of the Fair Wear Foundation for almost 12 years, Suitsupply is one of the most frontrunning companies with regards to labor conditions in the

supply chain and her Leader⁷ rating confirms this status. Even more striking is the fact then that Suitsupply has only employed a Corporate Social Responsibility team since 2016 and not coincidentally a public sustainability report as well since that time.

In order to understand the ICSR approach of Suitsupply one must understand the framework used by the Fair Wear Foundation. The Fair Wear Foundation, a non-profit organization that works with all stakeholders in the fashion industry in order to improve working conditions in production countries, has been in existence since 1999 and in 2019 has over 130 member companies (FWF, 2019). With the International Labor Organization's (ILO) standards as main basis of collaboration and supply chain responsibility as the leading principle throughout its work, the Fair Wear Foundation concerns itself mainly with the labor standards in the sewing phase of the manufacturing process, conducting verification related activities in the form of Brand Performance Checks and audits as well as capacity building activities such as factory trainings and complaint handling.

The Fair Wear Foundation has been of great influence with regards to Suitsupply her Corporate Social Responsibility practices and it should not come as a surprise then that Suitsupply mainly concerns herself with the social dimension of sustainability. This is echoed by the survey assessment, in which the companies' ecological ambition scores a mean of 43.5 on a scale of 100 and their social and financial ambitions scoring a 93 and 83 respectively. This difference can be explained by Suitsupply's reliance on the Fair Wear Foundation her Code of Labor Practices. Suitsupply has since 2016 extensively been reporting on her supply chain practices and her suppliers, going even as far as providing a full supplier list, while in the meantime adjusting her focus towards more ecological topics through the introduction of a circular strategy and an attempt at mapping the full CO2 footprint of the company.

When looking at the reports and audits, it is undeniable that Suitsupply has made great strides in the implementation of best practices in her supply chain. Their due diligence policy is advanced, not only including the CSR team but the whole buying department and they have since the introduction of this policy cut production out of several factories because of unacceptable labor conditions. Furthermore, they have actively collaborated with local NGOs in order to improve not only working conditions, but standard of

⁷ FWF describes the Leader rating as: "for affiliates who are doing exceptionally well and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association".

living, going beyond compliance and corporate codes, with one case describing a “neutralization of drunk drivers in the buses transporting workers to the factories”⁸.

Furthermore, Suitsupply’s commitment to the Global Fashion Agenda’s pledge to enhance circularity within the fashion industry shows that Suitsupply is open to collaboration and ever since the signing of the pledge they have consulted extensively with stakeholders in order to find ways to incorporate circularity in their collections. An example of this is the fiber-to-fiber pilot, in which Suitsupply participates, with the aim to reduce virgin materials in the production of clothing through recycling (ECAP, 2019).

When taking this work into account, it can be said that Suitsupply is relatively successful in implementing her intentions with regards to ICSR. This is echoed by the survey conducted, in which Suitsupply scores higher on their implementation than their intentions with regards to integration of CSR in business processes. The work in their supply chain has been lauded by their peers. However, according to the survey, the coordination, the governance system implementing CSR, scores lower on intentions than implementation, meaning that it is mainly the CSR team that concerns itself with the governance of implementation. This is interesting, however when asked about this, it seems that once again the business model based on limiting inefficiency is one of the core obstacles in implementation of a more ambitious CSR approach.

As already established, the ambition of Suitsupply with regards to ICSR is modest. The approach of Suitsupply is largely based on the Fair Wear Foundation their Code of Labor, and while Suitsupply does go beyond this code of labor, the alignment between departments other than the CSR department and the buying department is low. Furthermore, different discrepancies between what representatives say in the report and the actual report pop up, with the CPO claiming that ethics are leading in the business model, such as in the quote at the start of this paragraph, while at the same time her quote being the only mention of ethics in the whole report (Suitsupply, 2018a). When taking a further look at the reports (Suitsupply, 2013), (Suitsupply, 2017) (Suitsupply, 2019), almost exclusively supply chain processes have been described, with no mention of integration of sustainability in other strategic processes apart from the buying and sources processes.

When asked about the ultimate ambition of the CSR department, this portrait is validated. One of the recurring narratives is the fact that the CEO and his management is still the owner of 100% of the shares of

⁸Acquired in an informal conversation with the CSR manager of Suitsupply.

the company (Quote, 2015). With several employees acknowledging that the CEO has limited interest in sustainability, this acquisition of all shares has led to reduced effectiveness of alignment strategies between departments through to middle management, limiting the impact of the achievements of the CSR team.

One of the most visible examples of this dynamic are the findings in the marketing department. Within Suitsupply, there is no comprehensive marketing department, no communication strategy and no style guide. Output is limited and highly dependent on the CEO, who must approve almost every post on social media. The integration of CSR in marketing is notably absent, not because implementation is unsuccessful, but because the unwillingness of strategic management to communicate anything on CSR.

The same goes for inclusion in the training programme facilitated by Suitsupply for new employees. Where this is a viable opportunity for new employees to get acquainted with Suitsupply's work on CSR, no mention with regards to CSR is made apart from the membership of the Fair Wear Foundation.

We have then come to the conclusion that the intentions and the implementation with regards to communicating sustainability are of the inactive/reactive category. However, it would be unfair to categorize Suitsupply in a fully inactive/reactive manner, since she has been able to achieve major achievements in her supply chain thanks to her far-going commitment to the FWF Code of Conduct. This then culminates in the following motivations and stages of transition which have been verified by survey data:

FIELD	INTENTION	IMPLEMENTATION	TRANSITION PHASE
GENERIC	Reactive	Reactive	Internal alignment
SYSTEMIC	Active/Proactive	Reactive	Internal Alignment
ICSR	Active	Active	Internal alignment
MARKETING	Inactive/Reactive	Inactive/Reactive	Trigger

Table 3

When taking into these attitudes and transition phases, they correspond to Van Tulder's description of Global Leadership in which internationalization strategies prevail over CSR ambitions and personal ambitions. In this case, the active ICSR approach is mainly led by one department with ambitions and capabilities but held back by personal motives from strategic management as well as alignment challenges within the company. Van Tulder (2018) highlights that when this is the case, risk of reputation and credibility become increasingly high. This had led to Suitsupply follow the "walk, but don't talk" road in order to minimize reputational risk because of lack of alignment between the business model and CSR ambitions.

The strategic challenges for Suitsupply mainly concern internal alignment challenges in the home country, with the ICSR Intentions and Implementation being quite successful, but the intentions are not diffusing to other departments for it to become part of the business model. The question remains now, what does this mean for the communication of Suitsupply's ICSR approach, if there is one?

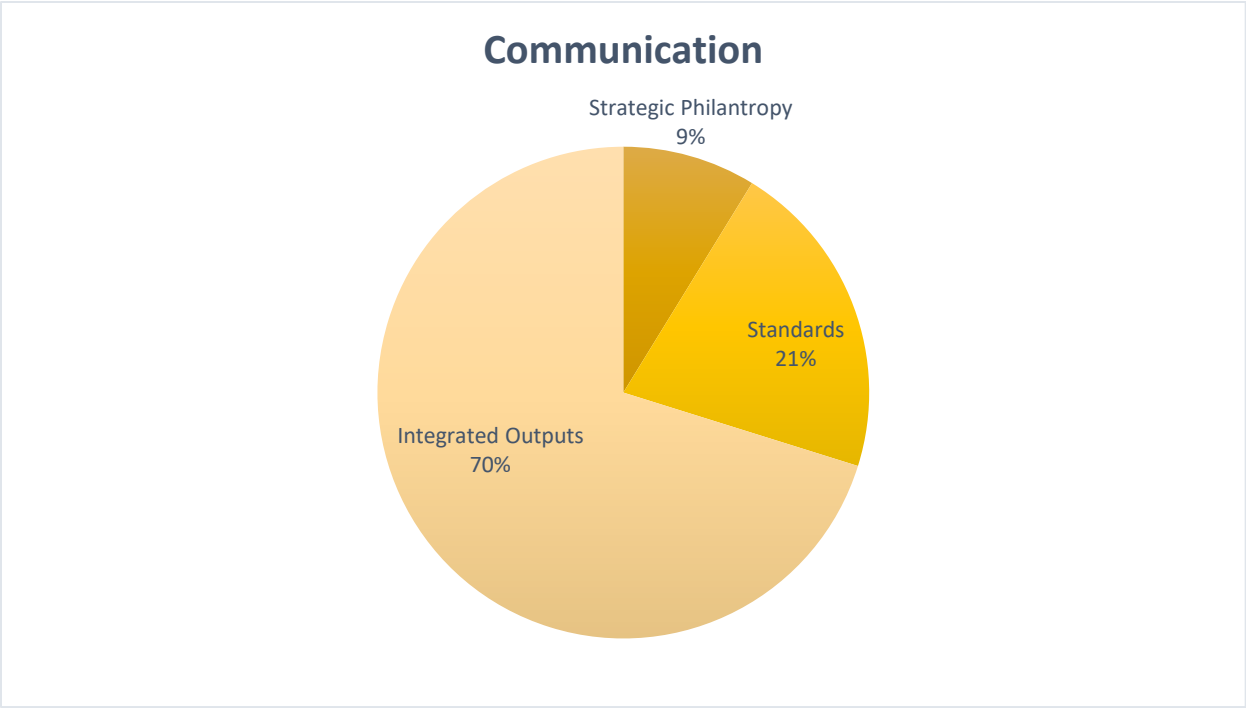


Figure 4

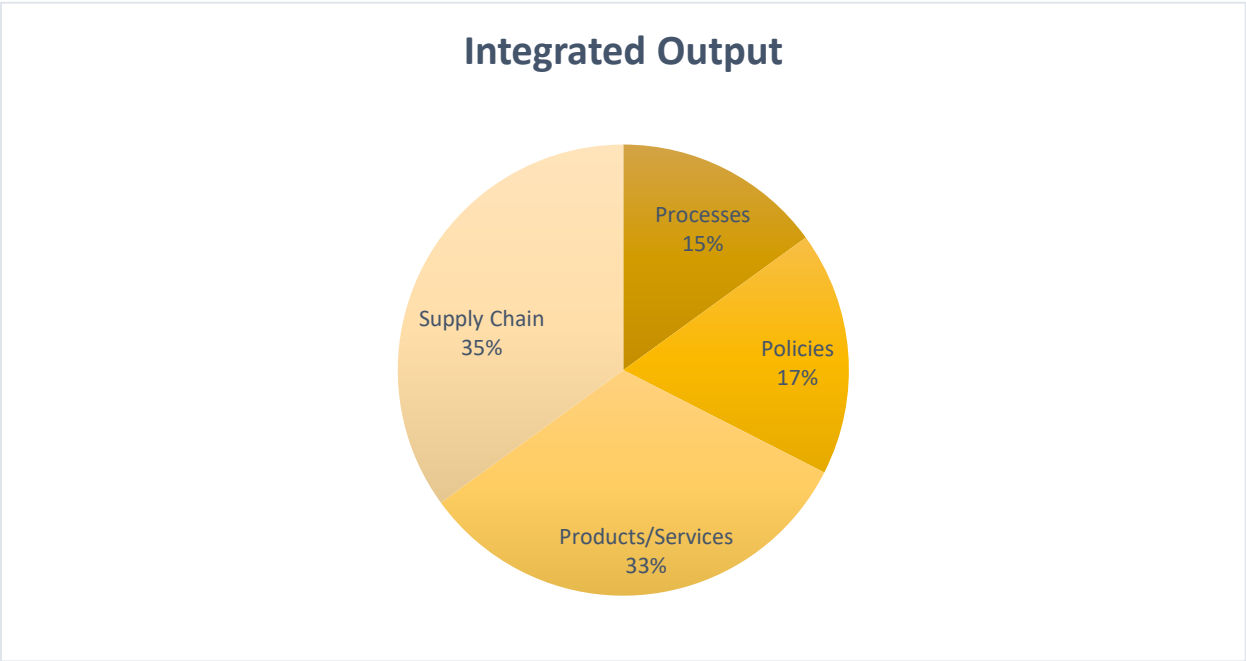


Figure 5

Communication

“Don’t just fit in, find your own perfect fit”

- *Suitsupply*

As already mentioned, Suitsupply does not have a formal team tasked with the marketing output of the company. Furthermore, they do not have a comprehensive communication plan or strategy and they lack a style guide. However, they do have a team in the United States HQ creating content, and some content is produced in the HQ in the Netherlands as well, mainly focused around store personnel and the distinctive features of the product.

Logically, it is impossible for Suitsupply to adopt an integrated marketing approach if there is no strategy in place and no team to execute this strategy. Even though, an analysis of the CSR communication is possible with the reports provided by the CSR department, as well as other publications surrounding the brand.

As stated in the Theoretical Framework, there are three types of communication with regards to CSR: Strategic Philanthropy, Standards and Integrated Outputs (Mosca et al. 2018). Every statement in the reports and press releases can be categorized according to this framework, which has culminated in the distribution on the previous page.

As we can see, Suitsupply pays special attention to presenting their Integrated Outputs compared to the expression of their standards and their acts of philanthropy. Consistent with Mosca et al. (2018), the presentation of the CSR approach of Suitsupply shows that it has taken note with regards to their competition and are weary in presenting exclusively standards or acts of philanthropy to boost company reputation, choosing rather for relying on the outputs their processes and policies have accomplished. However, when taking a closer look at the integrated outputs, the limited scope of the ICSR approach does come to light.

All integrated outputs concern either Supply chain management, the major field of achievement in Suitsupply’s journey towards sustainability, or their unique selling point, the product and service they deliver. This is echoed by the CSR manager, saying “It all comes back to the product that is of high quality, which also means high integrity” and “(CSR) will never be our USP. It’s not supposed to be.” This *selective* approach towards the communication of CSR however does not fully conform to the framework issued by Mosca et al. (2018) as Suitsupply does not stress standards over integrated inputs. However, they are very selective with regards to the outputs that they do and do not publish in their reports and since their ICSR, with the majority of the outputs being on their Supply chain. Since their approach is mainly based on the

FWF Code of Labor Practices, the number of standards they have come up with themselves is limited as well.

Furthermore, Suitsupply does not have a comprehensive organizational purpose yet. The slogan, “Don’t just fit in, but find your perfect fit” mainly characterizes the anti-establishment character of the company, which is further explained by the phrase “We are there for people who want to be seen”. It does not contain a transcendent, meaningful reason for why the organization exists, and it does not provide a clear context for decision making, with only a slight attribute of the organizational identity present and minimum alignment with long-term financial performance.

In the end this makes the communication strategy of Suitsupply with regards to CSR fall into the third (3) category, which is consistent with the overall internal alignment transition phase and the reactive/active intentional attitude towards ICSR.

Kering

“Luxury and sustainability are one and the same”

- Francois-Henri Pinault, CEO of Kering S.A. (Kering, 2018a)

With the above statement voice by the CEO of Kering, the approach Kering takes with regards to CSR immediately becomes clear. The first sentence of the foreword claims that sustainability is a “high priority of the company and at the very heart of the strategy” (Kering, 2018a). Claiming to utilize a business model wherein creativity, quality, authenticity, innovation and sustainability are all inextricably linked, Kering has adopted a more integrated narrative in describing her business model, but how does it work?

According to the integrated report, the business model of Kering revolves around 3 values: agility, balance and responsibility. Agility concerns the organizational structure and the ability to leverage growth drivers, balance concerns the portfolio of the brands and their complementary nature to promote synergy and achieve optimal efficiency, and in the end, responsibility concerns the integration of sustainability within the business model (Kering, 2018a).

All these values serve two goals in the business model of Kering: promoting organic growth through optimization of the sales process and the product and enhance Group-wide synergy through resource sharing and vertical integration (Kering, 2018a).

This vision of luxury combined with the multi-brand business model that respects the autonomy of all luxury houses but are strategically aligned in their strategy of promoting organic growth and enhancing synergies sounds promising, but the question remains how this works out. Kering addresses these questions by identifying three main challenges that are present within their business model and they report on how they integrate these challenges within their value chain. The first challenge concerns the human dimension, the second challenge is to retain a stable and diverse shareholder structure in which growth is secured, and the third challenge is the question on how to factor the environment into strategic decisions within the company (Kering, 2018a).

In order to address these challenges, certain strategic functions have been streamlined and integrated such as logistics, real estate and IT, in order for individual brands, who are in several stages of maturity, to achieve maximum efficiency at the lowest cost. In this regard, Kering her business model can be qualified as efficiency oriented as per the model of Van Tulder (2018). However, because of her alignment of the efficiency argument with her business model based on her values and long-term vision for the direction of the business, Kering employs a business model that is Equity/Ethics oriented.

It is important to note that the business model of Kering cannot be isolated from the business models of her individual Houses. Each house has their own distinctive mission and vision while still falling under the umbrella of Kering Group. A short summary of the business models will be given hereafter.

Gucci, probably the best-known luxury fashion house owned by Kering Group, focuses on eclectic and contemporary expressions of luxury in an influential and innovative way. Having reinvented herself under the leadership of Alessandro Michele, Gucci has adopted a new ‘Culture of Purpose’ in 2017 in order to align with Kering’s commitment to responsibility with the name ‘Gucci Equilibrium’. We will get into this later (Kering, 2019c).

Saint Laurent, founded by Yves Saint Laurent, is a brand with prominent haute couture influence. Nowadays established as a more marketable mix between luxury and haute couture under the leadership of Anthony Vaccarello, the focus has shifted towards making haute couture part of women’s modern wardrobe (Kering, 2019c).

Bottega Veneta, headed by Daniel Lee, concerns itself with a more practical product, focusing on craftsmanship and excellence of materials more than aesthetics (Kering, 2019c). They highlight the dialectic process between artisan and designer as the heart of Bottega Veneta’s approach to luxury (Wei, 2019).

Balenciaga, founded by Cristobal Balenciaga and headed by Demna Gvasalia, is known for its avant-garde form of fashion, elevating street items such as sneakers and hoodies into the realm of luxury (Kering 2019c).

Alexander McQueen, also founded by the eponymous man, is a modern British couture house, with its focus on niche markets and a high-end audience (Kering 2019c).

The last brand under subsidiary of Kering is Brioni. Brioni is a tailoring house exclusively aimed at suiting and formal menswear, making it the most comparable to Suitsupply. Higher in price point and more artisanal than Suitsupply however, their focus is mainly on quality, artisanal craftsmanship and fully custom-made garments (Kering, 2019c).

Intention

Kering has formulated a narrative in order to argue that luxury and sustainability are inherently compatible, saying that the future demands it in the light of climate change. Furthermore, they continue with the claim that since luxury brands and haute couture are natural trendsetters in the fashion industry, Pinault voices the opportunity that lies in this critical transformation (Kering, 2018a). Further statements with pledges and promises, such as the statement “we are 100% committed to embedding sustainability throughout our entire business” to “We will continue to reinvent our business and provide a sustainable pathway for luxury”

(Kering 2018a, 6) reflect proactive ICSR intentions in which Kering aims to become a leader in her sector through employing a sustainable business model.

However, what is striking is the fact that all brands except for Gucci have outsourced their CSR efforts to Kering. There are no reports found on the individual ambitions and intentions, in general or with regards to CSR, of Alexander McQueen, Brioni, Balenciaga, Bottega Veneta and Saint Laurent. The question then looms, how are these brands aligned with regards to CSR?

Implementation

“Care, Collaborate, Create.”

- Kering 2025 Sustainability Strategy (Kering, 2018b)

Kering materialized these intentions in 2017 by publishing her 2025 Sustainability Strategy. Revolving around a three-pillar roadmap, this strategy aims to “CARE about our impact on the planet, climate change and natural resources; COLLABORATE for the good of our employees, suppliers and clients; CREATE pioneering ideas to safeguard our rich heritage and empower future generations” (Kering, 2018b).

The CARE pillar, representing the environmental dimension of sustainability, covers Kering her ambitions to reduce her environmental footprint. Using the Planetary Boundaries framework as main theoretical foundation, Kering has devised a method through which she manages to include the environment into strategic decision making, the EP&L (Environmental Profit & Loss) methodology. Through this methodology, the values of the cost and benefits generated by a company’s environmental impact are measured. Mapping the impact of their whole value chain, from the stores all the way to the production of raw materials. Kering aims to provide a report on the EP&L results every year, with the first two years reporting a slight decline in EP&L intensity (EP&L per €1000 Revenue) (Kering, 2018b) (Kering, 2018c).

Kering combines this measurement tool with her Clean by Design program to improve water and energy efficiency within her manufacturing processes at her mills. Through extensive resource efficiency audits with the help of the Natural Resources Defense Council (NRDC), Kering has been able to draft resource efficiency action plans, limiting her output in CO₂ with an average of 19% (Kering, 2018ac).

The COLLABORATE pillar of Kering her strategy plan reflects the social dimension of sustainability. Focusing on preserving heritage, instill diversity and parity in her employee pools and on being an employer of choice, this pillar aims to foster continuity through talent acquisition and partnerships with educational institutions all over the world, promoting sustainable design and innovation in these co-developed programs

(Kering, 2018b). The prime example of this is Kering's dedication to setting up a Massive Open Online Course (MOOC) on sustainable fashion in which everyone could participate (Futurelearn, 2018).

Kering has been one of the frontrunners with regards to gender parity, founding the Kering Foundation in 2008 with the sole goal of combating violence against women. Additionally, Kering reports on several HR policies with regards to gender equality such as Equality in Leadership program, eventually yielding her several accolades and high rankings on gender equality indices (Kering, 2018a). Additionally, Kering has adopted the SA8000 standards issued by Social Accountability International to benchmark her performance with regards to social sustainability (Kering, 2019b).

The CREATE pillar reflects the last dimension of sustainability, economic sustainability. By establishing several Innovation labs in order to push for innovation within supply chains, Kering aims to find new sourcing solutions that are environmentally sustainable (Kering, 2018a). Additionally, Kering has partnered with Fashion for Good, an NGO, in order to support start-ups through capacity building order to stimulate innovation within niche markets and make them mainstream (Kering, 2017).

In addition to these three values and their corresponding methods, Kering has operationalized its strategy through the formulation of the Kering Standards, a comprehensive guide for sustainable sourcing and manufacturing based on internationally recognized models such as the Planetary Boundaries framework, ILO labor standards and others (Kering, 2019b). Kering reports on her accomplishments in her 2018 Integrated report.

In this integrated report, for which Kering claims to be the first one in the luxury business to publish one, an extensive insight is provided into the performance and the influence of the strategy and the implementation thereof on performance. Through a holistic analysis of their full value chain, metrics are presented through a framing that is consistent with the values of the company and the SDGs. In this way, through a consistent format, portraying context, means and results (value creation), the integrated report attempts to report on the implementation of the sustainability strategy of Kering.

Their efforts have been internationally recognized by several organizations, putting Kering on the top of their lists such as the Corporate Knights (Strauss, 2019), high scores on Socially responsible investment indices (Kering, 2018b) and recognition by peers (Global Fashion Agenda, 2018).

As we can conclude from this strategy and their implementation, Kering takes an integrated approach to sustainability, aiming to co-create value through strategic partnerships, utilizing an elaborate governance system to leverage resources to sustain this process and implementing policies to stimulate these values laid out in the 2025 sustainability strategy. However, since Kering utilizes a multi-brand business model, a look

at the individual brands is needed as well to ascertain the transition phase and these cases show that even Kering is not without scrutiny.

Gucci is the sole brand with extensive reporting on sustainability matters in the portfolio of Kering. Doing this through the platform of “Gucci Equilibrium”, Gucci utilizes the same pillars as the 2025 Sustainability Strategy of Kering but using other names, Environment, People and New Models. Applying the same strategy as Kering, such as EP&L, Kering Standards and the SA8000, Gucci reports on her achievements with regards to the three dimensions of sustainability on her platform (Gucci, 2019a)

With regards to the environment, Gucci reports a significant reduction of water and energy in her manufacturing processes measured through the EP&L. Furthermore, she claims to have saved almost 60% of store’s CO₂ emissions thanks to the application of green electricity in her stores and warehouses (Gucci, 2019b).

On the social side, Gucci is proud to announce her comprehensive corporate culture that embodies the values shared by Kering and several policies with regards to parental leave, travel and commuting and general welfare of employees. However, metrics are not provided except for the number of female managers in the company (Gucci, 2019c).

Lastly, Gucci reports on innovation, introducing her Gucci Changemakers program, in which employees volunteer to dedicate 1% of their working time per year for volunteering activities, and her Artlab which is an institute comparable to Kering’s Innovation lab (Gucci, 2019d).

In third party publications issued by the Clean Clothes Campaign (CCC) and Fashion Revolution, Gucci is highlighted in a fairly positive way. In the CCC publication (2019), Gucci is the only company that is not ranked the lowest with regards to the providing of a living wage to its workers, being categorized as a C grade, with 25% of workers earning a living wage⁹. In the Fashion Revolution Transparency Index, Gucci, Bottega Veneta and YSL are ranked in the 31-40 % transparency category, with Fashion Revolution acknowledging that luxury brands are moving towards more transparency.

⁹ In this study, Gucci was the only brand in a comparison with H&M, G-Star, Adidas among other prominent fashion brands, to earn a grade higher than the lowest grade.

The influence of Kering is clearly visible in the reporting of Gucci, with the main difference being the mode of communication. Additionally, all other brands do not report anything themselves on their CSR practices, instead opting for one page in the Sustainability report of Kering per brand.

Saint Laurent's only issued statement on Sustainability is the achievement of two flagship stores earning a LEED, Leadership in Energy and Environmental Design, certification in 2017 thanks to use of solar energy. Bottega Veneta's only statement is its pioneering usage of chrome-free leather instead of chrome-tanned leather, a hazardous tanning practice. Balenciaga's sustainability concerns its partnership with the World Food Program, without going into specifics. Alexander McQueen's report on sustainability is confined to the statement that they use organic wool, silk and cotton in the collections. Lastly, Brioni echoes the values of Kering, preservation of heritage and sourcing of sustainable materials and gender inclusion, without providing any metrics, results whatsoever (Kering, 2018a).

Apparently, while the strategic vision of Kering is highly ambitious and most definitely in our proactive category, the actual implementation is harder to ascertain. Publications on individual brand performance with regards to ICSR, metrics and benchmarks are nowhere to be found, all outsourced to Kering Group. This means that while Kering does take sustainability very seriously, integrating it deep in her business model, it also does everything to stay at the top of the lists, not publishing anything that might endanger their position as market leader as luxury fashion conglomerate. This puts their marketing firmly in the selective/reactive category, corresponding with below results of the assessment

FIELD	INTENTION	IMPLEMENTATION	TRANSITION PHASE
GENERIC	Proactive	Active/Proactive	Internal alignment
SYSTEMIC	Proactive	Active	Internal Alignment
ICSR	Proactive	Active	Internal alignment/External Alignment
MARKETING	Reactive	Reactive	Trigger/Internal alignment

Table 4

With regards to strategic fit, Van Tulder's provided strategic fits do not seem to properly accommodate Kering's positions, especially with regards to their implementation on international level, since no outputs are provided with regards to the subsidiary brands.

It has become clear that Kering has an interesting status concerning her ICSR efforts and communication. While they score relatively low on the Fashion Revolution (2019) transparency index, the way they frame their ICSR efforts certainly helps in portraying a value driven ICSR story. In combination with the CCC publication and their reputation, Kering is however ahead with regards to implementation. In the next chapter, we will look at their Purpose and communication a bit closer.

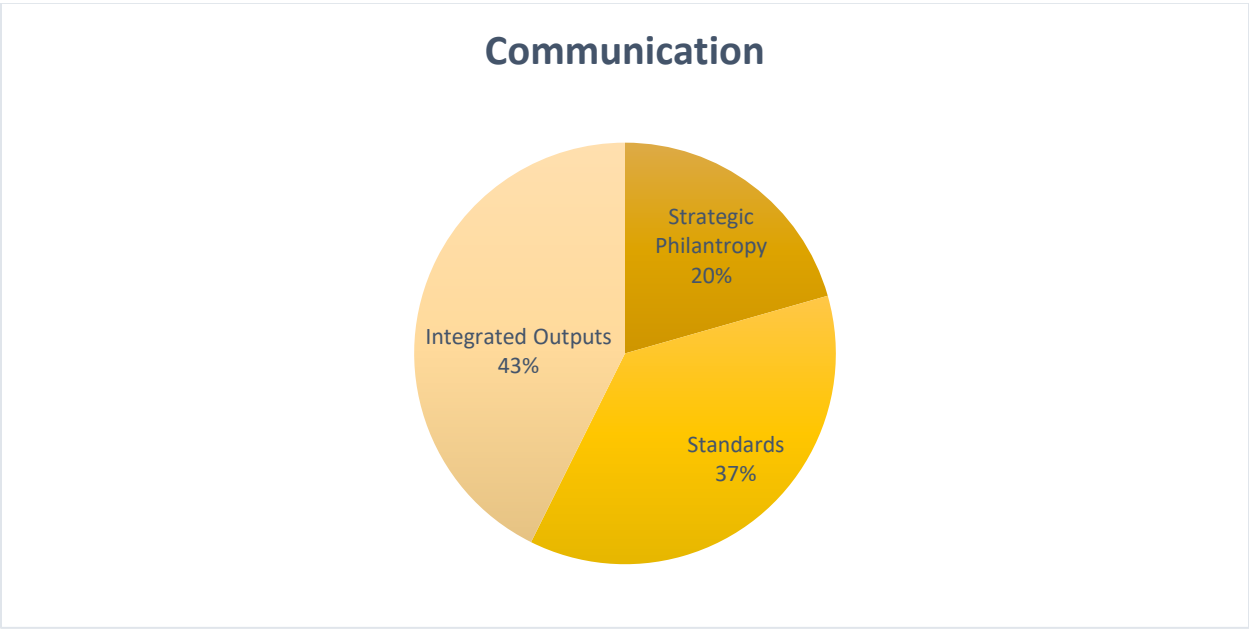


Figure 6

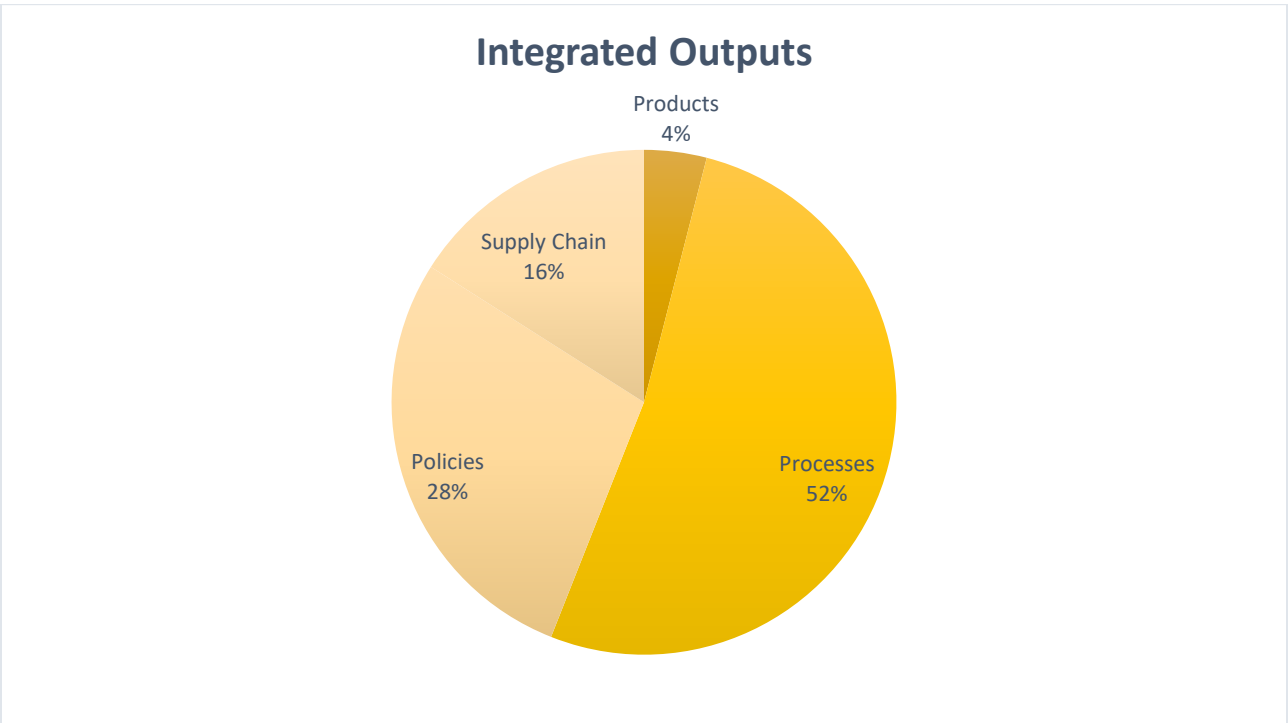


Figure 7

Communication

“Empowering Imagination”

- Kering, (2019)

As the sustainability strategy is embraced and implemented by the full scope of Strategic Management, it is not surprising that Francois-Henri Pinault takes a prominent position in representing the sustainability efforts of the company. With his pledge of 100 million euros (!) to rebuild the Notre Dame after it was partly destroyed by a fire, he again confirmed his status as value-driven businessman not unwilling to commit himself to acts of philanthropy. However, several sources have also highlighted the self-interest of these actions instead of being framed as pure altruism (Friedman, 2019).

Throughout the content analysis, in which all press releases and reports have been coded for the second time according to the Strategic CSR Communication framework, it has become clear that clear choices have been made with regards to framing the ICSR approach in an integrated and value-based way. Their extensive use of pillars, pointers and pledges that connect to their purpose to “Empower Imagination”, is very effective in creating a clear narrative on sustainability. As can be seen in table 3 and 4, all three aspects of Strategic CSR Communication take up a fair amount of space, with the focus relatively evenly spread across all three aspects.

When taking a closer look at the topics discussed in the publications by Kering, we can see clear biases and fields of focus. Concerning the Integrated Outputs, they generate, their focus is on the processes and their outputs, for example the distribution and integration process of the EP&L methodology among member brands (Kering, 2018a), vertical integration processes (Kering, 2018b) and other strategies. Second are policies, which are the foundation on which standards are built and on which the processes rely (Spoden, 2017). Barely any information is given on the supply chain of the individual brands and the products.

Interestingly, when taking a closer look at their Strategic Communication and their Organizational Purpose, it is obvious there is a relation to the implementation of the purpose “Empowering Imagination” and the choice for prominent communication with regards to Standards, Policies and Processes. First, it needs to be considered that Kering is the holding company of multiple brands, not actually producing any products themselves. Combined with the fact that the product range Kering’s brands sell is incredibly large, the choice to not put focus on the product is understandable but not according to transparency standards (Kering, 2018a). Furthermore, when taking a closer look at the definitions of Policies, Standards and Processes, in which policies are “A definite course or method of action selected from among alternatives and in light of given conditions to guide and determine present and future decisions” (Merriam Webster,

2019a) and “the set of basic principles and associated guidelines formulated and enforced by the governing body of an organization” (Business Dictionary, 2019a). Policies thus touch upon the foundation of decision making, in business done in the highest strategic management positions. Standards are “a level of quality or attainment” (Oxford Dictionary, 2019) and “something established by authority, custom or general consent as a model or example” (Merriam Webster, 2019b). Standards are the strived towards goals and examples aligned with the policies. Processes, or procedures, are then the “ways of accomplishing” (Merriam-Webster, 2019c) the standards or “sequences of interdependent and linked procedures (..) converting inputs into outputs (..) until a goal or result is reached” (Business Dictionary, 2019b).

With these definitions in mind, in which policies are value-based and more long-term, standards are the goals and processes and procedures are the operationalization of these values, it is clear that to frame your CSR approach through your Purpose, in this case “Empowering Imagination”, policies, standards and processes touch upon every aspect of Purpose. Company-wide policies, especially when formulated in a way that touch upon the values of the company, are easily linked to the *transcendent* and *enduring* attribute of a company (Hurth, 2019), and the aspects of *Context for decision-making* and *Alignment of departments* (Hurth, 2019) are obvious when formulating standards and describing processes meant to reach those standards. In this way, a comprehensive narrative is formed in which business practices are portrayed to be value driven, purposeful and according to CSR standards, without it necessarily being the case.

However, to fully classify Kering’s efforts as futile and her communication efforts as window-dressing is not fair, nor within the scope of this research. What has become clear is that Kering has invested tremendous amounts of resources into formulating a careful narrative that is all-encompassing of her values and her position within the market, while at the same time trying to portray itself as a pioneer in ICSR, with moderate success. In the end it has become clear that Kering’s communication strategy is indeed *integrated* and aims to be proactive, but it doesn’t conform to transparency requirements to fully transcend the *Selective* category and accurately portray the stage of transition of Kering’s ICSR approach.

Inditex

“Sustainability and social value generation are at the heart of our business.”

- Pablo Isla, Chairman of the Board

Not surprisingly, the Annual report of Inditex starts off with the presentation of the achievements of the board in 2017, among which there are 2994 new stores and an expansion to 96 markets. After this, the above claim is made together with the claim that Inditex puts “our people and the people who work in our supply chain at the heart of all our decisions”, highlighting its commitment to the International Labor Organization (ILO) and the Sustainable Apparel Coalition (SAC). Inditex furthermore claims that they employ a sustainable business model (Inditex, 2018a).

This is a very short summary of the first 25 pages of the report of Inditex, with a staggering 388 pages by far the most elaborate. It immediately becomes clear in those first 25 pages what the major obstacles are for Inditex and her ICSR policies. How can a business operating 7445 stores in 96 markets claim to be a sustainable business model?

Inditex has identified 8 corporate values: Strong customer focus, Modesty, Self-reliance, Innovation, Teamwork, Creativity, Diversity and Eco-efficiency. Together with the 8 priorities, Our customers, our people, innovation in supply chain management, a socially responsible supply chain, excellence of our products, circularity, tax transparency, improving community welfare, creation of value for shareholders and corporate governance and the five guiding principles, human rights, Code of Conduct, Code of Conduct for suppliers, Right to Wear and Lines of work, they work to fulfil the goal of creating value in a sustainable manner and promote human rights and the SDGs (Inditex, 2018a).

While all this information seems confusing and a lot, it is. Inditex’s report is characterized by vague wording such as “Inditex aims to offer fashion that complies with the highest Environmental, Health and Safety standards. Sustainability underpines(sic) all our business decisions based on respect and promotion of Human Rights, Transparency and ongoing dialogue with stakeholders” (Inditex, 2018, 26), suggesting that Environmental, Health and Safety standards are the cornerstone of sustainability and the existence of multiple of EHS standards in support of sustainability that are addressed through the respect and promotion of human rights, transparency and ongoing dialogue with stakeholders. Furthermore, they claim to have aligned these principles to the SDGs and the idea of sustainable development, elaborating on the activities the company has undertaken with regards to the SDGs such as contributing elaborately to social programs promote training in order to increase education, provide awareness on gender equality among others.

However, apart from financial performance and the SDGs, no ultimate goals have been formulated in the report (Inditex, 2018a).

After the first chapter, it immediately becomes clear that the assessment of Inditex will be much harder than the other cases because of the convoluted language in which agreed upon definitions are disregarded and consistency is hard to find. For example, EHS, Environmental Health and Safety, has been a regulated phenomenon for longer while Corporate Social Responsibility is focused on going beyond compliance (Shaw, 2016). Additionally, the materiality analysis, which they claim is based on the consultancy of internal and external stakeholders, identifies 30 issues that they have grouped in 10 points called “Our Priorities”. However, these 30 points are barely mentioned afterwards or glossed over. One example here is “labelling”, which after mentioning in the materiality analysis only returns in the context of the Join Life, the sustainable label of Inditex.

However, even though no ultimate goals have been found and neither have any goals with regards to CSR apart from the SDGs, the intentions concerning the general business model and CSR approach can be identified.

Intention

It is clear that Inditex employs a business model that is efficiency oriented. Thanks to their attention to integration “of all phases of the fashion process” (Inditex, 2018, 28), they have created a business model in which they can offer “customers the fashion products they demand (...)”. Furthermore, stating that customers are at the “center of our business and our decision-making process”, the group’s product strategy is aimed at “understanding the demands of customers and offering them the products they want in a fast, agile and comfortable way” (Inditex, 2018, 40).

Thanks to an incredibly responsive supply chain, utilizing comprehensive qualitative and quantitative data from stores and standardizing processes in all departments for highest possible efficiency (Aftab et al., 2018), they have created an innovative infrastructure in which they can supply their customers with over 450 million garments a year (Beeketing, 2019), take 3 weeks from drawing board to store and 12.000 styles (Roll, 2019). However, while these facts are most evidence of the unique nature of Inditex’ business model, their value proposition still revolves around designing and capturing value, efficiency and strong top-down

focus, positioning Inditex firmly in the Reactive motivational category with regards to her business model.

10

With regards to their CSR intentions, Inditex has taken the SDGs as main vehicle of alignment of strategy and in collaboration with the UN Global Compact, a UN corporate sustainability initiative, they have aligned their strategy through the 169 targets laid out in the SDGs (Inditex, 2018a). They highlight the 8th SDG, surrounding Decent Work, as the most important and fundamental to Inditex's sustainability strategy. Furthermore, they have pledged themselves towards the Global Fashion Agenda's 2020 Circularity commitment (Global Fashion Agenda, 2019).

However, even when utilizing internationally recognized standards such as the SDGs, UN charter on Human Rights, SA8000 and others, there is no explanation on 'Why?' these standards are adopted. Nothing connects the company's identity to the standards and policies she implements, which is partly because of the absence of an Organizational Purpose. This however also means that the intentions of the SDGs can only be *Reactive*, being influenced mainly by outsiders instead of insiders. But how are these intentions implemented?

¹⁰ Please note that I will not go into the business model of every brand Inditex owns because every brand utilizes the same business model, just a different product group.

Implementation

“Our aim is that our fashion is Right to Wear: Beautiful, Ethical, Quality products”

- Inditex, on their Right to Wear Principle

With Inditex having established 10 priorities for their sustainable strategy derived from their materiality analysis, Customers, People, Innovation in Supply Chain Management, a Socially Responsible supply chain, excellence of products, circularity and efficient use of resources, tax transparency, improving community welfare, creation of value for shareholders and corporate governance, and multiple guiding principles such as Right to Wear, Human Rights and several Codes of Conduct, it has become clear that to align these priorities with these principles, a lot of resources are involved (Inditex, 2018a).

In total, when looking at the Corporate Governance system of Inditex, the Board of Directors has 8 policies in which she is involved, two of them which are directly related to their ICSR efforts, the Corporate Social Responsibility Policy and the Environmental Sustainability policy (Inditex 2015ab). These policies have been instated in 2015 and since then not been altered. Interestingly, where in their annual report Inditex reports to have 10 priorities, on their company website they claim to have exclusively environment and human rights as priorities (Inditex, 2019b).

With regards to their first priority, as laid out in their Annual Report, Inditex pays extensive attention to the customer and the significance of the customer in her business model, something already discussed. They elaborate on the amounts of data acquired from the customer and state that cybersecurity, privacy and protection of this data is a priority for them through compliance to the ISO 27001 certificate.¹¹ Furthermore, they address the problem of mass consumption, which they relate to SDG12, solely through the line: “Inditex has developed an integrated model (..) that seeks to maintain a continuous dialogue with customers, thus meeting their needs while providing the necessary information to facilitate a purchase, promoting a model of responsible consumption” (Inditex 2018a, 39)

Inditex then addresses her status as employer of 171,839 people and highlight their diversity, employing 97 nationalities and 54 languages. They claim to be committed “to creating safe, healthy, diverse and inclusive working environments” (Inditex 2018a, 52) with the reason that they “believe that diversity strategically contributes to our goals”, without elaborating why. Even though, the results are impressive, with several

¹¹ The ISO 27001 certificate is the International Standard for Information Security.

Equality plans implemented to counter harassment, solidarity activities for community welfare and compliance with Occupational Health and Safety standard ISO45001. Interestingly, while remuneration is discussed in this chapter and workforce distribution in the manufacturing phase is also highlighted, living wages and differences between remuneration in different countries are not discussed.

Their third priority, Innovation in their Supply chain, relates directly to their goal of traceability and transparency in their supply chain. They provide the governance system they adhere to in their supply chain, they highlight the technologies that provide the means for audits, transparency and traceability and they pay attention to other stakeholders involved in this process, such as IndustriALL and the ILO, but interestingly, they do not provide a supplier list, findings from audits or any further information surrounding their supply chain (Inditex, 2018a). Furthermore, they relate the traceability of their supply chain and commitment to transparency as key to SDG 12, ensuring sustainable consumption and production patterns, but do not provide coverage numbers and accurate metrics to ascertain the full scope of Inditex supply chain (Inditex, 2017).

However, the next chapter dedicated to their policies to promote a socially responsible supply chain might shed more light on the matter. They elaborate on the two tools to achieve this: the Strategic Plan for a Stable and Sustainable Supply Chain, issued in 2014, with the goal of ensuring compliance with the Code of Conduct for Manufacturers and Suppliers, and the Workers at the Centre Strategy, with the goal to enhance worker well-being and contribute to the SDGs thanks to close collaboration with IndustriALL (Inditex, 2018a). However, when taking a closer look at the numbers, the KPI's only show a coverage of 626.285¹² workers involved in these programs, which is less than 25 % of Inditex's total worker pool. Furthermore, with regards to providing a living wage, Inditex only reports a "self-assessment exercise on purchasing practices" (Inditex 2018a, 87) of buyers and does not report any workers that receive a living wage according to standards such as the Asia Floor Wage, Global Living Wage Coalition or others. When considering recent reports of workers in Turkey sewing emergency notes in clothing calling for help (Segran, n.d.)¹³, the supply chain approach of Inditex is still far from proactive.

With regards to products, Inditex advocates her Join Life Label, used on garments that comply with environmental and social standards assessed at audits, getting an A or B grade. Unfortunately, no

¹² Please note, no metrics are given with regards to workers participating in multiple programs at the same time which means that this is the most optimistic number provided in the report.

elaboration on these classifications is provided. Additionally, they claim to use game-changing technology in order to enlarge the number of garments made using recycled materials, reporting a total of 3.6 million garments made using recycled material, (Inditex, 2018a) which is roughly 1.25% of total production¹⁴. Unfortunately, no specifics are given with regards to the amount of recycled material that is used in these garments and no numbers are given as to the total emission Inditex produces and where these emissions are located.

This means that with regards to the priority of improving circularity with the goal of achieving zero waste, it is unclear as to how far Inditex is in reaching this goal, even when she is claiming to operate 100% eco-efficient stores in 2020 and declaring a goal of using 80% renewable energy in 2025. Inditex does not specify if this goes for only operations under her umbrella or her suppliers as well, and while the goal of having 100% eco-efficiency stores in 2020 is ambitious, Inditex also states that these stores represent a 20% reduction in electricity and 40% in water (Inditex, 2018a), making it still far from carbon neutral. Inditex does not further elaborate on her further steps towards zero waste, which leaves another incomplete story that is far from the proactive category.

However, when the topic of community welfare arises, Inditex shines with the most elaborate reporting seen so far. Detailed metrics are given as to where investments into community projects have gone, which have totaled to 48.1 million euros in 2017 (Inditex, 2018a). Additionally, they extensively report on other inputs such as hours spend volunteering or working on these projects and garments donated, and outputs, such as the 409 community organizations supported and 1.58 million direct beneficiaries of these projects (Inditex, 2018a).

While the other two priorities of Inditex, Tax Transparency and Corporate Governance, are related to ICSR, the chapters on these topics contain mainly in-depth descriptions of finance metrics, regulatory management and other information which are either already (partly) described or beyond the scope of this research. However, it has become clear that with regards to implementation of ICSR intentions, the lack of visionary leadership and clear direction has had serious consequences for the implementation. While it is undeniable that Inditex has put a lot of resources into developing her CSR policy, her Corporate Governance approach is largely rule-based with barely any principles present in any documentation, her promise of transparency

¹⁴ According to the number of 450 million garments made per year as reported by Beeketing (2019)

and traceability in her supply chain is well meant but not followed up on in her communication and the problem of operating in an inherently flawed system (fast fashion) is not addressed.

Furthermore, the communication of her efforts is riddled with generic use of language without elaboration on specifics, contradictions and use of difficult vernacular without any purpose, such as “To determine the specific relationship strategy with each stakeholder and to establish the objectives and communication channels to be used, we identify and review our relation with each one of them on a continuous basis” (Inditex, 2018a, 28), not specifying why this is done, how this is done, on what scale this is done and who these *stakeholders* are. Additionally, in describing their stakeholder approach and private-public partnerships, Inditex reports: “In order to formalize and institutionalize the dialogue with key interlocutor in civil society, we have a Social Advisory Board, which is an advisory body on sustainability issues, made up of individuals and external institutions who are independent of Inditex”, without elaborating on the content of these relationships, who have participated/are participating and what role they fulfill except for “is Inditex advisory body in the area of Sustainability” and “Contribution to social and economic development” (Inditex, 2018a, 257).

With these findings in mind, Inditex still has a long way to go in getting her Corporate Social Responsibility efforts to the next level. While she has briefly acknowledged intentions towards sustainability, she does not elaborate on which level and how, and this resonates in the implementation of these intentions. This means that for every aspect she scores lower in the implementation than in her intentional category, meaning that the transition phase is still in the Trigger/Internal Alignment phase.

FIELD	INTENTION	IMPLEMENTATION	TRANSITION PHASE
GENERIC	Active	Reactive	Internal Alignment
SYSTEMIC	Active	Reactive/Active	Internal Alignment
ICSR	Reactive/Active	Inactive/Reactive	Trigger
MARKETING	Reactive	Reactive	Trigger/Internal Alignment

Table 5

When taking these attitudes and transition phases into account, they correspond to Van Tulder’s description of a strategic fit that is Risk-Driven, meaning that in the domestic market, the company is able to adopt a more active approach, which Inditex efforts at Philanthropy and her efforts in sourcing and store transformation confirms, but still using internationalization in an inactive manner that is mostly efficiency oriented (Van Tulder 2018, 133). Van Tulder further goes on to state that this attitude is particularly risky when combined with low personal motivations and a reactive CSR attitude in general, because of the

negative impact it can have on the trust gap. Consistently, Inditex states throughout her report the ratification of her position “as the most sustainable retailer according to the DJSI” (Inditex 2018a, 27), claiming 100% compliance with regards to “Alignment and Inclusion of sustainability strategy in the Group’s Business model” (Inditex 2018a, 87). We will go further into this attitude in the next chapter.

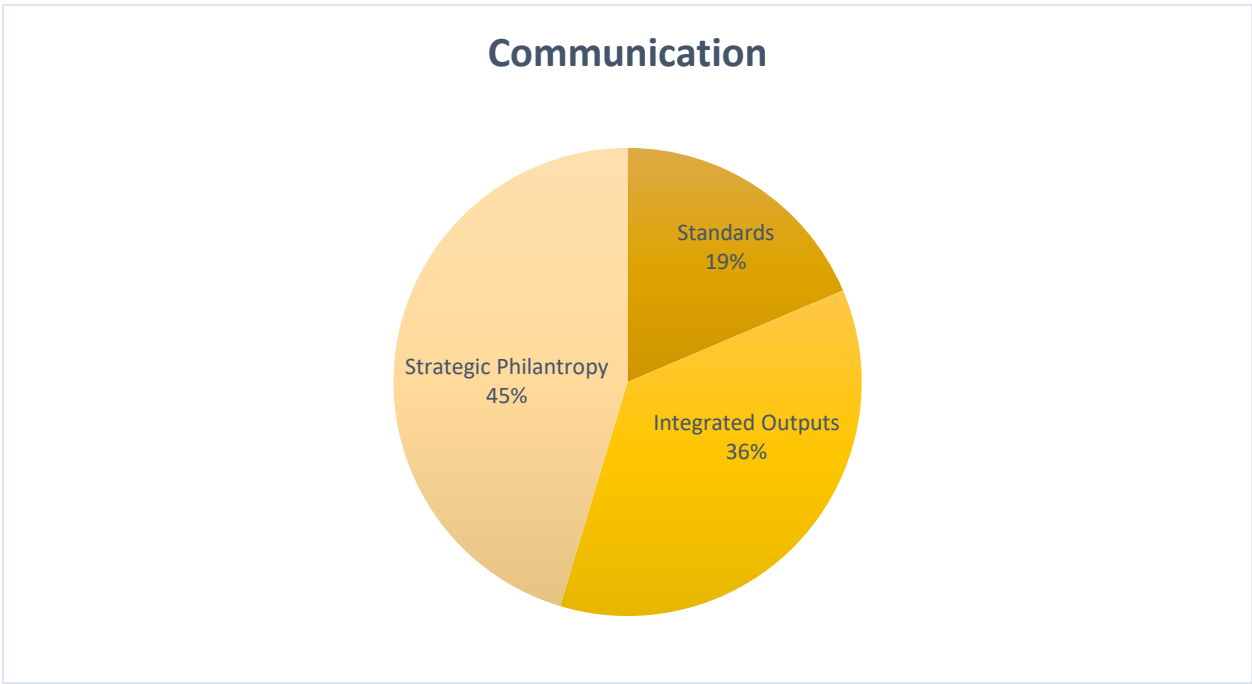


Figure 8



Figure 9

Communication

“Right to Wear”

-Inditex (2019)

Inditex uses a wide range of policies, standards, codes and procedures, most of these with their individual name. In the report of Inditex, which at the same time is the shareholder annual report, the sustainability efforts get intertwined with metrics on financial performance and other KPI's, for which the reason is not clarified in the report.¹⁵ It has become clear that in this report, clear choices have been made to reflect the ICSR approach in a specific way, without the use of a purpose.

In contradiction to Kering, Inditex does not place a large emphasis on company values. While values are named at the start of the report, namely Customer focus, Modesty, Self-reliance, Non-conformism, Teamwork, Creativity, Diversity and Innovation, the adoption of these values is never explained, and neither is the connection between these values and the company. Furthermore, these values seem to change throughout the report with Inditex saying about the Employees' values: “Equality, Diversity, Multiculturalism, Sustainability, Teamwork and Respect are the values that underpin their daily behavior” (Inditex 2018a, 48).

It is then not surprising that the main attention and detailed metrics with regards to CSR are given in the Strategic Philanthropy category since Inditex has spent over 40 million euros on these projects. Since most of these projects are also in collaboration with other NGOs such as Water.org, Caritas and Doctors Without Borders, and since they also partner up outside these community projects, it is then of no surprise that the reporting on partnerships takes the top spot, followed by the already named community projects.

Interestingly, even though the standards named in the Annual Report, most standards are not elaborated on, such as the Green to Wear assessment standard, on which the Join Life certification label is based, with the only known criteria is compliance with the Manufacturing Restricted Substances List. Furthermore, the standards are consistently intertwined and confused with procedures, being presented in the same way using an individual name for every procedure, standard and process, such as the Green to Wear procedure, the Safe to Wear standard and the Right to Wear principle.

¹⁵ The researcher suspects this choice to reflect the integrated sustainable business model Inditex adheres to but cannot present any empirical evidence to confirm this.

Returning to this Right to Wear Principle, while Inditex has not adopted a clear organizational purpose, the thing that comes closest is the Right to Wear Principle with Pablo Isla saying “Right to Wear is how we do business at every stage; Operating in a way that is right for our customers, right for workers, right for communities and right for the environment” (Inditex, 2019). This seems like a good vehicle of alignment since it provides a *core attribute of organizational identity, context for decision-making and alignment of departments* (Hurth, 2018). However, it is not a *transcendent, meaningful reason why an organization exists* and a *unifying and motivating force for relevant stakeholders*. Is it not a purpose then?

It could be, according to the definition of Hurth (2018). The problem here is with the implementation and the creation of a narrative. Hurth (2018) explains the need to create narratives and proof points in order to reinforce organizational identity and to change the way employees give meaning to the values of the company, which is echoed by Van Tulder’s (2018) argument to unite the ‘hard’ side with the ‘soft’ side. With the decision to incorporate Sustainability fully in her financial shareholder report, the creation of a narrative is diminished, with more prominent attention to KPI’s, standards and philanthropy.

In the end, Inditex her communication strategy hasn’t helped reflecting her CSR efforts in a good way. Her inconsistent wording, (too) carefully chosen KPI’s and the lack of a comprehensive narrative reflect the transition phase that she is in and her decision to instead frame it as a presentation of achievements and progress does more harm to the trust gap than good. However, the Right to Wear principle does provide a vehicle of alignment and with more careful framing of her efforts combined with living up to her promises of transparency and complete KPI reports, the communication strategy of Inditex can be elevated to the Integrated level. However, so far, it is still very much a *Selective* strategy.

Suitsupply

FIELD	INTENTION	IMPLEMENTATION	TRANSITION PHASE
GENERIC	Reactive	Reactive	Internal alignment
SYSTEMIC	Active/Proactive	Reactive	Internal Alignment
ICSR	Active	Active	Internal alignment
MARKETING	Inactive/Reactive	Inactive/Reactive	Trigger

Table 6

Kering

FIELD	INTENTION	IMPLEMENTATION	TRANSITION PHASE
GENERIC	Proactive	Active/Proactive	External alignment
SYSTEMIC	Proactive	Active	Internal Alignment/External Alignment
ICSR	Proactive	Active	Internal alignment/External Alignment
MARKETING	Reactive	Reactive	Trigger/Internal Alignment

Table 7

Inditex

FIELD	INTENTION	IMPLEMENTATION	TRANSITION PHASE
GENERIC	Active	Reactive	Internal Alignment
SYSTEMIC	Active	Reactive/Active	Internal Alignment
ICSR	Reactive/Active	Inactive/Reactive	Trigger
MARKETING	Reactive	Reactive	Trigger/Internal Alignment

Table 8

Intention Implementation	and	Inactive	Reactive	Active	Proactive
Communication approach		<i>Invisible</i>	<i>Selective</i> (Focus on Strategic Philanthropy, window-dressing)	<i>Selective</i> (Focus on integrated outputs and standards)	<i>Integrated</i>
Role of Organizational Purpose	of	No purpose	Purpose disassociated from CSR, no alignment	Purpose associated with CSR but lack of implementation (missing key dimensions)	Full potential of Organizational Purpose implemented.

Table 9

Results

After having determined the motivational positions of each company, with Suitsupply's general intentional position being Active, implementational position being reactive, this means that it's general ICSR approach can be categorized as Active/Reactive, which means they are struggling with aligning internal departments through the global leadership strategic fit, the alignment of international ambitions with internal ambitions. Since their marketing is nonexistent and their additional communication on CSR very limited, their communications strategy is then placed in the inactive/reactive category, being highly *selective* and employing no Organizational Purpose.

Kering's intentional position is proactive and it's implementational attitude Active. Their general ICSR approach is thus proactive/active, with internal and external alignment challenges. However, their ultimate ambitions are more far-reaching than Suitsupply, meaning they aim to mobilize the fashion industry in the direction they are taking. Interestingly, their way of communicating that call for action is, while employing an Organizational Purpose, limited to contradictions, saying on the one hand to foster collaboration, but at the same time putting up barriers in the form of limited transparency, hard-to-reach infrastructure¹⁶ and window-dressing an open-source EP&L while not making the code available (Kering, 2019a). This puts her communication approach in the selective category while one would expect an integrated approach.

Inditex' intentional position is one of an Active actor in the fashion industry, with firm claims of sustainability all-around (Inditex, 2018). However, when taking a closer look, their intentions go beyond their implementation, saying more than they are willing to do. This means that Inditex' implementational position in the reactive phase, resulting in an ICSR approach that is active/reactive, facing mostly internal alignment challenges. The corresponding strategic fit of Risk Driven is consistent with the business model that Inditex employs: International Fast Fashion. And while Inditex does try to offset this partly, the Furthermore, their communication strategy does not acknowledge this discrepancy whatsoever and even makes claims beyond their current transition phase, a recipe for enlarging the trust gap. This puts their communication approach in the reactive/selective category.

When taking into account the conceptual model, it has become clear that even when brands have made considerable strides towards a more sustainable business model through incorporation of Corporate Social

¹⁶ As voiced by the CSR manager of Suitsupply in our interview

Responsibility, the challenge of communication is still a major challenge that even the incorporation of an Organizational Purpose does not offset. The alignment challenge that is inherent in Corporate Social Responsibility is also present when applying Organizational Purpose, which begs the question why it is seen as a valuable tool. In the next chapter, we will go into the prerequisites for communication to be successful and the role of purpose in this process.

Conclusion

In this research a qualitative mixed methods research has been conducted in order to understand the intersection between ICSR, Communication and Purpose. The goal has been to assess the state of affairs with regards to ICSR, for which the model by Van Tulder (2018) has proven very useful, to assess the communication strategy with which the ICSR efforts have been communicated and framed, and to ascertain the role of Organizational Purpose within this process, with the aim of closing the trust gap. In order to reach this goal, the question “*What influence does Organizational Purpose have with regards to the Intentions, Implementation and Communication of the ICSR approaches of Kering, Inditex and Suitsupply?*” has been guiding.

Throughout the assessments, it has become clear that there is not one way to set up your communication strategy in order to guarantee success. However, there are three aspects that are recurring with regards to the implementation of an effective communication strategy concerning ICSR: Alignment, Narrative and Transparency.

Alignment

Alignment in this context is the alignment of intention and implementation. In order to be effective in communicating your efforts, there must be clarity about the level of alignment companies have achieved between intentions and implementation of their ICSR efforts, in line with Van Tulder’s argument (2018). Clarity about a company’s ambitions, position in the system and goals with regards to CSR and the approach the company takes/plans to take in order to achieve those is of vital importance because otherwise, the consumer is left with hollow language in which it is not clear what a company’s intentions are with their efforts, enlarging the trust gap. The clearest example of this is Inditex her approach. Inditex is the biggest fast-fashion retailer in the world and heavily relies on an unsustainable system and unsustainable business model in order to generate her revenue. While she claims to utilize a sustainable business model, she does not acknowledge at one point in her communication the inherent unsustainability of this system (Gardetti & Torres, 2017, Joy et al., 2012) through high disposability of garments, overproduction and harmful working conditions. Instead of recognizing the alignment problem between fashion and sustainability, she claims to already be sustainable, something which is most definitely not the case, thus enlarging the trust gap.

Narrative

Secondly, the narrative aspect is crucial when aligning the efforts with communication. Van Tulder (2018, ix) explains that the narrative, which is part of the ‘popular’ side of sustainability, is important as it “defines

the context in which companies operate”, creating “biases, confusing use of concepts and negative frames that obscure the discussion”. He continues to say that “linking intentions with implementation requires a solid ‘narrative’ in order to involve and align both internal, and external stakeholders and is of strategic importance” (Van Tulder 2018, 155). In order to formulate such a narrative, Purpose is a highly valuable tool because it provides the bridge between the ‘Popular’ side of sustainability, the narrative and intentions, and the on-the-ground challenges of alignment and transparency. Purpose, which is inherently value-driven, orients companies towards a “shared external view of what is valuable as well as helping them to pinpoint and implement their unique way of contributing to it” (Hurth 2019,41). However, the process of implementing such a tool is riddled with challenges and setbacks, as can be seen with Kering, and in no way a guarantee for success without the necessary investment. The scale of such an endeavor is to be found at both Suitsupply and Inditex. Suitsupply has not adopted a purpose at all, sticking with its message¹⁷ of non-conformism throughout its existence. Since there is no marketing team available, this leaves Suitsupply to fully start at 0 with regards to implementing an organizational purpose, which needs to be credible, reflect the company’s and its employees’ identity and dictate future decision-making. Furthermore, since purpose is a highly semiotic concept (Hurth, 2018), cultural and linguistical sensitivity is needed to succeed, warranting a very high level of detail-oriented approach to formulating a communication strategy. This naturally requires significant investments into highly educated marketeers that go beyond advertising and into the level of human meaning-making. This is a huge step which in the end may or may not succeed because of the magnitude of this implementation process. Inditex has made an attempt at doing so but did not fully dedicate the resources to her Right to Wear principle, which is then overshadowed by other principles, standards and procedures. This renders the efforts put into the implementation of such a concept not only ineffectual, but also counterproductive, since it obscures the ‘Popular’ dimension of sustainability instead of clearing it up, enlarging the trust gap in the meantime.

Transparency

The Transparency aspect of an effective communication strategy concerns the provision of empirical evidence of the implementation and alignment of ICSR efforts. Many organizations are already advocating higher amounts of transparency. As Founder of Fashion Revolution, one of the most influential advocates in the fashion industry says: “Transparency is visibility. We want to see the fashion industry, respect its producers and understand its processes. We want a clear, uninterrupted vision from origin to disposal to

¹⁷ Don’t just fit in, but find your own perfect fit

foster dignity, empowerment and justice for the people who make our clothes and to protect the environment we all share.” (Fashion Revolution 2019, 3). Lack of transparency obscures accountability, mitigating human rights and environmental violations in the process (Fashion Revolution 2019, Umlas 2019, Van Tulder, 2018). Especially when companies claim to be far in the transition towards sustainability, lack of transparency only enlarges the trust gap (Van Tulder, 2018). To close the trust gap, transparency is needed in order for third parties to be able to audit, test and scrutinize companies and their implementation of CSR and efforts of alignment. Not for “Naming and Shaming”, but rather for “Naming and Faming” practices, which then foster collaboration towards better practices (Van Tulder, 2018, 192). A demonstration of the importance of transparency is Kering. Kering has succeeded in presenting an aligned image of its company thanks to her utilization of Organizational Purpose and careful framing of her efforts in line with the values contained in this purpose. However, since she does not provide any insights into the challenges she faces/has faced, they encounter in their process of achieving internal alignment with her subsidiary brands and does not disclose elaborate numbers on topics such as living wage, labor conditions and other metrics with regards to sustainability. Furthermore, any info on ICSR approaches and alignment challenges on a subsidiary level, the individual brands, are not provided, making an individual assessment on the sustainability of these brands even more difficult, resulting in the narrative not being appropriately backed up by empirical data, enlarging the trust gap in process.

Points for future research

In this research, as has become clear now, to stop the trust gap from widening needs three aspects of communication to be executed optimally, alignment challenges, narrative challenges and transparency challenges. Only when all three aspects of communication are optimal, the likelihood of the trust gap closing will increase. However, because of the qualitative nature of this research, the findings in this research would profit from confirmation of the relationship between narrative and trust, transparency and trust and alignment and trust. A quantitative study aimed at these topics would prove very fruitful in establishing a more convincing correlation between these aspects, which is needed before adaption of this theory into business theory.

Furthermore, the implementation of organizational purpose is beyond the scope of this research and thus has not been paid attention to. While highlighting several obstacles, companies would greatly benefit from a roadmap based on empirical evidence, both quantitative and qualitative, as to how most effectively address all the institutional problems that are involved in the process implementation of this concept.

Lastly, the generalizability of this research is limited because of the qualitative nature of this research. While the applicability of purpose in western countries, a context in which more attention is paid to the transition towards a New Economy, the same case might not be the case for companies that are located on other places in the world. The abovementioned relationships of alignment, transparency and narrative with trust might not be as prominent in other parts of the world and not influence the trust gap in the same way as in Western countries, leaving companies open to internationalization challenges with regards to their communication strategy.

Recommendations

After identifying areas of interest with regards to communicating CSR, it has become clear that it is crucial to create a narrative, be transparent and be aligned with regards to intentions and implementation. However, the question remains, how do companies do this, and what are the pitfalls in this process? While briefly discussed in the above paragraphs, recommendations with regards to ICSR and the communication of ICSR will be given.

Suitsupply

Suitsupply should first hire a marketing team and modernize their marketing approach. This means that marketing output of the company needs to be automatically regulated and subject to communication strategies in order for purpose to have a foundation on which to be implemented on. Afterwards, the full

weight of strategic management needs to commit to the adaption of Organizational Purpose, deeply and strategically on all levels of the company. A survey to identify key character traits among employees and long-lasting values shared can be very useful in such an endeavor. Furthermore, the Corporate Social Responsibility team needs to become part of this strategic management team instead of falling under the buying department. Since purpose is company-wide, Corporate Social Responsibility needs to address all aspects of the company and thus needs to be part of strategic management, which means a reform of corporate governance systems. Lastly, in this process, there is a role for vulnerable leadership and transparency. Since this process is bound to take quite some time, in the meantime there are still KPI's to be met. Van Tulder (2018) highlights the need for a collaborative mind-set in order to bridge this phase and even goes as far to suggest a 'ambidextrous' leadership model in which a strong vision is combined with embracing competing tensions in the form of vulnerability.

Inditex

It is clear, that Inditex is by far the most behind with regards to all challenges addressed in this research. Inditex first needs to acknowledge her share within the system and the establishment of this system for any credibility to arise. This means that Inditex needs to open itself up to scrutiny and liability but at the same time voice goals towards transformation of the fast-fashion system. Afterwards, these intentions need to be implemented, resulting in effective CSR practices. These need to be communicated then in a strategic, integrated and most of all, transparent manner to allow scrutinization of third parties and collaboratively work towards transforming this system. In this process, Right to Wear could provide a narrative for framing these efforts, but the narrative needs to be backed up by clear sustainable metrics.

Kering

Kering on the contrary has been a pioneer with regards to the challenges in this research. They have been able to create a compelling narrative based on values and invested heavily in the creation of tools to acquire the knowledge needed to take proper actions, such as the EP&L. The main thing lacking is the documentation of individual brands and transparency with regards to the alignment of these brands. Because this communication is lacking, clear recommendations on the individual CSR approaches cannot be given.

Final remarks

In conclusion, it has become clear that to be able to communicate your ICSR efforts effectively, a comprehensive understanding of the importance of creating a narrative that guides stakeholders through the maze that is Corporate Social Responsibility, with the precondition that the transition phase of "trigger" event has already been surpassed. If this is the case, Purpose can act in two ways, as a vehicle of alignment

towards Internal and External alignment of CSR efforts, as well as create the narrative in order to frame this challenge, making it a powerful tool. However, powerful tools can do more harm than good, which means that instead of acting as a vehicle of alignment, it can also be another evolved way of window-dressing (Hurth, 2018). The only way to counter this, is to be transparent on all intentions and implementations, and adopt a leadership model based on vulnerability and opportunity instead of risk and compliance. Only then can the trust gap which has persevered for the last 10 years start to diminish.

Reflection

Looking back on this research, several reflexive thoughts come to mind:

Reflection on the used literature

The academic field with regards to CSR is highly fragmented, with many categorizations available for the same phenomena and especially linkages within the field being unclear. Van Tulder's (2018) distinction between the Cloud, the soft side of sustainability containing ideas, biases, opinions and ideological discussions, and the Ground, the hard side of sustainability containing research, trade-offs and practical knowledge, is highly valuable and provides a frame in which to navigate the maze that is CSR literature. It also portrays one of the key challenges within academic literature on CSR and CSR in general: standardization and agreement upon terms, leading to broader consensus surrounding the topic.

Additionally, the framework provided by Van Tulder (2018) is relatively new, which means that it has not been field-tested extensively yet. Even though, it is the result of decades long research in this field, meaning there was good reason for incorporating it in this research. However, the framework has shown several blind spots in the research, mainly the examples being vaguely formulated and no real cases given as example for application of this framework. Since the start of this research however, several other researches that have used this framework have been conducted, which would further prove or disprove the generalizability and reliability of the programme.

The connection between CSR and the communication has also proved to be problematic, with literature describing these two either being highly quantitative or way too specific. This did not provide any fruitful basis for academic inquiry, and it is only until I found the book by Gardetti et al. (2018) that the Strategic CSR Communication framework came to light, which proved to be a very good operationalization of the other theories, connecting Van Tulder's (2018) taxonomy with actual marketing output.

Lastly, Organizational Purpose is a very new phenomenon as well, with Levillain & Segrestin (2019) even suggesting it is too early to assess whether application of Organizational Purpose is even able to be performed successfully. However, as we have seen with companies such as Patagonia, there is most definitely a purpose that drives the sustainability efforts of successful companies. It would prove very fruitful for further academic inquiry to investigate this phenomenon in order to improve the bulk of knowledge available.

Reflection on the methods

The methods used in this research have mostly been qualitative desk research. Thanks to the internship context in which I could continuously ask for confirmation of my findings and other people's interpretation, the manifest content could be flushed out. Additionally, the extensive usage of triangulation by third party investigative organizations proved a good tool for guaranteeing a critical note. However, the lack of data acquired from interviews might hurt the reliability and generalizability. With a comparative research involving marketing actors however, this is an often recurring problem.

Reflection on the researcher

The researcher has tried to limit the interactions with stakeholders within Suitsupply as much as possible in order for the research to be as objective as possible. In this research, the researcher's opinion on CSR efforts in fashion is largely negative, seeing a lot of alignment challenges and greenwashing practices still. This has triggered the researcher to strive towards a high degree of objectivity in order to provide as much reliability and generalizability as possible. However, since the researcher is still a qualitative researcher, the ambition of this research has not fully become what the researcher had in mind. Additionally, the approaches towards other organizations have been done out of a position within Suitsupply, meaning that other companies may have failed to answer because of competitive reasons.

Reflection on the results

The results in this research have been collected with utmost care, providing an explorative view of the intersection between Communication and CSR. However, several limitations do exist.

First, the research is mainly located in the fashion industry, one of the largest industries in the world. This means that CSR touches upon aspects not only on the supply side, which concern the most results derived from this research, but also the supply side. Mass-consumerism is a problem within fashion that is not solved through being transparent and providing a narrative. However, informing the customer and starting practices such as True Pricing might lead the way towards this trend, which is why it is a good starting point.

Secondly, the research is mainly located in the Fashion sector, which is highly unsustainable, but not inherently unsustainable. One could argue that the same strategies would not apply to sectors that naturally have higher transparency on their supply chains but are inherently unsustainable such as the tourism sector.

In conclusion, Purpose could however be valuable in this endeavor which is why the results in this research could prove a good starting point for research in other sectors when concerning purpose, CSR and/or communication.

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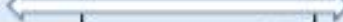

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Appendices



Appendix I, Mapping Generic Motivations and their Consequences

Table 7.3 [a] Mapping Generic Motivations and their consequences

Attitudes/ motivations	Inactive  Active			
	Reactive  Proactive			
Transition phases	Trigger	Internal alignment	External alignment	
Dominant inter- nationalization strategy	Trade orientation	Multi-domestic Regional	Regional-Global	<i>Global</i> or Transnational
Coordination	Global/regional	Local	Global	Mixed
Integration needed	Low	Low/Mixed	Mixed/focus	Focus
preferred entry strategy	Trading office	Take-over strategy	Wholly owned subsidiaries	Joint venture - merger
Prime distance dimension	Geographical and psychic	Cultural and administrative	Economic and institutional	Stakeholder and institutional
Prime home-host dimension	Corporate culture and home country oriented	Home country as precondition; host country as risk;	Home and host country norms conflict; search for global norm	Integrated home and host country approach
General Leadership style	Transactional	Charismatic - servant	Visionary - moral	Transformational - connected
Generic strategy	Efficiency oriented	Limit inefficiency	Equity/Ethics oriented	Impact oriented
Position of headquarters	Local – global coordination and integration	Coordination; low integration	Top-down; global focus	Mixed position; focus
Value proposition (product/market)	Poor value proposition: designing and capturing value		Rich value proposition: creating and sharing value	

Appendix II, Mapping Systemic Motivations and Nature of Sustainable Issues

Table 7.4 [b] Mapping Systemic Motivations and nature of sustainable issues

Attitudes/ motivations	Inactive  Active			
	Reactive 		Proactive	
Transition phases	Trigger	Internal alignment	External alignment	
Root causes of triggering issues	Incident – no direct involvement	Incident – direct involvement	Systemic – can be addressed on individual basis	Systemic – address on sectoral and societal level
Nature of incidents	No market failure; no illegal activities; denial of crisis: incidents no crisis	Responsibility of others; or incidents – no need for systemic change	No incident; sectoral origins and importance of own initiative	Acceptance of own responsibility and need for fundamental systemic change
Prime responsibility for shape of globalization	Leave it to the market (minimum state involvement to create efficiently operating markets)	Each actor's own responsibility; if actors do not take up their responsibility, nobody is to blame for taking advantage	Search for ethical minimum standards of globalisation and 'best of class' examples as benchmark and inspiration	Globalisation as a discourse process towards defining joint responsibilities; active search for partnerships local and global
Position in globalization discourse	Stimulate race to the bottom	Prevent race to the bottom; level playing field without international coordination	Race to the top; as competitive advantage (creating barriers to enter for newcomers)	Level playing field at global level, but with different standards allowed for local circumstances
Approach to international externalities	No market failure; externalities are responsibility of others	Limit negative externalities;	Enhance positive externalities; internalize negative externalities	Optimize and internalize positive externalities
Approach to the incumbent's curse and the requirements of the 'New economy'	Agents of stagnation: active boycott of change	Hesitant agent; no leading role in systems change	Agent of radical change; individual frontrunner in revolution	Co-creator of next revolution

Appendix III, Mapping ICR Approaches/Frames



Table 7.5 [c] Mapping ICR Approaches/Frames

Attitudes/ motivations	<div> <div>Inactive</div> <div>Active</div> </div>			
	<div> <div></div> <div>Reactive</div> <div>Proactive</div> </div>			
Transition phases	Trigger		Internal alignment	External alignment
General	Liability - Risk		Responsibility - Opportunity	
Risk/opportunity profile	Operational Risks/opportunities		Strategic Risk/Opportunities	Sustainable Risk/Opportunities
Generic orientation	Efficiency oriented	Limit inefficiencies	Equity/Ethics oriented	Effectiveness – impact oriented
Specific ambition	CSR Corporate Self Responsibility	Corporate Social Responsiveness	Corporate Social Responsibility	Corporate societal responsibility
ICR ambition	Indifferent Corporate Responsibility	International Corporate Responsiveness	International Corporate Responsibility	International Community Responsibility
Ultimate ambition	Profit maximization	Limiting negative externalities	Enhance positive externalities	Take up collective action challenges
Regulatory approach	Self-regulation	Anti-trust; intellectual property rights; fraud rules	Corporate codes (applying highest country standard)	Joint regulation/ rule setting
Search for legitimacy	Legal license (depending on laws)	License to exist	License to operate	License to experiment
Acts of corporate citizenship	Philanthropy and sponsoring	Volunteering; cause- related marketing	Local agenda setting; sector initiatives	Lobbying for the common good
Fiduciary duty; agency	Narrow: towards owners	Limited: primary stakeholders	Broader: primary stakeholders	Broader: society at large
Materiality of ICR issues	Only in case of cost- minimization and efficiency effects	Only under pressure of powerful stakeholders; selection of issues	Interaction between stakeholders and corporate; selecting SDGs	Reversed materiality: SDGs are leading; partnership approach
Use of Materiality Matrix	<p>Listing of relatively easy to solve issues or selection of issues that are addressed by the company out of necessity (defensive reasons). The public materiality matrix differs from the matrix for internal use.</p> <p>The matrix is often accumulated through consultation with a selected group of</p>		<p>Reveals 'what matters'. Shows all topics that are of high, medium, and low interest for the company as well as stakeholders.</p> <p>Serves as an agenda for further stakeholder discussions and the selection of relevant stakeholders that were not represented in previous consultations. ICSR materiality actively tries to align with major societal</p>	

	stakeholders (not necessarily the most important and/or critical ones).		challenges – such as the SDGs – that are present in the countries that the company operates in.	
Sustainability challenge	Narrow elaboration of sustainable business model		Broad elaboration of the need for sustainable business models	
Business case for ICR	Efficiency oriented-cost minimalization	Reputational cost oriented	Strategic competitive advantage	New Economy
Main narrative	'doing things right'	"don't do things wrong"; don't do harm	"Doing the right things"	"Doing the right things right"
	"Doing well"	"Doing well, prevent bad"	"Doing good"	"Doing well by doing good"
Corporate governance approach	Rule-based	Rule and Reputation based	Principles based	Principles and Legitimacy based
Support of international norms (OECD, UNGC, ISO)	no	Modestly; only those that prevent a 'race to the bottom'	Wholeheartedly (setting level playing field for the industry);	Active support and further development of norms; stimulating a race to the top
Monitoring behavior (codes, covenants, etc.)	Inside – no external parties	Inside – 1 st party monitoring (auditors)	External – 2 nd party monitoring (sector/branch)	External – 3 rd party monitoring (NGOs)
Prime communication orientation	Inside-in	Outside-in	Inside-out	Interactive communication
Generic stakeholder approach	'inform me'	'show/proof it to me'	'Inspire/engage me'	'co-create with me'
With primary stakeholders	Working relationship	Relationship under pressure	New coordination and alignment	Implementation and alignment
With secondary stakeholders	No relationship	Confrontation	Mixed	Cooperation
Reporting strategy; transparency	Only financial reporting	Financial and limited CSR reporting	Financial and elaborate CSR reporting ; GRI standards	Integrated reporting; G4 standards
Formulation of ICR approach	Operations, legal department	Public Affairs and/or CSR department	Corporate Communication and HRM department	Management Board and/or CEO
Partnering approach	No partnering; sponsorship; philanthropic	Transactional: single issue partnering; intra-sectoral	Integrative: Strategic partnerships: bi-partite	Transformational: tripartite partnerships
Issues/SDG topics <ul style="list-style-type: none"> Partnering for the goals Portfolio of SDGs choice 	No reference to SDGs	Reactive selection of limited number of SDGs based on most resilient issues; limited 'partner' involvement/alignment	Active selection of SDGs that are the most promising; strategic alignment of partnerships portfolio; present markets	Explicit search for nexus of SDGs related to potential partnership portfolio; future markets

Appendix IV. Mapping Sustainable Marketing Motivations

Table 7.7 Mapping Sustainable Marketing Motivations

Attitudes/ motivations	Inactive  Active			
	Reactive  Proactive			
Transition phases	Trigger	Internal alignment	External alignment	
Needs orientation	Explicit demand		Explicit needs/ latent demand	
Market orientation	Existing markets		Market creation for sustainability	
Pricing strategies	Universal prices	Adjusted pricing; true pricing	Segmented pricing; true pricing/value	Needs based pricing (incl. cross subsidies)
Target groups	Customers in general	Interested customers and vocal stakeholders	As many as possible beneficiaries	All people as citizens
Customer focus	Cost minimizer	Buyer	Responsible consumer	Co-producer
	'mass production'	'mass customization'	Active nudging to help customer make responsible choices	Co-producer and co-designer of new products
Consumer labels	No policy	Minimalistic and reactive for niche product; no relation with corporate vision	Search for labels that also represent the general vision/mission of the organization; active information strategy towards customers	Interactive labelling: overcoming information asymmetries and improving co-consumption
Reporting aims	Consumer communication; only what is legally required	Consumer accountability; only what is required towards shareholders	Consumer appeal: identification and development of own goals	Consumer engagement: development of joint goals
Advertisements and branding; issue campaigns	Prices only, no issue campaigns	Low prices and some CSR issues (falling in own materiality range); no 'misleading advertisements' Cause related campaigns	Value and vision oriented marketing (explanation of the core values of the organization); offensive issue advertisement	Participative issue advertisement campaigns. Thought leadership
Issues/SDGs:	<ul style="list-style-type: none"> responsible consumption (SDG 12) <ul style="list-style-type: none"> no hunger (SDG 2) renewable energy (SDG 7) 			
Generic approach	Separate marketing approach		Integrated marketing approach	

Appendix V, Coding Scheme

Please note: Every code has got 3 to 4 subcodes. The full elaborate code-tree can be downloaded from <https://www.dropbox.com/s/gefnbzsezuucpl/Nodes.xlsx?dl=0>

Code
Organizational Purpose
Sustainable Marketing Motivations
Market Orientation
Pricing Strategies
Consumer Labels
Needs orientation
Customer Focus
Reporting Aims
Target Groups
Advertisements and Branding
Generic Motivations
Integration Needed
Preferred Entry Strategy
Dominant Internationalization Strategy
Coordination
Prime Distance Dimension
Prime Home-Host Dimension
Position of HQ
General Leadership Style
Value Proposition
Generic Strategy
Sustainable Supply Chain Motivations
Labels and Standartds
Main Orientation
Orientation of Suppliers
Dominant Governance Type
Suppliers COC

Responsibility for Sustainability
Supplier Selection
Value Chain
Generic SSCM Policy
Monitoring and Follow-Up
Supplier Training and Capability Development
Attention for Labor and Environmental Conditions
Systemic Motivations
Nature of Incidents
Position in Globalization Discourse
Prime Responsibility for shape of Globalization
Root Causes of Triggering Issues
Approach to International Externalities
Approach to the incumbents curse and the requirements of new economy
Strategic CSR Communication
Strategic Philanthropy
Standards
Integrated Outputs
CSR Approach
Search for Legitimacy
Use of Materiality Matrix
Prime Communication Orientation
Relationship Secondary Stakeholders
Specific CSR Ambition
Materiality of ICR approaches
Main Narrative
Corporate Governance Approach
ICR Ambition
Generic Orientation
Reporting Strategy
Formulation of ICR Approach
Risk Opportunity Profile

Ultimate ambition
Regulatory Approach
Business Case for ICR
Support of International Norms
Relationship Primary Stakeholders
Issues and SDGs
Fiduciary Duty; Agency
Generic Stakeholder Approach
Acts of Corporate Citizenship
Monitoring Behaviour
Partnering Approach