

## SUSTAINABILITY IN GARMENT INDUSTRY: A CLOSER LOOK AT H&M WITH REGARD TO FIVE ASPECTS OF SOCIAL SUSTAINABILITY

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### ABSTRACT

This article at hand reviews Swedish fast-fashion brand H&M's practices with social sustainability perspective, in more detail, with the perspective of social sustainability's five aspects which are rather new for the literature of Sustainable Development. So it mostly moved under the guidance of Part 1 and Part 2 'A strategic approach to social sustainability' articles, as it would be expected. In the compelling environment of fast and affordable fashion, H&M group claims to project a sustainable environment for its stakeholders. In the study, our examination of company's practices start after some brief information about sustainable development, its evolvement after the publication of 'Our Common Future' also known as 'Brundtland Report', following the introduction of social sustainability's aspects, we reviewed the company's actions in correlation with these aspects. After listing our findings and explaining them, the article concludes with the proposed improvements to the flaws in company's operations.

**Keywords:** *Social sustainability, Sustainable development, Garment industry, Supply chain, Corporate trust*

**Jel Codes:** *J520, L670, M110, M140, Q56.*

### HAZIR GİYİM SEKTÖRÜNDE SÜRDÜRÜLEBİLİRLİK: SOSYAL SÜRDÜRÜLEBİLİRLİĞİN BEŞ BOYUTU ÇERÇEVESİNDE H&M'E YAKINDAN BAKIŞ

#### ÖZET

Bu çalışmada, İsveç menşeli "hızlı moda" markası H&M'in uygulamaları, sosyal sürdürülebilirlik bağlamında, daha da detaylı açıklamak gerekirse, Sürdürülebilir Kalkınma literatürüne görece yakın zamanda giren, sosyal sürdürülebilirliğin beş boyutu açısından değerlendirilmiştir. Bu yüzden, çalışma ağırlıklı olarak 'A strategic approach to social sustainability' Bölüm 1 ve Bölüm 2 makalelerinin yol göstericiliğinde ilerlemiştir. Hızlı ve uygun fiyatlı modanın zorlu ortamında, H&M grubu bütün paydaşlarına sürdürülebilir bir çevre tasarladığı iddiasındadır. Bu çalışmada, sürdürülebilir kalkınma hakkında verilen kısa bilgiler, 'Brundtland Raporu' olarak da bilinen 'Ortak Geleceğimiz' in yayımlanmasından sonraki gelişimi ve takiben sosyal sürdürülebilirliğin boyutlarının sunulmasının ardından, şirketin uygulamaları mercek altına alınarak eylemleri bu boyutlarla bağlantılı olarak değerlendirilmiştir. Bulguların sıralanması ve açıklanmasının ardından, şirketin operasyonlarında görülen çeşitli eksiklikler için önerilerde bulunularak makale sonlanmıştır.

**Anahtar Kelimeler:** *sosyal sürdürülebilirlik, sürdürülebilir kalkınma, hazır giyim sektörü, tedarik zinciri, kurumsal güven*

**Jel Kodları:** *J520, L670, M110, M140, Q56.*

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## Introduction

Garment industry is one of the high-risk sectors as far as the concern is social sustainability, especially the labour side of it. (Know the Chain, 2017) Existence of *sweatshops*<sup>2</sup>, low wages, flexible & tiresome working hours, insatiable & ever-changing market demand, and ultimately discrimination & exploitation of employees all cause to wide range of undesired consequences in the industry. In this study, after giving a brief definition and background of FSSD-Framework for Sustainable Development and its five essential aspects, we will try to put Sweden based fast fashion brand Hennes & Mauritz (H&M) under the scope with regard to Social Sustainability, and above mentioned five aspects one by one. To achieve this, we will take into consideration both the company's practices, reports, manifests, agreements and other international organizations' or institutions' reports, and publications. After this analysis within the policy recommendation part of this article, we will also propose solid improvements to company's possible deficiencies in social standard operations that we have identified.

It is to be stated and noted that, the main purpose of this article is to provide an entry level study for the field of social sustainability within labour life, bringing up already applied, or applicable good practices for garment industry, which would gradually improve labour conditions.

### 1. Literature review

Our review includes mainly pre-read academic or institutional articles of the field, and other related publications that we have reached after using search results by keywords including 'social sustainability', 'sustainable development', 'garment industry', 'H&M', 'forced labour', 'supply chain' and 'corporate trust' separately or in some instances together on google searching engine.

#### 1.1. Sustainable Development

As the well-established definition says; "*Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs*" (WED, 1987). By requiring political, social, economic, and cultural fulfilment along with environmental sustainability, the report introduces us with a broad understanding of sustainable development. Burns builds on this point by saying that the term was invented as "*...a political administrative term to bridge differences between developed and developing countries*" (Burns, 2012). Cernea also mentions a 'socially constructed' sustainability which puts people first, to be able to improve social organization and increase social capital (Cernea, 1993).

Progress, following Brundtland report has been reviewed and revisited by Holden et al., by deriving four key dimensions of the report; safeguarding long-term ecological sustainability, satisfying basic human needs, and promoting intra-generational and intergenerational equity. (Holden, Linnerud, & Banister, 2014). Although efforts toward sustainable development taught to be failing, and need for another 'weapon' is necessitated by Vinuales (Vinuales, 2013), after compiling a range of critics, Sneddon et al. gives the report credit for playing "*...a major role in opening up new spaces for advancing widely shared social and ecological goals.*" (Sneddon, Howarth, & Norgaard, 2006)

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<sup>2</sup> Sweatshops are work environments that possess three major characteristics—long hours, low pay, and unsafe or unhealthy working conditions. Sweatshops may also have policies that severely restrict workers' freedoms, including limiting bathroom breaks and even conversations with fellow workers. At its worst, violence is used. (Source: <http://www.encyclopedia.com/social-sciences-and-law/economics-business-and-labor/labor/sweatshops>)

Even though we used the definition of Brundtland Report which was issued in 1987, to describe sustainable development, origination of Sustainable Development Goals can be attributed to Stockholm 1972 - United Nations Conference on the Human Environment, where environmental concerns were started to be debated internationally. Following 1992 - Rio Earth Summit where corporate stakeholders also participated, in New York 2000 Summit world leaders came together at United Nations Headquarters to adopt the United Nations Millennium Declaration, which evolved to eight definite goals to be achieved with a deadline of 15 years (United Nations, 2000).

The idea of Sustainable Development Goals (SDG) was born at Rio-2012 United Nations Conference on Sustainable Development, which was planned to build upon the Millennium Development Goals (MDG). And finally this idea turned into a set of 17 concrete goals to be implemented before 2030, at UN General Assembly on 25 September 2015 (United Nations, 2015). These goals are followed and yearly monitored by an ever-growing number of indicators and a framework by United Nations Sustainable Development Solutions Network (UNSDSN, 2015).

## **1.2. Framework for Strategic Sustainable Development**

The reason for preparing a framework as Framework for Strategic Sustainable Development (FSSD) is stated as *'...to establish a thorough understanding, not the least among leaders, of the character, magnitude and urgency of the sustainability challenge as well as the self-benefit of competent proactivity for sustainability'* (Broman & Robert, 2015). And in the same article, people *not* being subject to structural obstacles to *health, influence, competence, impartiality, and meaning-making* are set as prerequisites of a sustainable society. Being essential aspects of adaptive capacity, which can be defined as *"...the key feature that allows complex adaptive systems to continue despite the constant change and uncertainty within them and in their environment"* (Missimer, Robert, & Broman, 2016) the five aspects that we will apply to our analysis -trust, diversity, common meaning, capacity for learning, and, self-organization – are asserted to be in line with these prerequisites.

During this study, a holistic understanding was dominant while reviewing every aspects of stakeholder (mostly employee) brand relationship in respect to social sustainability. Thus for example; H&M's stance against forced labour or employment of refugees without a proper work permit, has been taken into consideration as an indicator of trustworthiness. Or providing a sufficient wage to employees, was regarded necessary for "not" constituting an obstacle to one's capacity for learning, where the element of learning was thought not only for personal development connected with job, but also with self-achievement. Missimer et al. saying that *"...unemployment, e.g., could be understood as a combination of an obstacle to health, meaning the lack of basic economic means to take care of oneself, and an obstacle to meaning-making, meaning the individual lost their role and with it their sense of place in the world. This kind of modelling served to make sure that the mechanisms of destruction did really cover contemporary social sustainability issues"* (Missimer, Robert, & Broman, 2016) was more than instructive in this way of thinking.

## **1.3. A Closer Look at H&M With Regard to Five Aspects of Social Sustainability**

As mentioned above; administration, application, and processes of Swedish fast-fashion company H&M, will be examined corresponding with five aspects of social sustainability. During the preparation period of this study, similar previous studies on the field have also been analysed. "Sustainability of Textiles", prepared by Retail Forum of Sustainability, Köksal et al.'s thorough study "Social Sustainable Supply Chain Management in the Textile and Apparel Industry - A Literature Review" "Sustainable and ethical manufacturing: a case

study from handloom industry”, a study on Sri Lankan handloom industry by Dissanayake et al., Asif’s article “An Overview of Sustainability on Apparel Manufacturing Industry in Bangladesh” were among the studies that have been read.

## 2. Methodology

Five essential aspects which are a result of Broman and Robert’s studies of the social system and debates with social scientists, will be the focal point of this study. To give a clear idea about these aspects, as the first one, we can use the Meijboom’s (Meijboom, Problems of trust: A question of trustworthiness : An ethical inquiry of trust and trustworthiness in the context of the agricultural and food sector, 2008) definition of trust; “...an attitude towards (collective) humans that enables an agent to cope with situations of uncertainty and lack of control, by formulating a positive expectation towards another agent, based on the assessment of the trustworthiness of the trusted agent.” And making the issue of trustworthiness applicable to a corporate as in our case, he adds that “You cannot make others trust you. This, however, does not imply that consumer trust is an unmanageable problem. It shows that we had better approach the issue from the question of why a consumer would trust someone else. If we do so, we notice that trust raises the question whether the other person is worth being trusted. This emphasizes that lack of trust is a problem of the one who wants to be trusted rather than of the trustor.” (Meijboom, 2006).

For the second aspect, common meaning, we can remember the prerequisite of people *not* being subject to structural obstacle to meaning-making, which means that people can *not* be restrained from building and expressing individual beliefs, or thoughts and then uniting it with others’ to constitute and sustain a new one.

Diversity on the other hand, the third aspect, can be achieved “If people in general are not systematically hindered from influencing the social systems they are part of and from developing the competence they like, and if they are not systematically exposed to partial treatment, all the individual differences have opportunity to show up at the system level” (Missimer, Robert, & Broman, A Strategic Approach to Social Sustainability - Part 2: A Principle Based Definition, 2016)

The fourth aspect, *not* hindering an individual’s capacity for learning, also includes the need to learn *together* to learn as a system. The capacity for self-organization, finally, reflects “...the ability of the system to organize itself without a predetermined intent and structure” so it reminds to *not* put “...structural obstacles to influence, competence and impartiality” because “there should be no reason why groups of people would not be able to do so” (Missimer, Robert, & Broman, 2016).

So as we also did in the definitions “By clustering a myriad of downstream impacts into overriding mechanisms of degradation and equipping them with a ‘not’ to serve as exclusion criteria, boundary conditions for redesign are derived.” (Missimer, Robert, & Broman, 2016).

## 3. A Brief Background of H&M

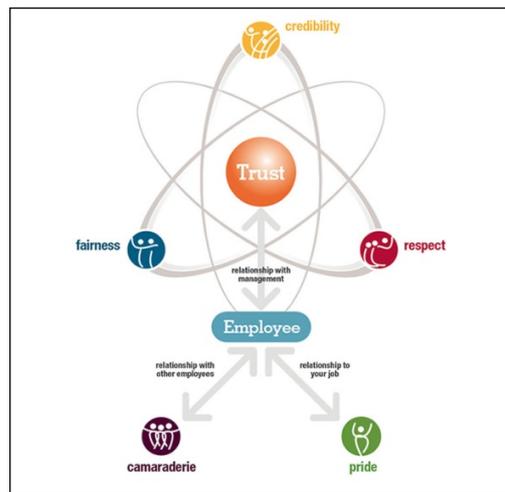
Swedish entrepreneur Erling Persson opened the first *Hennes* (means ‘hers’ in Swedish) store in 1947, in Vasters, Sweden, and only ladies’ clothes were sold in this store. *Mauritz Widforss*, a men’s clothing store was taken over by Hennes, 20 years after the opening of first store in Vasters, which created the ultimate brand name: *Hennes & Mauritz*. In 1964, the first store abroad was opened in the capital city of Norway, Oslo. The company opened its first store in Turkey, in 2010 at Forum İstanbul. The group now has seven brands including COS, & Other Stories, Cheap Monday, Monki, Weekday, and group’s ultimate brand Arket along with H&M of course, operating in 67 markets with a total of 4.553 stores worldwide as of

August 2017<sup>3</sup>. Given its business activities, H&M’s sustainability strategy is can be attributed to Sustainable Development Goals 5, 6, 7, 8, 12, 13 and 17 (The H&M Group Sustainability Report 2016, 2017).

To make an entrance, we can use the social aspect of *trust*, initially. And in addition to our former definition of trust, we should also customise this definition to make it applicable for our case. For this instance, Merwe contributes with the definition corporate trust “*a subjective attitude, belief and optimistic expectation by a stakeholder or group of stakeholders that their dependence on the for-profit organisation will not be abused, which influences their decisions and allows them to support the organisation*” (Merwe, 2013). Corporate trust, or ‘stakeholder trust’ as Matuleviciene and Stravinskiene states, have two basic factors in scientific literature, which are corporate reputation and organizational trustworthiness (Matuleviciene & Stravinskiene, 2015).

According to the survey results of Great Place to Work, which uses the ‘Trust Model’ in Figure-1 as a definitive standard for a ‘great place to work’, H&M ranks second among employers with 2000+ employees in Turkey (Great Place to Work Tr, 2017) and 12<sup>th</sup> Global (Great Place to Work Global, 2017). Within this study, we took the lists of Great Place to Work into consideration, because the independent and anonymous surveys they make amongst employees are an important indicator of the trustworthiness of a given employer in the eye of its employees. Questions directed to employees give an insight on key elements, that construct trust like two-way communication, manager competence, collaboration, equity, impartiality or justice (Great Place to Work Trust Index Employee Survey).

**Figure 1: The ‘Trust’ model of Great Place to Work**



We believe that it is necessary for a corporate to foster a healthy & safe working environment, one without forced or child labour in the premises of its own or supply chain, to be a trustworthy employer and business in public opinion. For example, use of sandblasted products is a very common, but on the other hand hazardous way of producing charming denim jeans or jackets. “*In order to make certain that no worker producing denim garments for H&M risks his or her health, H&M has decided to quit purchasing and retailing sandblasted products*” said Karl Gunnar Fagerlin, Production Manager at H&M in 2010. (Goldwert, 2010)

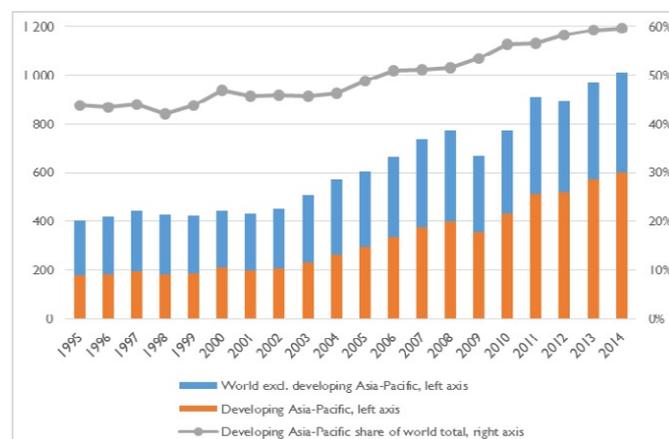
<sup>3</sup> <https://about.hm.com/en/about-us/markets-and-expansion/store-count-per-brand.html>

According to United States Department of Labor’s findings of child and forced labour, forced labour is a remarkable issue in manufacturing industries of footwear, garments, and textiles, forced labour (US Department of Labor, 2016), and rears its ugly face mostly within the supply chains of companies. If we take ‘Know the Chain Apparel & Footwear Benchmark Findings Report’ which is conducted among 20 of the largest international companies to address forced labour in their supply chains, H&M ranks third with a relatively high score of 69/100 owing to their efforts to comply with ILO standards, trainings to the suppliers and disclosing international supplier lists that include the names, addresses, and sustainability gradings for its first tier and most important second-tier suppliers. (Know the Chain, 2016)

According to ‘Invisible Workers – Syrian Refugees in Turkish Garment Factories’ conducted in Turkey by Fair Action - a non-profit organization pushing Swedish companies to take responsibility for their impact on people and the environment- it is stated that H&M has identified 14 refugees at four first-tier supplier factories in 2015, and none from January to August 2016. No Syrian refugees were working at H&M suppliers as of August 2016. H&M report that they assign translators from local NGOs to interview any Syrian refugees in Arabic if needed. And when they are asked what process they instruct their suppliers to follow if undocumented Syrian refugees are identified, H&M does not have a general rule or policy on whether a Syrian refugee without a work permit will remain in employment, but added that they engage with the local NGOs, ‘The Association for Solidarity with Asylum Seekers and Migrants’ (SGDD-ASAM) and the ‘Association for the Support of Contemporary Living’ (ÇYDD) to find the best solution for the worker. H&M also asks the supplier to prepare a corrective action plan. Plus they express, suppliers regarding the risks of abuse of Syrian refugee workers. H&M has a regular sustainability meeting at the beginning of each year with all suppliers, including second-tier suppliers. They also provide training for all new suppliers in order to share sustainability procedures. (Fair Action, 2017)

As in the example of forced labour issue, subcontracting in countries with low levels of governance is prone to troubles, even though it is highly profitable for large-scale companies. Prominent companies of the market tend to supply their products mainly from South East Asia countries (See Table 2); H&M even took this a step further and moved into Sub-Saharan market with Made in Ethiopia products (African Economic Outlook 2014, 2014) in 2013, while situation in even some European Union countries is not a far cry either (Europe's Sweatshops, 2017).

**Table 1: Exports from developing Asia-Pacific region (\$ billion) and share of world total (per cent), 1995–2014.**



**References:** Huynh, P. (2015). *Employment, wages and working conditions in Asia’s Garment sector*. ILO.

In March 2010, twenty-one workers died when a fire broke out at Garib & Garib Newaj Garment Company, Bangladesh (Independent, 2010). Again in Bangladesh, 1,134 people died and hundreds were injured after the collapse of Rana Plaza building on 24 April of 2013 (The Guardian, 2015). These two buildings were home to local garment companies which supplied cheap products to international brands including H&M, thus all the deceased and injured were textile workers with a vast majority of women. Similar incidents continue to break out in the context of Bangladesh, or other supplier countries even though they are not as fatal as Garib & Garib or Rana Plaza cases.

In the very aftermath of Rana Plaza building collapse, an implementation plan was agreed which led to the incorporation of the Bangladesh Accord Foundation in October 2013. The Accord is defined as ‘...an independent, legally binding agreement between brands and trade unions designed to work towards a safe and healthy Bangladeshi ready-made garment industry (ACCORD, n.d.), and H&M was the pioneer company to sign the Bangladesh Accord on Fire and Building Safety. But when current local suppliers of H&M in Bangladesh are examined with regard to stipulated structural, fire, and electrical safety measures, a large number of these suppliers (H&M) are still behind their schedule on remediation (ACCORD), and this is legally binding for H&M, too, since article twelve of the Accord states that signatories “...shall require that factory to implement these corrective actions, according to a schedule that is mandatory and time-bound, with sufficient time allotted for all major renovations. (ACCORD, 2013)”

Supporting the creation of *common meaning* between the employees, communities that H&M stores are engaged in, or public in general can be assumed to be a core value of the company, when their online manifests are read promo videos are watched. But it’s also worth mentioning that the foundation and organization of the company is also a good example of common-meaning oriented approach. For example, instead of using external consultancy, they utilize their Swedish heritage which stresses consultation, problem solving as teams and a belief in the equality of individuals to whom they trust for the use of their common sense to solve potential problems. (Ind, 2007).

Or the ‘Close the Loop – Sustainable fashion through recycled clothes’ commercial<sup>4</sup>, with which the brand fosters gathering under the same roof, all the employees carrying their unique features, and they emphasize this point by stating that “*Sustainability makes business sense and is an integral part of everything we do. It’s a shared responsibility of everyone working at H&M, where everyone’s efforts make a difference*” within their context of ‘The H&M Way’.

As for the *diversity*, discrimination and harassment salient human rights issues, that are also common in garment industry, and the group has some encouraging, bold steps in this regard. In early 2014, H&M entered into a partnership with Civil Rights Defenders, where they contributed more than 1,500,000 TRY in three years to support their work for human rights and equality globally. The supported projects included the protection of human rights defenders at risk and LGBTQ+ rights in Central Asia. (H&M, 2014).

To mention another online commercial video of H&M, ‘2016 New Autumn Collection’ promo video<sup>5</sup> which was first broadcasted in September 2015, is also an example of H&M group’s point of view to social diversity. Prologue of the promo with a plus-size model, and inclusion of a transgender model, a masculine boxer lady, it is implied that they embrace every individual, whatever their appearance, descent, view or choice is.

<sup>4</sup> <https://www.youtube.com/watch?v=s4xnyr2mCul>

<sup>5</sup> <https://www.youtube.com/watch?v=8-RY6fWVrQ0>

For the employees, group claim to have an open-door policy, encouraging feedbacks both by superiors and subordinates. European Works Council (established by H&M employees who represent 12 different countries), meetings facilitated through H&M's global framework agreement with Union Network International (UNI), regular individual performance reviews on job security and growth, pay and working conditions, equal opportunities, training and career progression, supply chain working conditions, Conscious Actions in store (The H&M Group Sustainability Report 2016, 2017) H&M group supports the right for free speech, or cultural expressions of employees.

Operating in different countries, regions, not just with store but also with the hand of its suppliers, H&M is connected with communities around the world. Engaged with communities through community partners, interactions with local authorities, through NGOs or IGOs<sup>6</sup> and governments, interviews with workers in supplier factories, employment opportunities and impacts on growth and development, environmental impact, community support, the company show its interest on local scale.

It is also worth mentioning that, according to group's 2016 Sustainability Report, gender split in board of directors is 50:50, (The H&M Group Sustainability Report 2016, 2017) a sign of successful corporate governance.

At career pages or applications, the slogan H&M uses is 'Grow with us'. Thus, the company takes the individual's *capacity for learning* seriously. In addition to constant e-learning modules towards employees, workshops, global Code of Ethics (mandatory for Board of Directors, and senior executives as well), In 2014 H&M entered into a partnership with International Labour Organization on a programme called 'Better Work', including joint work on industrial relations and wages, training and skills development in factories H&M source from. Two organizations collaborate on programmes that include assessments, training, and advocacy and research that change policies, attitudes and behaviour (ILO,2014).

In November 2013, the company pioneered for another bold initiative in the industry. During the 'Living Wage in International Supply Chains' conference, Helena Helmersson, Global Head of Sustainability at H&M stated that "*A fair living wage, covering workers' basic needs, should be paid by all our suppliers*" and added that they have set a roadmap in pursue of achieving these goals and making sure the suppliers have well-functioning Pay structures implemented.<sup>7</sup>

But according to the studies that have been done so far, suppliers of the company are far from fulfilling this promise before the deadline which is this very year. For example, Kamu-Sen, the largest public sector union confederation in Turkey, has recently declared living wage for Turkey as 1,498.99 USD<sup>8</sup>. But since we have no info regarding H&M suppliers' average wage for workers, it is questionable if these suppliers pay them this amount or at least one close to it. According to a research conducted by The Centre for Research on Multinational Corporations (SOMO) in Myanmar, some supplier factories -including one, which produces for H&M- some workers, are paid nearly half of the legal minimum wage (The Myanmar Dilemma, 2017).

As of now, H&M group is currently using the Fair Wage method - can be viewed with Figure 2- which aims to create management systems in which workers know what wages they are

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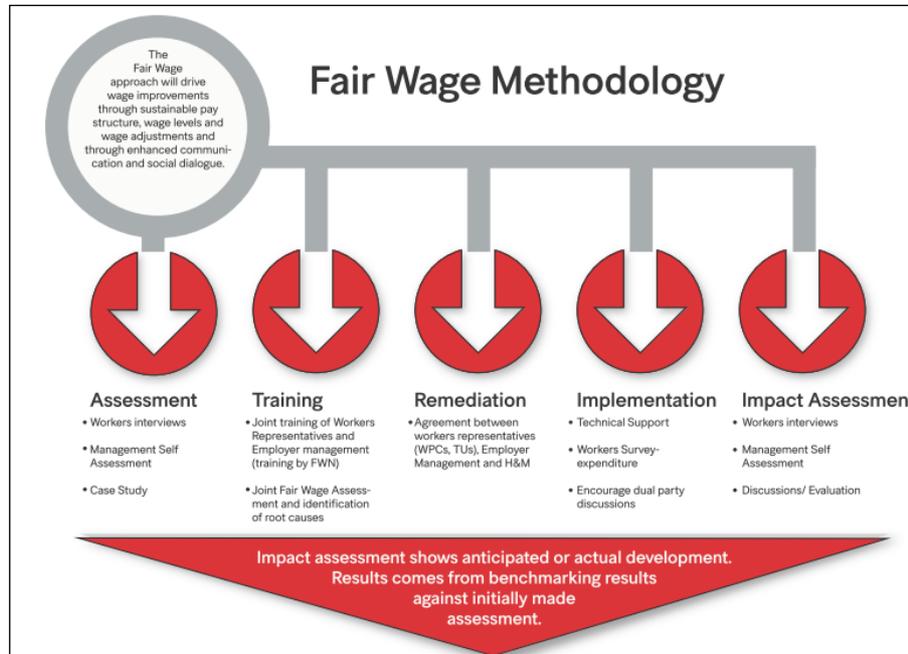
<sup>6</sup> An IGO is an organization composed primarily of sovereign states, or of other intergovernmental organizations. IGOs are established by treaty or other agreement that acts as a charter creating the group. Examples include the United Nations, the World Bank, or the European Union. Definition from; <http://www.uia.org/faq/yb3>

<sup>7</sup> <https://www.youtube.com/watch?v=TMv5DbV1h8>

<sup>8</sup> <https://www.dunya.com/ekonomi/asgari-gecim-siniri-aciklandi-haberi-380609>

entitled to (including overtime compensation and benefits), as well as ensuring they are paid according to their skills, experience and performance, a method that definitely has the possibility of contributing to an employee’s *capacity for self-learning*, as well.

**Figure 2: H&M Fair Wage Methodology**



References: *H&M Fair Living Wage Method*. (n.d.). Retrieved November 11, 2017, from <http://sustainability.hm.com/content/dam/hm/about/documents/masterlanguage/CSR/Others/HM-fair-living-wage-method.pdf>.

H&M’s commitment to fostering *self-organization* lies in policies such as the ‘Discrimination and Equality Policy’ and the ‘Global Harassment Policy’. To ensure remediation of potential abuses, there is a complaint procedure which is applicable to the whole organisation. Any employee with concerns regarding the human rights impacts of H&M’s activities may raise these through the internal Complaint Procedure process. In addition to having a grievance mechanism H&M provides its contact information to workers in its supply chain so that they are able to report complaints directly to the company. Moreover, H&M works with local trade unions as grievance channels, where representatives of these trade unions are given business cards to distribute to workers. H&M then follows up on these notifications of grievance cases. H&M monitors the existence and effectiveness of worker-management communication systems, such as grievance systems and effective workers’ committees, as part of its audit programs (Know the Chain, 2017).

Freedom of association is a valuable and fruitful but at the same a risky tool for employees. In some countries it is even restricted for workers by state laws or by employers implicitly. Hence, it can be expected from employees –especially the global and corporate ones like H&M- to not just support freedom of association, but also encourage their suppliers to also maintain these standards where the workers would be able to have alternative organizations.

The suppliers of the group employ over 1.6 million people, most of which are women, according to the group’s latest sustainability report. Global Framework Agreement National monitoring committees – consisting of representatives from IndustriALL’s affiliated trade unions and H&M – have been set up and trained in Bangladesh, Cambodia, Indonesia,

Myanmar and Turkey. The committees support employers' and workers' organisations to negotiate and to solve conflicts peacefully and in good faith at the factory level. Their work contributes to functioning labour markets in the countries where H&M source its products. The company even engages with governments to enhance freedom of association, wage review mechanisms and trade union laws (Sustainable Development Goals Fund, 2017).

But in the practice there are some problematic areas, due to a research released by Cambodian NGO Center for Alliance of Labor & Human Rights (CENTRAL) and Future in Our Hands, unanimous workers of Eastex Garment Company and Vanco Industrial, which are two tier two suppliers of H&M in Cambodia, express that they would be fired in case of forming an independent union, and they add that they have witnessed such practices (Preston, CENTRAL, & Carin Leffler, 2016).

#### **4. Findings**

While applying five social aspects to our study, we have observed that the garment industry is a crucial field with low income employees, or the ones who are very prone to be exposed to discrimination, misdemeanour, or oppression. But it can be expressed that we have witnessed a serious effort towards achieving and maintaining a sustainable environment in the case of Hennes & Mauritz group. Especially when the concern is diversity, it can be said that the company has some ground-breaking practices in employment processes or with commercials. And these can be classified as an added value by H&M not just for employees, but also to the communities that the brand operates or has a relation via its supplier chain management.

On the trustworthiness part, loyalty to the employee by employers was a key indicator for us. That's why we used Great Place to Work ratings to determine trustworthiness of H&M group in the eye of one of its stakeholders. But a major problem of the industry, outsourcing of the production, also seems to be a menace that the company still haven't overcome. Falling back in the remediation of a number of suppliers' working conditions despite the binding written accord, and more importantly despite the bitter experiences, should not go unnoticed.

Also it should be kept in mind that most of the written manifests or decisions are only valid with their current documental format, and it is still questionable for us if they are well applied in practice. Thus, a detailed further research which also reflects the executions and outcomes of above mentioned manifest will be more rewarding for interested parties.

#### **5. Policy recommendation**

As mentioned several times within different sections of the study, supply chain processes in the garment industry are in an encounter with deadly consequences, without feeling the need to mention possible actual minor hazards to human beings and communities. For our case company, it can be asserted that a solid, direct hands-on approach in accordance with schedules seems vital to avoid undesired consequences in the future. A more efficient supervision on suppliers abroad would most likely affect over 1.600.000 workers' working conditions and safety positively.

Perspective of the company on diversity seems to be its strong suit. But the recent example which happened in January 2018, when group was severely criticized for a product ad, displaying a black child model with a green top with the phrase 'Coolest monkey in the jungle'<sup>9</sup> revealed that even though they express to be concrete on this issue and that the apology<sup>10</sup> came straight away, there are still some organizational flaws.

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<sup>9</sup> <https://www.cnn.com/2018/01/08/hm-slammed-for-racist-monkey-in-the-jungle-hoodie.html>

<sup>10</sup> <https://twitter.com/hm/status/950680302715899904/photo/1>

And another issue which happened to be observed during this study can be expressed as some bold but ambiguous promises, as in the examples of living wage roadmap and supporting freedom of association in supply chain. Existence of negative examples where the promises are not kept, and that H&M doesn't seem to be applying any sanctions on responsible parties, would most likely tarnish its image in mid to long term.

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