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Framing the Shift to Mandatory Due Diligence in the Garment Industry

An Interpretive Analysis of Business Narratives on the CSDDD

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1st attempt

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Abstract

This thesis explores how multinational companies (MNCs) in the garment industry frame the need to adapt their supply chain management practices in response to the European Union's Corporate Sustainability Due Diligence Directive (CSDDD). Using a qualitative, inductive research design, the study analyses public documents, sustainability reports, public consultations, and industry events. Drawing on framing theory concepts of diagnostic, prognostic, and motivational framing, the research examines how companies construct meaning around the CSDDD. The findings reveal that MNCs predominantly diagnose the problems needing to be addressed by the directive as stemming from external systemic conditions, thereby deflecting responsibility and shifting the blame. Prognostically, the CSDDD is framed both as a challenge and an opportunity, shaping understanding of the CSDDD. Motivationally, companies legitimise their engagement through instrumental, legal, reputational, and especially ethical reasoning, positioning compliance as a reflection of broader corporate values. The study offers a deeper understanding of how firms navigate mandatory sustainability regulation by shaping its meaning through framing, providing insight into the interpretive dynamics of regulatory engagement in the garment sector.

Introduction

Global supply chains are vital to modern economies, enabling businesses to source materials and manufacture products at competitive prices (Baldwin, 2012; Gereffi & Lee, 2012). However, they often contribute to human rights violations and environmental harm. Moreover, governing complex supply chains has proven to be challenging (Schilling-Vacaflor & Gustafsson, 2024). This is especially the case for industries with complex supply chains like the garment sector (Bair et al., 2020). Due to the transnational nature of global supply chains, businesses and people from all over the world are affected by practices of Western businesses, showing the grave need for well enforced regulations (Gereffi & Lee, 2012). While corporate social responsibility initiatives and voluntary private policies have been widely implemented, these measures have proven insufficient in addressing systemic issues such as labour exploitation and environmental harm (Kuruville et al., 2020; Tamvada, 2020). Therefore, researchers and policymakers have increasingly advocated for legally binding regulations to compel companies into compliance (Lenschow et al. 2016; Moser & Leipold 2021). In response, policymakers in advanced economies have introduced mandatory public regulations, in terms of human rights and environmental due diligence (HREDD). Most prominent examples are the German Supply Chain Due Diligence Act, French Duty of Vigilance law, and the most recent one: the European Union (EU) Corporate Sustainability Due Diligence Directive (CSDDD), which is the main focus of this research (Schleifer & Fransen, 2024; Gustafsson et al., 2023). The CSDDD was introduced

by the European Commission as part of its broader European Green Deal and Sustainable Corporate Governance Initiative, with final legislative approval in 2024 (European Commission, 2025). This decision was informed by existing due diligence frameworks such as the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (United Nations, 2011; OECD, 2018). Such laws aim to improve cooperation and require businesses to actively address human rights and environmental risks in their supply chains, with non-compliance resulting in legal and financial consequences (Krajewski et al., 2021).

The shift from voluntary to mandatory regulations in human rights and environmental due diligence could have different consequences, depending on how different businesses perceive these laws and how they decide to convey that to the outside world. The Corporate Sustainability Due Diligence Directive exemplifies this shift, requiring firms to address supply chain risks related to human rights and environmental harm. This opens up space for framing variability, where firms can construct different narratives around the CSDDD, whether strategically or not. This presents a gap in how framing is used differently in this corporate setting, in contrast to the traditional use in the social movement setting (Snow & Benford 1988; Snow et al., 2018). This gap is particularly relevant in the context of the garment industry, where supply chain practices are under increased scrutiny and regulatory compliance is complex. Therefore, understanding how companies in the garment industry frame the CSDDD is crucial, as framing can shape organisational responses, stakeholder engagement, and compliance practices (Snow et al., 2018).

Current literature has widely explored CSR (e.g. Du et al., 2010; Pomeroy & Dolnicar, 2009) and HHRED (e.g. Krajewski et al., 2021; Gustafsson et al., 2023). Since the CSDDD has been created also some research on this specific regulation has emerged (e.g. Butt & Kousar, 2024; Bueno et al., 2024). Furthermore, existing literature rather examines how firms respond or comply to sustainability regulations in an operational sense (e.g. LeBaron & Rühmkorf, 2017), but not how businesses actively frame these responses. However, current literature has studied the framing of corporate social responsibility regulation in other industries than the garment industry, or on a voluntary basis (e.g. Arvidsson & Sabelfeld, 2023). However, less research is available about framing mandatory public CSR regulation (e.g. Bair et al., 2020).

Therefore, this study aims to address the gap by exploring how multinational companies in the garment industry frame the need to adapt their supply chain management practices in response to mandatory public human rights and environmental due diligence regulation, more specifically the CSDDD. Focusing on how they define the problems why the CSDDD is needed and appoint blame (diagnostic framing), how the CSDDD is seen as potential solution or response to these diagnosed

issues (prognostic framing), and how they legitimise and provide rationale for acting upon the CSDDD (motivational framing). To achieve this objective, the following research question is formulated:

How are MNCs in the garment industry framing the need to adapt their supply chain management practices to comply with the Corporate Sustainability Due Diligence Directive?

The research question is explored employing a qualitative, inductive, and interpretative research approach centred on document analysis from several European Union active businesses in the garment industry. These documents consist of sustainability reports, CSR disclosures, public statements, and public consultation answers from major garment industry companies. In addition, online events and interviews were transcribed and analysed for useful contribution. The obtained data includes multinational corporations in the garment industry like Adidas, H&M Group, Inditex, Mango, ASOS, Patagonia, Primark, PVH, Zalando, C&A, Decathlon, Holy Fashion Group, VF Corporation, and Puma

This study unveiled the different ways MNCs diagnostically, prognostically, and motivationally frame the CSDDD. The findings highlight how in diagnostic framing MNCs shift responsibility toward external systemic issues, shifting the blame and deflecting responsibility. They prognostically frame the CSDDD as a solution to the diagnostic framing both as a challenge and an opportunity, shaping understanding of the directive. Rather than being used to mobilise collective action, motivational framing is expressed by firms to rationalise their regulatory engagement, often legitimising compliance beyond simply adhering to a regulation. In doing so, the study not only extends framing theory (Snow & Benford, 1988 & Snow et al., 2018) into the emerging field of mandatory public human rights and environmental due diligence (e.g. Krajewski et al., 2021; Gustafsson et al., 2023; Bair et al., 2020), but also refines understanding of the three different framings in a corporate context. Practically, the findings offer insights for policymakers, CSR managers, and stakeholders. They show that companies frame the CSDDD in divergent ways, highlighting the need for clearer guidance and enforcement mechanisms to ensure consistent compliance. For managers and stakeholders, understanding these framing strategies can support more strategic communication and better evaluation of a company's sustainability commitments.

The remainder of this thesis will be made up from several parts and organised accordingly. First, a theoretical framework is established, where the core concepts of this study will be described, current existing literature where this study is built upon is explored, and framing theory and its use for this research is explained. Then, the methodology this study uses is described, and an analysis of relevant data is executed accordingly. Next, the findings of the analysis are presented, which will form

the basis for the answer to the research question. The findings will then be discussed in the discussion section, while answering the research question. This is followed by the limitations of this study and potential areas for future work. Lastly, the research will be wrapped up in the conclusion part.

Theoretical framework

The Changing Landscape of Corporate Responsibility: From Voluntary CSR to Mandatory Due Diligence

Over the years, western businesses have been putting more effort into integrating responsibility into their supply chain management (Rajeev et al., 2017). This shift aligns with Corporate Social Responsibility (CSR), which emphasises that organisations are accountable not only for their direct operations, but also for the environmental and social performance of their suppliers and partners (Seuring et al., 2008). McWilliams & Siegel (2001) argue that CSR comprises ‘actions that appear to further some social good, beyond the interests of the firm and that which is required by law.’ (p.117). However, for this research, it is important to define corporate responsibility as something that extends beyond voluntary initiatives, including both public and private regulatory mechanisms. This reflects the growing body of literature about reintegrating notions of state power dominance in transnational CSR. Gond et al.(2011) describe how states shape CSR indirectly through rules, institutions, and expectations, even when companies appear to regulate themselves. Schrepf-Stirling (2018) also shows that states play an active role in shaping business responsibility, especially through new international rules. In addition, Bartley (2022) adds that even private CSR efforts often depend on how national governments enforce or support them. From this point of view, corporate responsibility is not just about ethics, it is also shaped by law and policy.

This is where Human Rights and Environmental Due Diligence (HREDD) becomes relevant, as the concept of due diligence is rooted in the OECD Due Diligence Guidelines (OECD, 2018), which outline a process for companies to integrate responsible business practices into their corporate policies and management systems. Mandatory due diligence seeks to establish a legally enforceable standard of care, outlining the level of due diligence that a company could reasonably be expected to exercise under given circumstances (Wilhelm, 2024). While CSR often reflects a company’s ethical commitment (Dahlsrud, 2008), HREDD establishes a more enforceable framework, increasingly mandated by legal requirements and standards (Schilling-Vacaflor & Gustafsson, 2024). CSR has already been widely studied in the management and organisation literature. For example, what the role of CSR communication is on maximising business returns (Du et al., 2010) or how consumers’ attitudes are influenced by how CSR is implemented (Pomering & Dolnicar, 2009).

So this gain of responsibility comes paired with an increase in regulation that governs the proper implementation of human rights and environmental due diligence practices, where regulation allows organisations to manage long-term risks while demonstrating to stakeholders their commitment to social and environmental responsibilities (Jones & Ratnatuga, 2012). Here, regulation can be understood in two different main forms, voluntary private initiatives and mandatory public regulation. Predominantly, voluntary private initiatives have developed in the last decades. These innovations have emerged in response to social pressures brought by globalisation and the shortcomings of governmental institutions in addressing its social and environmental effects (Mayer & Gereffi, 2017).

In recent years, more and more public mandatory regulations have been formed by governments and institutions due to the lack of governmental authority and the private voluntary initiatives being too limited in addressing systemic sustainability issues (Kuruville et al., 2020).

These regulations are in place to improve business' cooperation and require them to actively participate in dealing with sustainable issues important for their entire supply chain. Public mandatory regulation does this by making them conform to legal edicts, with non-compliance resulting in legal and financial consequences (Krajewski et al., 2021; Aragòn-Correa et al., 2020). Lots of research has already been done on voluntary CSR, finding its foundation in Wood (1991) and Carroll (1991). Where Wood (1991) proposed a performance model linking CSR principles to processes and outcomes, helping to formalise CSR as a field of study, Carroll (1991) introduced the widely cited CSR pyramid, distinguishing between economic and legal obligations, and voluntary ethical and philanthropic responsibilities. This was later expanded by Lantos (2001) distinguishing between ethical, altruistic, and strategic CSR, emphasising different motivations behind voluntary action. Building on this, Porter and Kramer (2011) reframed CSR as an opportunity to create shared value by aligning social impact with business strategy. Reflecting on the evolution of the concept, Carroll (2015) reaffirmed that CSR continues to be shaped primarily by stakeholder expectations and remains a largely discretionary aspect of corporate behaviour. In more recent work CSR is researched in different settings, like where it is discussed when it flourishes (Mayer & Gereffi, 2017), what its limitations are (Kuruville et al., 2020), and its overall effects (Aragòn-Correa et al., 2020).

Consequently, in the past few years also more studies on mandatory public CSR regulations have emerged (e.g. Krajewski et al., 2021; Gustafsson et al., 2023). These studies can be subjected to a range of different objectives. Like contributing to a better understanding of different ways these mandatory regulations are institutionalised (Gustafsson et al., 2023), or simply comparing mandatory regulations with one another (Krajewski et al., 2021).

Applying Framing Theory to Corporate Responsibility Regulation: Understanding Business Narratives

To study the phenomenon of framing variability, where firms can construct different narratives around the CSDDD, framing theory is the most appropriate theory to apply. Due to framing theory being able to eventually help find the way businesses define problems, propose solutions to these problems, and provide the rationale for action. Framing has become an essential concept in the area of constructing and communicating meaning about social and environmental issues, offering helpful insights into how these issues are perceived, presented, and acted upon. It therefore can also create an image of certain CSR regulations that can be communicated from the organisation to the outside world, showing how they understand the regulation and what can be expected from them regarding this regulation. In the context of corporate responsibility, this concept aids in illustrating how organisations make sense of complex environmental and social issues and determine what actions to take (Snow et al., 2018).

In this study framing will be explained following the work of Snow and Benford (1988), who argue that the concept of framing consists of three interrelated core tasks. These three tasks, diagnostic, prognostic, and motivational framing, shape how actors define problems, propose solutions to these problems, and provide the rationale for action.

Diagnostic framing refers to the process of identifying a certain problem or injustice, as well as attributing blame or responsibility to specific actors, institutions, or social structures. This framing task addresses the questions of what the problem is and who or what is to blame. By defining a problem and assigning responsibility to actors, diagnostic framing establishes a certain foundation, as how an issue is framed diagnostically influences how it is perceived and what kinds of responses are expected (Snow & Benford, 1988; Snow et al., 2018).

Prognostic framing follows the diagnostic frame by proposing possible solutions, strategies, or plans of action to address the identified problem. It answers the question of what should be done and is crucial in aligning the proposed solution with the diagnosed problem. As it is not enough to diagnose an issue, actors must also frame a credible and actionable response (Snow & Benford, 1988; Snow et al., 2018).

Motivational framing serves as the call to action, providing justifications for why organisations, or stakeholders should engage in the proposed actions or interventions. It addresses the question of why people should act, by constructing rationales that emphasise the perceived efficacy of the proposed solution (Snow and Benford, 1988; Snow et al., 2018). Unlike diagnostic framing, which focuses on identifying the problem, and prognostic framing, which outlines potential solutions,

motivational framing is focused on justifying the necessity of action by attending to the obstacles to action by emphasising the severity of the problem and the need for taking action rather sooner than later (Snow et al., 2018).

Framing theory in management and organisational literature has been used in all kinds of research (Cornelissen & Werner, 2014). Like in the research of Hulst and Yanow, (2016), where framing is used as an analytical tool to help understand implementation of legislated policies and policy intent. Moreover, studies have also included the relevant concept of corporate social responsibility (e.g. Reinecke & Ansari, 2016; Nyberg et al., 2018). In these studies, framing is used for how businesses are made responsible for wicked problems (Reinecke & Ansari, 2016), or it is examined how industry, government, and NGOs have participated in a framing contest over the future of fracking, highlighting the ways in which actors mobilize temporality in constructing persuasive and actionable frame (Nyberg et al., 2018).

When talking about framing of mandatory public regulation related to CSR, research already becomes less prominently available (e.g. Bair et al., 2020; Schilling-Vacaflor & Gustafsson, 2024) In for example, the research of Bair et al. (2020), it shows, amongst other things, findings of industry actors resisting public regulation due to fear of improved labour standards threatening managerial control over their cheap labour forces. Furthermore, Schilling-Vacaflor & Gustafsson (2024) studied how businesses construct meaning of compliance with human rights and environmental due diligence. However, in this research framing theory is used as a conceptual lens to examine how MNCs in the garment industry construct meaning around their need to adapt their supply chain management practices in response to the CSDDD. Using the sensitised concepts of diagnostic, prognostic, and motivational framing, the study analyses how companies define problems, propose solutions, and legitimise compliance. Diagnostic framing will explore how MNCs define the problem and attribute responsibility regarding supply chain practices and sustainability challenges to which the CSDDD could be a solution. Prognostic framing will examine how the CSDDD is framed as potential solution or response to these diagnosed issues. Motivational framing will focus on how MNCs legitimise or rationalise engaging with the CSDDD, emphasising why they should act upon the CSDDD, which may include different considerations.

Thus, by using framing, the study reveals how businesses shape and position themselves within the evolving regulatory landscape of mandatory HREDD compliance.

Methodology

Research Design

This study employs a qualitative, inductive research design to analyse how MNCs in the garment industry, operating in the EU, frame the need to adapt their supply chain management practices to comply with the Corporate Sustainability Due Diligence Directive.

A qualitative approach is particularly appropriate because it enables an in-depth exploration of how organisations construct meaning through narratives rather than relying on predefined categories (Silverman, 2017). Since this research seeks to understand how businesses frame the Corporate Sustainability Due Diligence Directive, an inductive approach is necessary, as it allows themes to emerge from the data rather than being imposed beforehand (Gioia et al., 2013).

Following an interpretive paradigm, this study recognises that organisations do not simply react to regulations but actively shape their understanding of regulatory frameworks. As 'Interpretive research focuses on building an emergent theory from a perspective that gives voice to the interpretations of those living an experience' (Corley & Gioia, 2004, p.178).

Empirical Context

The empirical context of this research is situated in the garment industry, specifically focusing on multinational corporations (MNCs) operating in European Union countries where the CSDDD applies. As an EU regulatory framework, the CSDDD mandates human rights and environmental due diligence across the supply chains of large companies operating within the EU. The European Union context is particularly relevant because the CSDDD exemplifies how corporate responsibility is increasingly shaped not only by private initiatives but also by mandatory public regulation, reflecting a broader transformation in the governance of business conduct. The EU has played a central role in this shift, often acting as a hub of experientialism (Sabel & Zeitlin, 2008; Zeitlin, 2015), making it a fitting setting for studying how companies frame such regulatory development.

The garment industry is characterised by its extensive, transnational supply chain that often involves subcontractors in countries with varying levels of regulatory enforcement. This structure has historically facilitated human rights violations and environmental degradation, exemplified by incidents like the Raza Plaza collapse (Bair et al., 2020; Nath et al., 2023).

The selected MNCs include the largest of the garment industry as compliance with the CSDDD only applies when meeting a specific threshold, having a minimum of 1000 employees and a global turnover of more than 450 million euro (European Commission, 2025). For this study these MNCs are Adidas, H&M Group, Inditex, Mango, ASOS, Patagonia, Primark, PVH, Zalando, C&A, Decathlon, Holy Fashion Group, VF Corporation, and Puma. These companies have a substantial market presence in the EU and extensive global supply chains in which the most impact can be made regarding their

environmental and human rights practices under the CSDDD. Additionally, these firms have either been vocal regarding due diligence or scrutinised for HREDD mischief, making them particularly relevant for examining how they frame the CSDDD.

Data Collection

This research relies on multiple sources of data to ensure a comprehensive analysis, of which the collection is guided by the sensitising concepts of diagnostic, prognostic, and motivational framing. The primary data sources include sustainability reports, organisational statements, public events with corporate representatives, and public consultations by the European Commission. This data has been gathered concerning the businesses already mentioned, where some have a bigger contribution than others. Thereby, some NGOs related to the garment industry or focussing on human rights and the environment have been included as well. This is due to the possibility of the NGOs potentially providing relevant information related to MNCs and therefore the research question. The data gathered from these organisations is from 2020 and onwards. This timeframe is selected partly because 2022 marks the initial proposal of the CSDDD. However that does not make data prior to this period less relevant for examining how MNCs frame this specific regulatory directive. While it does not refer to the CSDDD specifically, it reflects early corporate support for mandatory due diligence regulation in the EU and introduces framing languages that later appear in company responses to the CSDDD. The distribution of the data can be found in table 1.

Sustainability reports, the public consultation answers, and corporate statements are key sources of data, as they provide direct insight into how businesses publicly articulate their interpretations of the mandatory HREDD regulations. Examining these documents makes it possible to assess the different ways problems are defined, solutions are proposed, and justifications for their actions, in accordance with framing theory. Alongside these data sources, this study relies on multiple documents of transcripts of public events organised by several organisations with connections to the garment industry. Here, representatives from some of the selected MNCs also addressed questions related to the CSDDD and mandatory human rights and environmental due diligence. These events were attended online. These online events serve as valuable data, capturing how firms publicly speak about mandatory HREDD and present their framing narratives.

During the data collection process, several MNCs in the garment industry were approached for interviews, like H&M Group, Adidas, Nike, and Puma. The outreach targeted sustainability departments of MNCs and representatives within these departments. Unfortunately, these requests were declined, with the primary reason given by all these MNCs being the limited availability of time to participate in student inquiries. While interviews could have provided valuable insights by allowing participants to elaborate their company's framing, the absence of these interviews does not

undermine the study. Thus, the interviews could have enriched the data, but the data derived from publicly available sources remains sufficient to answer the research question.

TABLE 1: Database

| Type of Data | Specification | MNCs | Data Volume |
|---------------------|--|---|------------------|
| Corporate reports | Sustainability reports, CSR disclosures, human rights policies, supply chain policies | H&M Group, Inditex, Mango, Primark, Puma | 12 (1.848 pages) |
| Public Statements | Press releases, corporate statements, website content | Adidas, ASOS, H&M Group, Inditex, Patagonia | 7 (16 pages) |
| Public Events | Fiels notes of public events, with roundtables, workshops, public interviews, and conferences | ASOS, H&M Group, Holy Fashion Group, PVH, Zalando | 8 (389 pages) |
| Public Consultation | Stakeholder input with regard to the initiative on sustainable corporate governance by the European Commission | C&A, Decathlon, H&M Group, Zalando | (690 pages) |

Data Analysis

This study employs thematic analysis to examine how MNCs in the garment industry frame the European mandatory human rights and environmental due diligence regulation, the CSDDD. Following Williams & Moser (2019), thematic analysis is conducted iteratively and inductively. It thereby follows an inductive, grounded theory-informed approach that enables themes to emerge from the data rather than being imposed by predefined theoretical constructs (Gioia et al., 2012). The analysis follows the sequential coding process outlined by Williams & Moser (2019), ensuring that data is processed in a structured yet iterative manner. To make this coding process easier and more efficient, the software of Atlas.ti was utilised. This tool provides a space where all collected data can be gathered, providing a clear oversight in quotes to start the coding process. The first stage, open coding, involved an initial review of corporate reports, public statements, and OECD event field notes to identify recurring concepts and language used by businesses. At this stage, descriptive labels were applied to segments of text that reflect key ideas, staying as close as possible to the language used by organisations to avoid premature theoretical assumptions, as can be seen in figure 1. Moreover, this open coding stage for this research consisted of two rounds. The first round included any possibly relevant quotes or phrases, to make sure all important information is included. The

second round used a more critical view to filter out phrases or quotes that ultimately did not meet the criteria to be deemed relevant for the concept of framing.

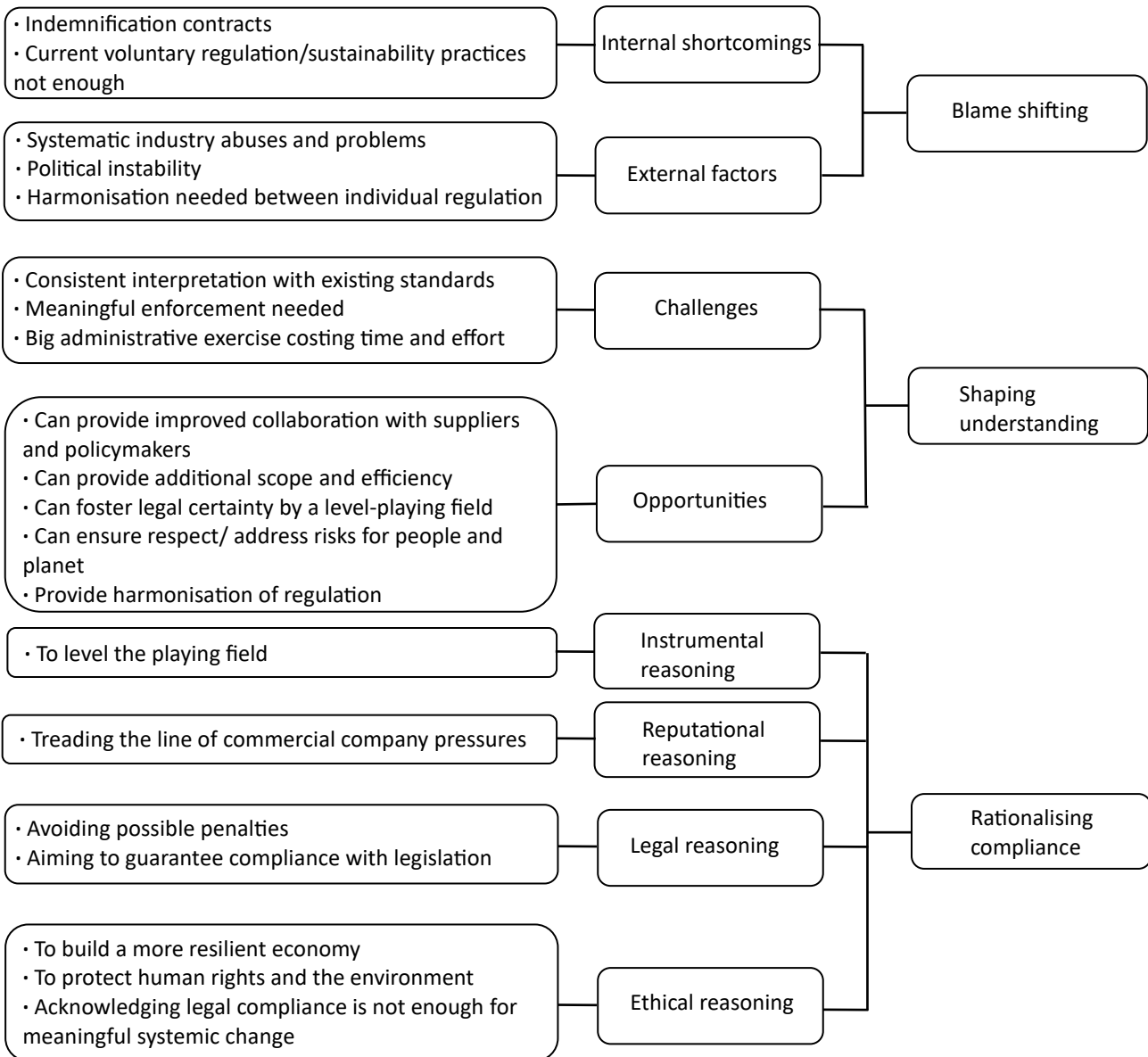
The second stage, axial coding, builds on the open coding process by refining and categorising initial codes into higher-order themes that reveal relationships between different open codes, thereby grouping them. Williams & Moser (2019) emphasise that axial coding is crucial for recognising interdependencies within qualitative data, allowing to see how different corporate communication interact, reinforce, or contradict one another. Upon analysing the open codes eight axial codes could be established, already showing some sort of pattern in the data. For instance, references to internal sustainability regulation gaps, indemnification contracts, and individual compliance mechanisms were grouped under “internal shortcomings”. Similarly, statements addressing fragmented regulation, systemic industry issues, or political instability were clustered under “External Factors.”

In the final stage, selective coding, the axial codes were synthesised into broader, overarching framing categories. These relate to the established sensitising concepts and are an addition to diagnostic, prognostic, and motivational framing of Snow & Benford (1988), but were not imposed from the outset. Rather, they emerged through the iterative coding process as the axial codes naturally aligned with these three core framing dimensions. For example, the axial codes “Internal Shortcomings” and “External Factors” aligned with diagnostic framing and were termed as “blame shifting”, as shown in figure 1.

Ethical Considerations

Ethical considerations are a fundamental aspect of this research, particularly given the reliance on publicly available data. This study adheres to the ethical principles outlined by the American Psychological Association (Smith, 2003), ensuring that ethical standards are upheld in all aspects of data collection and analysis. A key consideration in this study is to ensure that all transcriptions of the online events are accurately cited and contextualised to avoid misinterpretation. Although no primary interviews are conducted, the ethical focus remains on maintaining integrity of the corporate reports, public statements, and event transcripts, avoiding selective quoting or misinterpretation of data.

FIGURE 1: Data Structure



Findings

Diagnostic Framing

In analysing how multinational companies in the garment industry diagnostically frame and thus define the problems the Corporate Sustainability Due Diligence Directive seeks to address, two key patterns emerge. Some companies point inward, acknowledging shortcomings in their own policies and procedures, while a more dominant framing attributes the problem to external factors, shifting the blame and deflecting responsibility. This indicates that the dominant diagnostic framing constructs the problem as lying primarily outside the firm, positioning the CSDDD as a necessary intervention to address systemic problems beyond corporate control.

Although relatively limited, several examples show that companies recognise internal shortcomings as contributing to the need for regulatory intervention. In one such instance internal misalignment is explicitly acknowledged by stating that internal sustainability regulations need to be renewed to identify potential shortcomings (Inditex¹⁴). This shows that the company is engaging in a process of internal evaluation and realignment due to new regulatory expectations.

Similarly, it was noted that companies need to be aware of the unintended consequences of their own actions and its impact on their supply chain. To mitigate these impacts, regulation like the CSDDD should be supported as solutions (VF Corporation²⁹).

Furthermore, widespread and systemic abuses within global supply chains are in need of regulatory intervention, because of the inadequacy of non-binding frameworks (ASOS¹⁹). As ASOS' Established Ethical Trade Partner, Heather Webb stated:

“voluntary codes and kind of asking these companies nicely to do it, isn't addressing these issues quickly enough”

This comment reinforces the internal diagnostic framing by positioning voluntary self-regulation not only as ineffective but as fundamentally incapable of addressing the scale and urgency of sustainability challenges. It reflects a clear call for enforceable obligations, suggesting that without legal pressure, corporate efforts will continue to lack the consistency and depth required for meaningful change.

In another instance, it was expressed that companies often attempt to shift responsibility away from themselves rather than engaging in genuine accountability. It was pointed out that in some cases, businesses avoid blame by having suppliers sign indemnification contracts, essentially outsourcing liability for sustainability risks (PVH¹⁶). This reflects an internal problem, in which responsibility lies within corporate governance itself.

However, the far more dominant diagnostic framing across the data is attributed to external factors. A recurring theme is the lack of harmonised legal guidance, which companies argue has limited their ability to act consistently and effectively (H&M Group¹; Zalando²⁴; H&M Group⁹; primark¹¹; H&M Group⁴). This is well illustrated by one of H&M Group's answers in the public consultation:

“Without a coherent and harmonised implementation approach in the EU, companies will face an overall risk of uncertainty as they may be expected to adhere to multiple and possibly conflicting interpretations between EU member states”

Another external problem emphasised is the increasing geopolitical instability, which may complicate efforts to uphold human rights (H&M Group³). Such developments require heightened attention in due diligence processes, thereby reinforcing the need for clearer regulatory frameworks like the CSDDD (H&M Group³).

Furthermore, it is claimed that companies need to navigate the multiple challenges of climate change, destruction of nature, human rights violations, and other systemic industry abuses. Therefore, the CSDDD would be a necessary step to address these sustainability problems and systemic abuses in the industry (Asos¹⁹; H&M Group⁷; Patagonia¹⁸).

Overall, the data reveals that companies frame the CSDDD as a response to both internal and external shortcomings. However, external factors are far more prominently cited across the data.

Prognostic Framing

In analysing how multinational companies in the garment industry frame the CSDDD as response to the problems diagnostically framed and therefore prognostically framing the CSDDD, two core framings emerge. Some MNCs position the directive as a challenge, highlighting its practical and institutional burdens. Others frame it as an opportunity to improve governance and align sustainability standards. This way the MNCs show their shaped understanding of the CSDDD and what they think are the possible consequences of implementation. While both framings appear plenty across the data, the opportunities are mentioned more often, suggesting that MNCs more frequently frame the CSDDD as an opportunity to improve governance and align sustainability standards.

A central concern among the companies is the effectiveness of the directive in the absence of robust enforcement. It was clearly articulated that the directive will not be effective without meaningful enforcement (H&M Group⁸). Additionally, it was emphasised that companies must approach due diligence in a more systematic, proactive way, not just reactive (H&M group⁵). Another frequently cited challenge, sees the directive as a demanding and complex burden. Concerns are the considerable investment of time, resources, and trust that firms must commit in order to prepare for compliance (PVH¹⁷; Zalando²⁵; H&M Group⁷; Holy Fashion Group²²; Holy Fashion Group²³; Adidas²¹). This is accompanied by the anticipated administrative workload associated with the implementation (Decathlon³¹, C&A³⁰, H&M Group⁹, Zalando²⁶). Like requiring suppliers being required to sign documents such as preventive and corrective action plans that could result in a heavy and potentially inefficient administrative exercise (H&M Group⁴). Similarly, it was mentioned that internal reporting mechanisms had to be created and even entirely new roles were needed to meet compliance expectations (Zalando²⁵). These statements frame the directive as well-intentioned but

bureaucratically demanding, especially for firms with large and complex supplier networks. Adidas²¹ expresses this organisational effort required in a well put manner:

“Implementing these laws requires time, resources and effort by businesses, as well as trust that investments undertaken to get ready for the application of these laws are not in vain.”

A final challenge highlighted in the data concerns the risk of fragmented regulatory expectations and Consistent interpretation with existing standards. Companies argue that the directive’s success is depended on harmonisation with existing international standards, as inconsistent national interpretations could undermine legal clarity (H&M Group⁴; ASOS²⁰). This point is also made by arguing that while the purpose of the European regulations may be well-intended, the transposition into national law is often unharmonised (Zalando²⁸). This framing suggests that regulatory coherence is not only desirable, but essential to avoid inefficiency and confusion in multinational operations.

While challenges are acknowledged, MNCs more prominently frame the CSDDD as an opportunity to foster long-term improvements. The directive could support firms in building on current due diligence efforts and encourages more systematic application (H&M Group⁴). Preparation for the CSDDD has enabled companies to secure dedicated resources and formalise due diligence processes without the usual commercial trade-offs, thereby facilitating ongoing system development (Zalando²⁵). As Zalando’s Head of Sustainability Stakeholder Engagement, Christian Smith stated:

“not to say that we needed the legislation to do it, but the legislation has actually given us additional resources and scope to sit down and create a system and improve on that system on regular basis without fearing too much about the trade-offs.”

An opportunity highlighted in the data is the directive’s potential to provide greater legal certainty. It is suggested that the mandatory legislation helps clarify the standards companies are expected to meet regarding human rights and environmental responsibilities. This clarity is viewed as particularly important for multinational corporations operating across diverse regulatory environments, where a lack of standardisation can create inconsistency (Zalando²⁶; C&A³⁰; Adidas²¹; H&M Group⁴; Decathlon³¹).

Furthermore, the potential for greater collaboration due to the CSDDD is repeatedly emphasised. According to multiple companies the directive supports sustainability efforts through increased engagement between business partners (H&M Group⁸; H&M Group⁵; ASOS²⁰; Zalando²⁴; C&A³⁰; PVH¹⁷). Companies can set a table and have a conversation with rights holders and other people in

civil society and co-build a model that puts due diligence into the supply chain and into the company (PVH¹⁷). This illustrates how the CSDDD is seen not just as a top-down requirement but as a tool for co-creation and participatory governance in supply chain management.

Companies also describe the CSDDD as a means of levelling the competitive playing field. By establishing uniform expectations across the EU, compliance complexity would be reduced. EU-level alignment would be essential for raising industry standards and reducing compliance complexity across markets, creating a level playing field that rewards and acknowledges companies with strong, comprehensive sustainability practices. (ASOS²⁰; Primark¹¹; Adidas²¹; Zalando²⁸; Zalando²⁶; H&M Group⁹; C&A³⁰; Decathlon³¹; Primark¹²).

The directive is also framed as a tool to improve risk visibility and foster more coordinated action. Contradicting the challenge that the transposition of European regulations into national law is often unharmonised, companies argue the CSDDD can create an interplay between regulations, policy measures and support for voluntary efforts by businesses, with each strengthening the effect of the others. A harmonised EU framework has the potential to increase shared understanding of human rights and environmental and coordinated efforts that can ultimately speed up the actions for more sustainable development. (H&M Group⁴; H&M Group⁷; Zalando²⁴; Zalando²⁶; H&M Group⁹; C&A³⁰ Decathlon³¹). It was thereby highlighted that simplified, unified regulation not only aids implementation but also allows firms to respond more effectively to sustainability challenges throughout their value chains (Primark¹¹).

Finally, companies connect the directive to broader goals of social and environmental transformation. The CSDDD will help improve outcomes for people and the environment through global supply chains. Mandatory due diligence is framed as a necessary step toward increased climate ambition and greater transparency in environmental action and therefore as a key step toward responsible global value chains (ASOS¹⁹; ASOS²⁰; H&M Group⁷; H&M Group⁴; Patagonia¹⁸; Adidas²¹; Zalando²⁷; Zalando²⁶; H&M Group⁹; C&A³⁰; Decathlon³¹). These findings suggest that companies see the CSDDD not merely as a compliance tool, but as a pathway to fulfilling long-term sustainability objectives. Overall, the data shows that MNCs in the garment industry use prognostic framing to define the CSDDD as both a challenge and opportunity. While both framings are present, the opportunity frame appears more dominant.

Motivational Framing

Motivational framing refers to how companies legitimise or rationalise their reason for compliance with the CSDDD. In the analysed data, four different motivational frames were identified: instrumental, reputational, legal, and ethical. These framings reveal how companies express their motivation for their engagement with the directive, rationalising and legitimising their compliance. It

is found that MNCs do not only simply comply with the CSDDD because it is legislated, but for more reasons than that. Beside the reputational, legal, and instrumental reasoning, companies mostly give an ethical reasoning for complying with the CSDDD. Entailing that they rationalise compliance as something grounded in moral values.

The first framing sees their motivation in an instrumental way. Here, MNCs find the importance of the CSDDD on practical or operational grounds, in ways that improves the success of the business or facilitates market fairness. For instance, companies note that with everything that they do, there has to be a business outcome. So when they work on sustainability and human rights, it's always trying to find the angle of how it can help them be more successful as a business (Zalando²⁴; H&M Group⁴; H&M Group⁷; ASOS²⁰). However, instrumental justifications were rare in the data.

A second and least prominent frame identified was reputational. In this case, the motivation for supporting or complying with the directive relates to protecting corporate image or avoiding public scrutiny. This was suggested in an instance where it was acknowledged that there are pressures that shape a company's position on regulation. A commercial company has to be aware of the pressures that they face and carefully tread that line (Zalando²⁵). While not an explicit endorsement of the CSDDD, it reveals how reputational risks can factor into how companies navigate regulatory obligations. Like the instrumental frame, reputational justifications were only mentioned occasionally and were not extensively present in the data.

In some occasions the legal motivational frame was found in the data, where justification for CSDDD engagement is also legally based. This rationale emphasises the role of the CSDDD in helping companies mitigate legal and financial risks. In this framing, compliance with the CSDDD is positioned as a pre-emptive strategy to avoid penalties and improve regulatory preparedness or simply because of the regulatory nature of the CSDDD. (H&M Group⁵; Inditex¹³; PVH¹⁶; Puma¹⁰). For instance, framing sustainability-related investments as a way to reduce future regulatory risk (Puma110), as stated in Puma's 2024 annual report:

“These investments help minimise potential taxes/penalties from upcoming regulations such as Germany's Carbon Tax regulation, the EU Corporate Sustainability Due Diligence Directive, and the Carbon Border Adjustment Mechanism.”

The most dominant motivational framing across the data is ethical motivation. In this framing, companies portray their engagement with the CSDDD as driven by moral values and a commitment to responsible business conduct. Multiple companies reflect strongly that human rights, environmental, and climate outcomes along global value chains should be improved, protecting the planet and vulnerable people. Where respecting people and the planet is the only way of doing business

properly, as they believe taking responsibility and stepping up is part of genuine entrepreneurship and corporate citizenship (H&M Group⁸ ASOS¹⁹; ASOS²⁰; Adidas²¹; H&M Group⁴). Companies thereby ensure that the EU directive leads the way in creating a resilient economy that benefits both people and the planet (Patagonia¹⁸; Adidas²¹; H&M Group²).

Additionally, the ethical frame also states that simply adhering to regulation is not enough, portraying adhering to the CSDDD as a baseline for responsible behaviour but even more can be done. They acknowledge that legal compliance is not enough for systemic and meaningful change and commit to using the company's scale to accelerate industry-wide transformation (H&M Group⁶; Zalando²⁴; Mango¹⁵).

Overall, the findings show that companies employ a range of motivational framings to legitimise engagement with the CSDDD. While legal and reputational reasonings appear only occasionally, instrumental reasonings are somewhat more common. However, the ethical reasoning dominates the motivational framing data, suggesting that many MNCs position their support for the directive as aligned with broader values of sustainability, fairness, and moral responsibility.

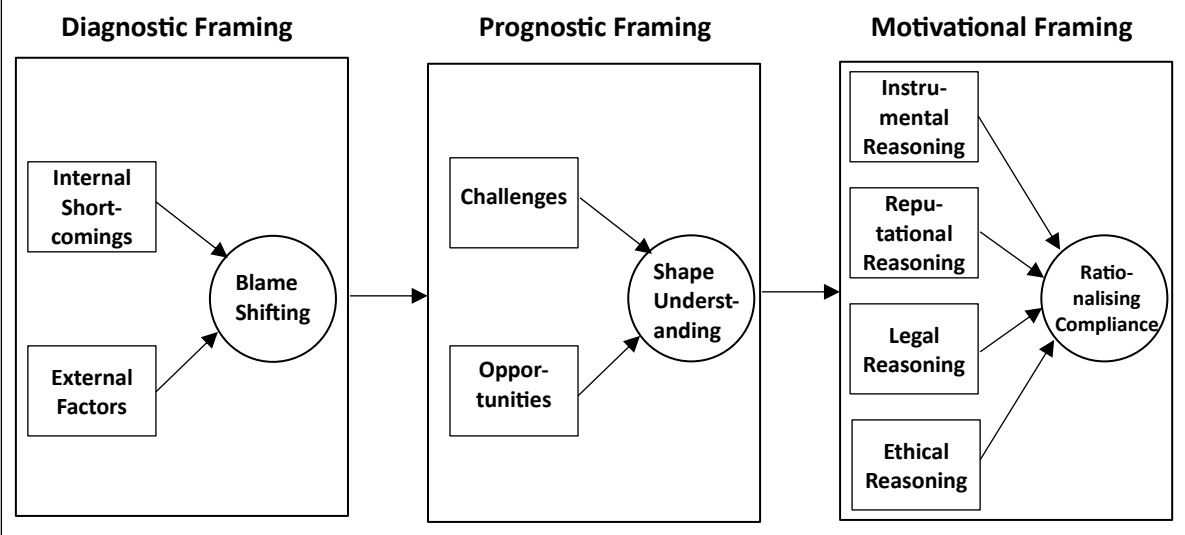
This study set out to explore how multinational companies in the garment industry frame the need to adapt their supply chain management practices in response to the Corporate Sustainability Due Diligence Directive. The findings show that companies draw on all three core framing concepts, diagnostic, prognostic, and motivational, in constructing their narratives.

Diagnostically, MNCs frame the problems the CSDDD aims to address either as stemming from internal shortcomings or external conditions. However, external factors, such as political instability, regulatory inconsistency, and the failure of voluntary initiatives, are far more frequently emphasised. This suggests that companies predominantly construct the need for the directive as a response to systemic issues beyond their direct control. Meaning that MNCs shift the blame and deflect responsibility for problems for which the CSDDD is claimed to be needed.

Prognostically, companies frame the CSDDD either as a challenge or an opportunity. Challenges include concerns about enforcement, administrative burdens, and fragmented legislation. At the same time, the directive is framed as offering opportunities, such as improved collaboration, greater legal certainty, better risk visibility, and a level playing field. While both framings are prominent, the opportunity framing is somewhat more dominant. This way the MNCs show their shaped understanding of the CSDDD and what they think are the possible consequences of implementation. Motivationally, companies rationalise and legitimise their engagement with the directive using a mix of instrumental, reputational, legal, and ethical rationales. Among these, the ethical reasoning is most prevalent, with companies expressing support for the directive as part of a broader moral

commitment to sustainability, fairness, and responsible business conduct. Therefore showing motivation to engage with the CSDDD beyond pure legislative compliance.

FIGURE 2: Framing model



Discussion

Interpretations Results

The findings of this study show that MNCs in the garment industry engage in distinct diagnostic, prognostic, and motivational framing in relation to the CSDDD.

The findings on diagnostic framing align with Snow and Benford’s (1988) definition of this as identifying a problematic condition and attributing responsibility. MNCs in the garment industry clearly define human risks in global supply chains as urgent issues. However, they largely attribute responsibility to external conditions, such as fragmented regulation and weak enforcement, rather than internal shortcomings. This can be seen as corporate blame shifting, where MNCs deflect responsibilities for the problems. This selective attribution supports Snow et al.’s (2018) emphasis on the interpretive nature of framing, what is not blamed can be just as telling as what is.

Prognostic framing, defined by Snow & Benford (1988) as the articulation of a solution and a plan for action, is also evident in the data, but in a slightly different way. In social movements, actors propose their own strategies (Snow et al., 2018), in contrast in this study, companies do not propose the CSDDD themselves but rather frame how this externally imposed solution is to be understood. The findings show that companies construct a dual narrative: on the one hand, the directive is framed as a challenge, involving high administrative costs, legal uncertainty, and operational burden, on the other hand, it is framed as an opportunity for improving governance, promoting collaboration, and

levelling the playing field. This dual framing shows that in a corporate regulatory context, prognostic framing is not only about defining the action but also about qualifying the meaning and implications of compliance. This extends the work of framing theory by illustrating that prognostic frames may operate not to mobilise action per se, but to shape how meaning is constructed around regulation and engaged with.

Motivational framing in this study diverges somewhat from how it has traditionally been conceptualised in the work of Snow & Benford (1988) and later expanded by Snow et al. (2018). In their original formulation, motivational framing is often tied to calls to collective action, emphasizing the urgency of the problem, the moral imperative, or the need to mobilize a movement. By contrast, the companies in this study frame motivation more in terms of justification for corporate action. The dominant motivational elements identified: instrumental, reputational, legal, and ethical, focus less on social movement and more on rationale behind action. This shift reflects the application of framing theory in a corporate context, where the goal is not collective mobilisation, but rather the thinking behind engagement with legislation. Not only because it is mandatory, but also from a legitimising perspective. In this way, the study confirms the flexibility of framing theory but also contributes to its evolution by showing how motivational framing operates outside traditional social movement settings.

Together, the findings support the idea that companies are not passive recipients of regulation. Rather, they actively construct meaning around the CSDDD and do so in ways that reflect their own interests, constraints, and values.

Theoretical Contribution

This study contributes to the literature on corporate sustainability regulation by addressing a gap emerging from the shift from voluntary to mandatory human rights and environmental due diligence, as exemplified by the EU CSDDD. In particular, it explores how framing is used differently in this corporate setting, in contrast to the traditional use in the social movement setting (Snow & Benford 1988; Snow et al., 2018). It adds to the growing body of research on mandatory public CSR regulation (e.g. Krajewski et al., 2021; Gustafsson et al., 2023) by focusing specifically on how the CSDDD is framed by companies in a highly scrutinised sector, the garment industry. By applying the diagnostic, prognostic, and motivational framing concepts from Snow & Benford (1988), this study extends framing theory into a new empirical setting: the context of mandatory public human rights and environmental due diligence (HREDD) regulation, as opposed to voluntary CSR frameworks or social movements, where it has traditionally been used (e.g. Arvidsson & Sabelfeld, 2023).

In doing so, the study not only applies framing theory to a new context but also contributes to its conceptual development. The findings highlight how in diagnostic framing MNCs shift responsibility

toward external systemic issues, shifting the blame and deflecting responsibility. This aspect of the findings shows that diagnostic framing can be more dynamic than simply attributing blame and responsibility.

They prognostically frame the CSDDD as solution to the diagnostic framing both as a challenge and an opportunity, shaping understanding of the directive. Showing that prognostic framing can also be used as not only about defining the action but also about qualifying the meaning and implications of compliance.

Rather than being used to mobilise collective action, motivational framing is expressed by firms to rationalise their regulatory engagement, often legitimising compliance beyond simply adhering to a regulation. Displaying that motivational framing does not only has to be a way of reasoning collective mobilisation, but can also be a way to legitimise the prognostic frame. These findings highlight that in framing theory, the function of its components may evolve across contexts. It suggests that framing theory is both adaptable and sensitive to different environments.

Practical and Managerial Implications

The findings of this study offer several implications for policy makers, CSR managers, and stakeholders. For policy makers, the different ways of framing by companies highlights the need for clear communication and guidance on implementation, particularly if the goal is consistent compliance across industries. The differences in defining responsibilities and compliance measures across MNCs suggests a lack of guidance as part of the problem, reinforcing the importance of well articulated enforcement mechanisms.

For CSR and sustainability managers of the studied MNCs, the findings underline the importance of strategic communication. How a regulation like the CSDDD is framed could influence both internal and external stakeholder engagement. Managers should be mindful of how their organisation's framing narratives affect employees and public opinion.

By identifying how garment MNCs frame the CSDDD this study offers a clearer view of how firms position themselves in relation to sustainability regulation. Stakeholders can use this information to evaluate the credibility of a company's public stance and assess whether their support, investment, or partnership aligns with the values the company communicates. For instance, if a company publicly frames its compliance with the CSDDD inconsistently with stakeholder expectations.

Limitations

Despite its contributions, this study also has some limitations. Firstly, due to the businesses being reluctant to discuss regulatory compliance strategies, or not deeming it worth their time, this study had difficulty in securing interviews with corporate representatives. Therefore, this study relies solely

on publicly available documents and field notes of public events. Although the analysis still shows a clear representation of how companies frame regulation in their public discourse, using semi-structured interviews and more specific targeted questions could have added further depth, understanding, and triangulation.

Secondly, due to the sensitive nature of the CSDDD and the risk of negative stakeholder reactions when ethical motivations are lacking, MNCs may be less willing to publicly discuss the CSDDD or endorse joint industry statements unless they can present an ethical rationale. As a result, the available framing may be somewhat skewed toward ethical motivations. However, this study aimed to address this by avoiding a distinction between positive and negative framing.

Lastly, framing analysis inherently involves interpretation. Although care was taken to ensure transparency and consistency in the coding process, different interpretations are always possible. This reflects the interpretive nature of the research rather than a methodological shortcoming.

Directions for Future Research

Future studies could extend this work in several ways. Firstly, research could explore how framing evolves over time, particularly as the CSDDD moves from proposal to enforcement. Longitudinal studies could uncover whether current framing from MNCs persist or will shift as time progresses. Secondly, future research might include interviews with MNC representatives, similar to those approached for this study, to gain more insight into the framing processes behind public narratives and a broader representation of data. This could reveal whether framing in interviews and public documents differ or reinforce each other.

Lastly, it could be valuable to investigate the congruence of different framing by the MNCs with practical implementation, discovering whether MNCs walk the talk. For example, do ethical or instrumental framings lead to more robust implementation? Understanding this relationship would expand both theoretical and practical insights.

Conclusion

This study set out to examine how multinational companies in the garment industry frame the need to adapt their supply chain management practices in response to the Corporate Sustainability Due Diligence Directive. Drawing on framing theory, the research explored the diagnostic, prognostic, and motivational ways in which companies construct narratives around this emerging EU regulation. The analysis showed that MNCs engage in distinct diagnostic framing by defining the problems the CSDDD aims to address as largely external. Rather than emphasising internal shortcomings, companies focus on factors such as regulatory fragmentation, geopolitical instability, and the ineffectiveness of voluntary initiatives. This external attribution reflects a tendency to shift blame

away from the firm itself, deflecting responsibility and positioning the directive as a necessary response to industry-wide or structural challenges.

In terms of prognostic framing, companies interpret the CSDDD as both a challenge and an opportunity. Challenges include concerns about increased administrative demands and uncertainty in enforcement, especially in the absence of harmonised legal interpretations. At the same time, companies also highlight opportunities such as improved collaboration, better risk visibility, legal clarity, and a more level playing field. This dual framing illustrates that firms not only respond to regulation but also shape its meaning and implications.

Motivationally, companies legitimise their engagement with the CSDDD through various rationales. While instrumental, reputational, and legal justifications are present, ethical reasoning is most prominent. Many firms frame compliance as aligned with broader commitments to fairness, sustainability, and responsible conduct, suggesting that regulatory engagement is not only about legal obligation but also about values.

In sum, this study demonstrates how framing serves as a key mechanism through which garment MNCs interpret, communicate, and position themselves in relation to new regulatory demands. By understanding these framings, one can gain insight into how firms navigate the evolving landscape of sustainability regulation and the meanings they attach to compliance.

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Appendix

TABLE 2: Data Sources

| Citation Name | Data Description | Source |
|------------------------|---|---|
| H&M Group ¹ | H&M Group annual and sustainability report 2022 | https://hmgroup.com/wp-content/uploads/2023/03/HM-Group-Annual-and-Sustainability-Report-2022.pdf |
| H&M Group ² | H&M Group annual and sustainability report 2023 | https://hmgroup.com/wp-content/uploads/2024/03/HM-Group-Annual-and-Sustainability-Report-2023.pdf |
| H&M Group ³ | H&M Group annual and sustainability report 2024 | https://hmgroup.com/wp-content/uploads/2025/03/HM-Group-Annual-and-sustainability-report-2024.pdf |
| H&M Group ⁴ | H&M Group position paper | https://www.tweedekamer.nl/downloads/document?id=2023D08797 |
| H&M Group ⁵ | H&M Group OECD event 2025 Julia Bakutis | https://www.oecd-events.org/garment/onlinesession/6f2c77a3-7b9c-ef11-88cf-6045bd903ca2 |
| H&M Group ⁶ | H&M Group environmental policy 2025 | https://hmgroup.com/wp-content/uploads/2025/01/HMGroup-Environmental-Policy-2025.pdf |
| H&M Group ⁷ | A business perspective: strong environmental standards foster long-term competitiveness | https://drive.google.com/file/d/1edW_GpxZHIAt6D_sLfu-3PX265u64wj/view |
| H&M Group ⁸ | EU business statement CSDDD 2024 | https://media.business-humanrights.org/media/documents/CSDDD_Business_Statement_2024.pdf |
| H&M Group ⁹ | Public Consultation answers H&M Group | https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12548-Sustainable-corporate-governance/public-consultation_en |
| Puma ¹⁰ | Puma annual report 2024 | https://about.puma.com/sites/default/files/financial-report/2024/puma-annual-report-2024-en-final.pdf |
| Primark ¹¹ | Primark sustainability and ethics progress report 2023/2024 | https://primark.a.bigcontent.io/v1/static/Primark-Sustainability-and-Ethics-Progress-Report-2023-2024 |

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|---|--|---|
| Primark ¹² | Omnibus Business Statement 2025 | https://media.business-humanrights.org/media/documents/Omnibus_Business_Statement_17_January_2025.pdf |
| Inditex ¹³ | Inditex annual report 2024 | https://www.inditex.com/itxcomweb/api/media/604197b9-50de-4f4f-ab84-c1e379cb3fd0/Inditex_Group_Annual_Report_2024.pdf?t=1741989136588 |
| Inditex ¹⁴ | Inditex Sustainability Committee proceedings report 2024 | https://www.inditex.com/itxcomweb/api/media/fd11f0e1-94fe-4608-89cb-fe87ce09e7a2/SCproceedingsreport2024.pdf?t=1742376679886 |
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