SUSTAIN (ABLE) IDENTITY CONSTRUCTION OF OTHERS

MAINTAIN LEGITIMACY THROUGH SUSTAINABILITY REPORTING

HANNA NELSON

LOUISE ÅKERBERG

Master Thesis

Stockholm School of Economics

2020

Sustain (able) identity construction of others: Maintain legitimacy through sustainability reporting

Abstract:

This thesis examines how a multinational company constructs the identity of itself and its stakeholders to appear as a sustainable organization. Drawing on Laclau and Mouffe's (1985) discourse theory and their concept of hegemony, H&M's sustainability reports are analyzed from the year 2002 to 2019. The paper uncovers a continuous and simultaneous identity construction of not only the 'talking' organization, but also its stakeholders and the associated relationships. These identities are found to reinforce the organization's hegemonic position within the sustainability discourse in two different ways. Firstly, several legitimizing character traits are generated by the construction of multiple stakeholder relations. Secondly, the contemporary identities constructed present predominantly collaborative elements and are argued to facilitate a discharge of accountability. In a multinational context with globalized sustainability challenges, the construction of stakeholder identities is found to have an integral role when using disclosures as a legitimizing device.

Authors:

Hanna Nelson (23568)
Louise Åkerberg (23685)

Tutors:

Marek Reuter, Assistant Professor at the Department of Accounting

Master Thesis
Master Program in Accounting, Valuation & Financial Management
Stockholm School of Economics

Acknowledgements

Table of Content

1. Introduction

"Considering [corporate social] reporting as a strategic, symbolic and legitimizing device, we find that organizations are positioned from early on as natural and legitimate actors to take care of society and the environment." (Tregidga, Milne, Kearins 2014, p.491)

The profoundness of the social and environmental implications business organizations are facing is hard to grasp. Not only does public pressure for sustainable development challenge the prominent orientation towards shareholder value (Nyberg and Wright 2012), but also threatens to undermine the very autonomy of organizations as well as their control of markets and resources ((Levy 1997); (Tregidga et al. 2014)). Despite this pressure, organizations manage to establish trust and position themselves as change agents for sustainability while still maintaining a 'business-as-usual' practice ((Milne, Kearins, Walton 2006); (Laine 2009); (Tregidga et al. 2014)). Researchers argue that this entrusted and legitimized position in relation to social and environmental sustainability can be maintained through disclosures (Gray, Kouhy, Lavers 1995); (Deegan 2002); (Laine 2009); (Tregidga et al. 2014); among others). Here, sustainability reports serve as a legitimizing device - a communicative arena with the organization at the center, creating a perception of being or becoming 'sustainable' ((Tregidga et al. 2014); (Milne et al. 2006)). Scholars within sustainability accounting have used such reports to facilitate an understanding of what 'sustainable development' means within an organizational context ((Livesey and Kearins, 2002); (Milne et al. 2006); (Laine 2009); (Tregidga et al. 2014); (Boiral 2014); (Busco, Giovanni, Graná, Izzo 2018)). And more recently, another research stream has started to analyze the continuous identity construction and how organizations establish the identity of being 'sustainable organizations' ((Spence 2007); (Tregidga et al. 2014)). However, it is identified as an under researched area.

Tregidga et al. (2014) analyze sustainability reports by adopting Laclau and Mouffe's (1985) concept of '*hegemony*', and more specifically, how a hegemonic position is maintained through the continuous construction of identities. This reconstruction of identities is found to '(re)present' organizations as sustainable and thus legitimize their position within the discourse. "It is not just what organizations claim to do, but also what they claim to be [...] contributes to understandings of organizations as legitimate social

actors." (Tregidga et al. 2014, p.478). However, social identity theory suggests that identities only exist in relation to others and one can adopt multiple identities at the same time (Ashforth and Mael 1989). To develop the understanding of identity construction through disclosures, thus, calls for an analysis on how organizations' disclosing practices also implicate the construction of the *'other'* and how they relate back to the 'talking' organization.

In these contemporary times of ever-increasing globalization, the notion of the *'other'* has gained increased importance. International market presence, transnational supply chains and third-party outsourcing have extended the scope for what and who an organization is accountable for. Large scale operations are found to have a material impact on both societies and the environment, affecting current as well as future generations. Therefore, to appear responsible and legitimate in relation to sustainability throughout the whole value chain as well as in interorganizational relationships have accelerated in importance. This apparent need for legitimization concerns all types of multinational organizations, although especially challenging for organizations operating within inherently unsustainable industries. Thus, further exploration on how identity construction contributes to the maintenance of legitimacy brings valuable insights to the research area on hegemonic positions within discourse, called for by multiple researchers ((Brown, Dillard, Hopper 2015); (Tregidga et al. 2018)). With the aim of adding new perspectives to the ongoing discussion, we seek to answer the following research questions; *How does the communicated stakeholder relations of a multinational company implicate the identity of being a sustainable organization?* And more specifically, *how does a company use sustainability reporting in constructing a legitimate identity of itself and its stakeholders per se?*

To address the identified gap within the existing literature, we perform a longitudinal study analyzing sustainability reports of one single case company over the course of eighteen years. The organization selected is the Swedish fast fashion company H&M. Although operating as a multinational fashion company that is dependent on increased consumption as well as having a history of both social and environmental scandals ((The Guardian 2012); (BBC 2011)), H&M has managed to establish and maintain a position as a sustainable organization ((Forbes 2013); (Corporate Knights 2020); (Dagens Industri 2020)). Through a critical discourse analysis that draws on the theory presented by Laclau

and Mouffe (1985), this study adds further insight on how organizations use identity construction as a means to maintain an influential and hegemonic position within discourse. We use social identity theory ((Stets and Burke 2000); (Ashforth and Mael 1989)) to emphasize how the identity of H&M evolves not only through the construction of a '*self*', but also the construction of '*others*'. In this context, others refer to its relevant stakeholders.

This study aims to contribute to the research domain of sustainability reporting, and more specifically to the stream analyzing identity construction and organizational hegemony within sustainability discourse. We elaborate on how an organization, operating in an inherently unsustainable industry, manages to uphold its legitimate position as a sustainable organization. Our first contribution is facilitated through a pluralistic perspective on identity construction. Emanating from social identity theory, our findings imply an organization controlling a certain discourse can construct its own identity through the construction of its multiple stakeholders' identities (Laclau and Mouffe 1985). These identities are continuously constructed and suggests an organization can adopt multiple identities simultaneously (Ashforth and Mael 1989). In addition, the legitimizing effect identity construction of stakeholders has is a second contribution. Through identity construction, legitimizing character traits are transferred onto the organization that further enhance its hegemonic position as a sustainable organization. Finally, this study addresses the implications on designation of accountability such identity construction may have. Our findings suggest that when sustainability reports serve as a legitimizing device, identity construction creates means for discharging accountability from the 'talking' organization to its (constructed) stakeholders.

The sections below are structured as follows. First, chapter 2 starts with addressing previous literature within the domain, thereafter, narrowing the scope towards the application of legitimacy theory and identity construction within the area. The chapter ends with a presentation of the method theory. Chapter 3 provides a detailed explanation of research methodology, followed by chapter 4 that presents the empirical findings. A discussion is presented in chapter 5, elaborating on how empirical observations contribute to the extension of previous literature. The final section, chapter 6, summarizes the study with conclusions, presentation of limitations and suggestions for future research.

2. Theoretical development

The following section starts by first introducing the existing research domain through a literature review. The review presents previous literature on sustainability reporting, then further elaborates on the theory on disclosures and legitimacy. Section 2.2 presents the method theory of identity construction through discourse; a theoretical lens used to interpret data and develop our theoretical arguments. The method theory combines two different perspectives on identity construction; construction through discourse and social identity theory.

2.1. A literature review on the legitimization of sustainability reporting

2.1.1. Sustainability reporting domain

Over the last few decades, sustainability reporting has developed into an important practice for business operations. This has called for a broad research area within the accounting field ((Gray et al. 1995); (Gray, Owen, Adams 1996); (Levy 1997); (Spence 2007)); among others). Global Reporting Initiative (GRI) defines sustainability reports as: "[...] the practice of measuring, disclosing and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. It covers how an organization considers sustainability issues in its operations, and on its environmental, social and economic impacts." (European Court of Auditors 2019, p.9). As organizations become more political and influential in society, there has been a gradual shift in stakeholder expectations and organizations now face an accelerated pressure for accountability ((Kolk 2008); (Deegan 2019)). Sustainability reports serve the purpose of increasing both accountability and transparency towards the relevant stakeholder group ((Amran and Keat Ooi 2014); (Kolk 2008)). A disclosure of social and environmentally related practices allows for a public review and thereby contributes to increased accountability (Amran and Keat Ooi 2014). Dillard and Vinnari (2019) argue that for an organization to be accountable, widespread transparency of operational practices and outcomes is important. The provided information should then be available for public evaluation. These scholars further highlight the relevance of accountability as necessary means for legitimization. However, there is a growing criticism on to what extent sustainability reporting results in more transparency and

accountability. Given that accountability is determined through what is disclosed, it is argued sustainability reports often serve the primary purpose of impression management as management ultimately controls what and how to report ((Cho, Laine, Roberts 2016); (Dillard and Vinnari 2019)).

This critical approach towards the use of sustainability reports has developed into a growing stream of research analyzing sustainability reporting disclosures (see; (Gray et al. 1995); (Buhr 1998); (Livesey and Kearins 2002); (Campbell 2003); (Milne et al. 2006); (Laine 2009); (Tregidga et al. 2014); (Higgins and Coffey 2016); (Busco et al. 2018); (Tregidga et al. 2018); among others). Many of these scholars have focused on how the discourse develops over time and the organizational talk relating to 'sustainable development'. A large number of organizations use disclosures to construct a definition of what it means to be sustainable without posing any threat to 'business-as-usual' practices. That is, they successfully engage in sustainability issues without having to address the moral challenges related to *what* is to be sustained or *how* it should be preserved ((Milne et al. 2006); (Shinkle and Spencer 2011)). Milne et al. (2006) analyze the metaphorical use of 'journey' as means for organizations to define sustainable development in relation to their own business. Laine (2009) presents a more external perspective on the drivers of discourse. The author identifies a major shift in the rhetoric of sustainability reports as a response to changes in the companies' social and institutional context. Although this research stream already adopts a critical perspective on sustainability disclosures, Gray (2010) further problematizes this view through addressing the inherent problem with construction and meaning of sustainable development within the context of sustainability reports. The relations between organizations and planetary sustainability are too complex to define within a report and the concept of 'sustainability' cannot be neither quantified nor measured at an organizational level. Hence, when organizations create a discourse where they account for sustainability it is in fact a constructed reality (Gray 2010).

2.1.2. Sustainability reporting as a legitimizing tool

Legitimacy theory

Organizational legitimacy has a long history beyond and within the accounting literature. Nevertheless, the practice of *'legitimacy theory'* emerged from the social and

environmental accounting discipline (Deegan 2019) and has appeared frequently within the research area ever since (e.g. (Guthrie and Parker 1989)); (Patten 1992); (Brown and Deegan 1998); (Buhr 1998); (Deegan 2002); (Deegan, Ranking, Tobin 2002); (Campbell 2003); (de Villiers and van Staden 2006); (Adams and McPhail 2004); (Laine 2009); (Deegan 2019)). In conformity with many previous scholars, this paper defines legitimacy as a strategic 'resource' which is allocated to an organization by the external society ((Suchman 1995); (Deegan 2019)). This transfer of approval takes place when the behavior of a legitimacy-seeking organization achieves congruence with shared beliefs of a social group (Suchman 1995), or assumed shared beliefs of a society composed by a plurality of interests (Deegan 2019). When deviations from the balancing relationship occur, organizational strategies are launched to manage or even manipulate the repair of congruency. Among these 'corrective actions', corporate disclosures and sustainability reports have an important role. (Deegan 2019). The reports may be used to influence society's view of the organization, change the perception of its activities or redirect focus towards practices with more positive social or environmental impacts ((Deegan 2002); (Gray et al. 1996)). Furthermore, Higgins and Coffey (2016) argue that mere word representation has an impact on the impression of the organization. For instance, they found that mentioning the word 'environment' in connection with 'incidents', 'approval' and 'management', emphasizes environmental issues as manageable and thereby legitimizing the organization's sustainability work. Consequently, sustainability disclosures are utilized by organizations as communicating platforms to uphold their legitimacy and role in society ((Gray et al. 1995); (Shinkle and Spencer 2011)), quite possibly without any change in organizational practices (Laine 2009).

Identity construction and hegemonic position

The above section outlines sustainability reports as a legitimizing device. However, to fully understand the legitimization, it is important to not only look at what actions companies are communicating but also *how* they choose to represent themselves. In other words, to recognize the construction of organizational identity, it is essential with a holistic comprehension of organizations as 'legitimate social actors' (Tregidga et al. 2014).

Tregidga et al. (2014) mobilize Laclau and Mouffe's (1985) concept of '*hegemony',* an explanation of how to maintain a legitimized position within a discourse. Hegemony can be described as the dominating force of what is 'normal' or 'common sense' within a certain context (Laclau and Mouffe 1985). Moreover, within corporate disclosures, a hegemonic position implies not only to have the 'right to speak', but also to have an influential voice through which power is exercised. In addition to constituting hegemony as solely coercive and dominating force, Tregidga et al. (2014) discovered it could also be based on moral and intellectual leadership. More specifically, by analyzing 365 Zelenian reports over a time period of 19 years, the authors could observe three different identities, emerging in three sequential time periods; "Environmental responsible and compliant organizations", "Organizations as leaders in sustainable development" and "Strategically 'good' organizations". All three identities refer to how the organizations represent themselves as 'sustainable organizations'. As identity is constructed in relation to the organizational environment, multiple identities could be adopted over time. Ultimately, the determinants of identity adoption are external factors and historical circumstances (Tregidga et al. 2014). Hence, it is argued that organizational identities are a contingent phenomenon, reconstructed and reproduced over time ((Laclau and Mouffe 1985); (Spence 2007); (Tregidga et al. 2014); (Shinkle and Spencer 2011)). With a dynamic identity, the organization can maintain a hegemonic position and thereby justify its role as a legitimate actor in society. Sustainability reporting itself is further argued to contribute to hegemonic relations (Spence 2007).

Identity construction in relation to others

Tregidga et al. (2014, p.480) states that "organizational texts are considered to speak on behalf of organizations". Hence, as argued above, corporate disclosures have a representative role in constructing the organizational identity. It is based on the argument of Laclau (1993), that group identities are constructed through representation when someone speaks to or on behalf of the group (Tregidga et al. 2014). Identity construction within sustainability disclosures has so far analyzed *what* the companies are 'claiming to be', i.e. the adopted organizational identity, and how the external context in which the organization operates impact the construction process. On the other hand, the research area regarding *who* the organization is speaking 'on behalf of' through organizational texts has so far been considerably disregarded.

2.1.3. Presentation of identified gap within the sustainability reporting domain

Previous research has established sustainability reports as an organizational practice to uphold legitimacy and justify the position of organizations in society ((Gray et al. 1995); (Shinkle and Spencer 2011)). The critical stream of research has questioned the role of sustainability reports when it comes to defining sustainable development ((Milne et al. 2006); (Shinkle and Spencer 2011); (Gray 2010)), managing the perception of organizational activities or the organizations itself ((Deegan 2002); (Gray et al. 1996)), and more specifically, how organizations construct their identities (Tregidga et al. 2014). However, the reconstruction of organizational identities necessitates a perpetual analysis of the dynamic identity construction process and its consecutive implications. To recognize the ever-evolving role of organizations in the sustainable development discourse, an area of further research is identified.

Tregidga et al. (2014) extend the research on how the concept of sustainable development is constructed by adding insights on how organizations choose to represent themselves in relation to the same concept. The authors claim historical as well as external circumstances as important drivers for the identity construction, but largely exclude the internal context of the organization. Thus, there is a distinguished theoretical gap of how the identities of stakeholders are constructed when the organization talks on behalf of them within sustainability disclosures. Tregidga et al. (2014) argues that identity construction facilitates the maintenance of the organizational hegemonic position. Drawing on this argument, we also aim to analyze how the identity construction of others have implications on the identity of the 'talking' organization in its endeavor to maintain the hegemonic position.

We have selected a multinational case company operating in the inherently unsustainable fast fashion industry and with a history of sustainability challenges. Notwithstanding, the case company has achieved a maintained hegemonic position within the sustainability discourse. With an analysis of this success case, we aspire to empirically contribute with understanding of the maintenance of hegemony as well as legitimacy through identity construction. A study of how the case organization represent its multiple stakeholders within sustainable reports, and the consecutive implications it has on its own identity

construction, will contribute to a different perspective on the hegemonic discourse area which is called for by multiple researchers ((Brown et al. 2015); (Tregidga et al. 2018)).

2.2. Method theory

2.2.1. Construction of 'self' and 'others' through discourse

Other researchers within the sustainability reporting domain have concluded that an organization can uphold its legitimacy as a sustainable organization through its ability to influence discourse. Considering the matter of identity construction, Laclau and Mouffe's (1985) perspectives on discourse and hegemonic relations is determined to be a suitable theory. Within the context of political power relations and class belongings, the authors look closer at how social group identities are constructed using disclosures. This paper strives to use this existing theoretical lens, with an additional emphasis on social identity theory. The aim is to further facilitate insights on the identity construction of both '*self*' and '*others*' as legitimate actors in relation to sustainability. This is achieved through a profound analysis of the sustainability reports of one case company. Social identity theory will add insights not only to the question of *who am I?* but also addresses *who are the ones surrounding me?*

2.2.2. Social identity theory

According to social identity theory, individuals and organizations put themselves in different social categories that only exist if contrasted to other opposing categories (e.g. strong vs. weak or good vs bad). These categories jointly form a structured society, where some have higher rank, power or prestige than others. An important part of identity construction is therefore to position the '*self*' in relation to both internal group members (the so called 'in-group') and those of other social categories (the 'out-group') ((Stets, Burke 2000); (Ashforth and Mael 1989)). Ashforth and Mael (1989) highlight two main functions of the social identity. On the one hand, it functions as a way to sort the social environment into categories that help individuals to understand and define '*others*'. On the other hand, the identification of others together with self-identification enables each individual subject to position themselves in relation to the social environment, where they find meaning. The definitions of both self and others are predominantly contrasted and

linked, individual identities are always related to other categories of identities (Ashforth and Mael 1989).

To what degree the identity belongs within a certain group or organization depends on four main factors; (a) the distinctness between group values and practices towards those of other categories, (b) the social status of the group, (c) definitions of how the out-groups also affect the view of the in-group. The existence of out-groups makes the subject aware of the boundaries between groups and thereby encourages in-group homogeneity. Finally, (d) general group formation determinants such as closeness, liking, shared goals and values, relationships etc. can also be deemed to influence the identification process (Ashforth and Mael 1989).

Social identity theory defines an identity as something emerging from an ongoing construction, or 'symbolic interactions', as they call it. Value or relevance is thus constructed when individuals (or other subjects for identities) interact with each other, either verbally or nonverbally (Ashforth and Mael 1989).

2.2.3. Laclau and Mouffe's theory on identity construction through discourse

Laclau and Mouffe's (1985) perspective on *"Hegemony and Socialist Strategy"* provides insight on how and why social identities are fluid and continuously constructed. Although the theory has a primarily political perspective, conclusions drawn on how hegemony and articulatory practices influence identity construction is of great relevance for this type of discourse analysis.

Laclau and Mouffe (1985) define discourse as the structured reality formed by the sum of what is articulated. They argue that each articulation can capture merely a '*moment'* of an '*element'* (Laclau and Mouffe 1985). This means only a fraction of a task, event or social relation can be translated into words and included in the discourse. Between the reality as we experience it and how it is later talked about, there is evidently a free space where articulatory practices have the power of constructing identities. Therefore, identities are constantly being constructed and can never be predetermined or static. Similar to social identity theorists, the authors here emphasize identities as being determined by social relations and only existing in relation to other opposing categories.

As mentioned in one of the sections above, what legitimizes an identity is the hegemonizing relations constituting what is considered 'normal', 'acceptable' or of 'high status' (Laclau and Mouffe 1985). This facilitates separation of categories from one another and thereby reproducing boundaries between different identities. According to the theory, identities cannot be fixed as such, however discourse creates meaning (or value) around what they call '*nodal points*'. These nodal points can be explained as the focus around which a discourse circulates, in other words what is talked about and where social actors are placed in relation to this focal point. As the value of an articulated subject is put in relation to these nodal points, discourse thereby forms a structured reality facilitating the interpretation by its recipient. Although identity construction contributes to a form of fixation, the meaning of neither a nodal point, nor a structured reality can never be fully fixed within a discourse (Laclau and Mouffe 1985). Hence, there is always room left within the discourse for interpretations, which allows for the continuous construction.

3. Methodology

The outline of this chapter starts with a demonstration of scientific approach and selected research design. Then, the research setting, including selection of case company and selection of text extracts, is presented followed by a section explaining methods for data analysis. Finally, we elaborate on research quality under section 3.4.

3.1. Scientific approach and research design

3.1.1. Discourse analysis

In addressing the first research question of *How does the communicated stakeholder relations of a company implicate the identity of being a sustainable organization?* We adopted a research method that allows for interpretation and analysis of a certain discourse. Through a discourse analysis, we were able to decompose the elements and taken-for-granted assumptions that together construct a communicated reality (Phillips and Hardy 2002). Building on previous research within the sustainability reporting domain, Laclau and Mouffe's (1985) theory on discourse and hegemony is used to further highlight the nuances of identity construction. The analysis is based on a structured study of texts, where these were systematically sorted and discourse was interpreted into a social reality ((Fairclough 1992); (Phillips and Hardy 2002)). According to Phillips and Hardy (2002), what separates discourse analysis from other research methods are its exploration of how context, discourse and texts are related as well as its focus on constructivism. Discourse analysis thereby enables a deeper understanding of identity construction through texts (Laclau and Mouffe 1985).

3.1.2. Single case study

We have performed a single case study, where we analyzed sustainability reports and how they develop over time. To the best of our knowledge, this type of single case study has not yet been done through a lens of identity construction within the sustainability reporting domain. As suggested by Dyer and Wilkins (1991), a single case study offers more nuances and can contribute to a deeper comprehension of a certain phenomenon. It encourages researchers to challenge existing theories and discover new theoretical perspectives (Dyer and Wilkins 1991). In fact, researchers argue an in-depth

understanding of one individual case sometimes brings more valuable insights than a general knowledge of multiple examples (Gerring 2007).

3.2. Research setting

3.2.1. Selection of case company

To provide additional insights and in-depth understanding to the existing literature ((Milne et al. 2006); (Tregidga et al. 2014); among others), we performed a single case study of a case company, operating in an industry with inherently unsustainable business models. Organizations within such industries are facing substantial sustainability challenges and as a result, experience fierce public pressure. Consequently, we argue that there is an apparent need for identity construction in relation to sustainability.

The fast fashion industry arguably falls under this category. Accelerated globalization has led to heavy transportation emissions (Turker and Altuntas 2014), garment production processes involve a wide range of chemicals usage (de Brito, Carbone, Blanquart 2008) and manufacturing sites exploiting its workers as a result of pressured time frames (Barnes and Lea-Greenwood 2006). These industry developments have negatively impacted both environment and society (Turker and Altuntas 2014). In 2019, during the United Nations Conference on Trade and Development, it was stated that the fashion industry is the second most pollutive industry in the world (UN 2019). Specifically, the fashion industry was responsible for 4% of the global green-house gas emissions in 2018 (McKinsey 2020), 20% of global wastewater (UN 2019) and out of 170 million child laborers worldwide, "many work within fast fashion supply chain" (Unicef 2015). With a growing awareness of these negative impacts, the public level of disapproval for the fashion industry is increasing. Organizations within this industry face an extensive risk of becoming negatively evaluated and stigmatized. With rising stakeholder pressure, fast fashion organizations are now forced to adjust and become more sustainable in their way of doing business (Turker and Altuntas 2014).

H&M is one of the world's leading fast fashion companies. The company was founded 1947 in Västerås, Sweden, (H&M 2020) and has since then grown its operations to a

revenue of SEK 230 billion (H&M Sustainability Report 2019). The H&M group includes nine different brands and has a network of more than 5,000 stores in 74 markets. The production is outsourced to over 750 product suppliers, which in turn employ 1.6 million factory workers in 1,700 different manufacturing units (H&M Sustainability Report 2019). The company has a long history of devotion to sustainability. In spite of the fact that the Swedish legislative act of mandatory sustainability reporting for big companies was passed in 2016 (Deloitte 2017), H&M published its first individual sustainability report in 2002. Since then, the company has continued with an annual disclosing of its work on sustainability. Nevertheless, the practices of the company have repeatedly been under public scrutiny with regards to environmental and social issues ((The Guardian 2012); (BBC 2011)). In addition, H&M has occasionally been held accountable for industry scandals despite not having any direct involvement in the circumstances (Reuters 2014). One response to the public criticism has been to accelerate the sustainability work during the recent years. According to its sustainability report 2016, the H&M commits to the targets of having a climate positive value chain before 2040, exclusive usage of sustainable or recycled materials in the productions before 2030 and to continuously work on improving working conditions for factory employees. With communicated high ambitions and dedication, the company has successfully positioned itself as a world-class leader within sustainability over the last years ((Forbes 2020); (Corporate Knights 2020); (Dagens Industri 2020); (Corporate Knights 2016); (Forbes 2013)), and is therefore found to be a suitable case company of this study.

To be considered a sustainable organization is not only a matter of ambitious targets and changed practices, but it can also be managed through identity construction. ((Tregidga et al. 2014); (Milne et al. 2006); (Shinkle and Spencer 2011)), Therefore, the selected case company will be analyzed through publicly available sustainability texts.

3.2.2. Selection of text

The reports selected to be analyzed included all sustainability reports produced on a stand-alone basis, separated from the annual reports. Publicly available on its webpage, a total of eighteen reports have been analyzed in this study, representing the years between 2002 and 2019. The sustainability reports are used as a way to communicate actions, targets and other relevant issues relating to sustainability, and as stated in H&M's very first

report: *"[an] attempt to make H&M's commitment to sustainability understandable for a wide group of stakeholders"*. Data collection included readings of the reports by two independent researchers, where relevant sections were highlighted and later extracted into working sheets. Selected text extracts either referred to, or in some way portrayed the different stakeholders. These extracts were then re-read and interpreted in relation to its context.

As highlighted by Tregidga et al. (2014), there are limitations in relying fully on what is communicated through disclosures. However, when seeking to explain *what* is disclosed, and more specifically, *how* the reports are used to construct identities in relation to sustainability, sustainability reports are an appropriate basis for interpretive studies. They are included in a category that is referred to as 'important texts', generally made available to relevant stakeholders and provides detailed descriptions on important actions and events (Phillips and Hardy 2002). Hence, sustainability reports constitute a discursive arena accessible for further analysis.

3.3. Data analysis

The structure of data analysis was developed based on the concept of domain and method theory, commonly applied within management accounting research. Mobilizing a method theory as a theoretical lens for data interpretation is argued to assist researchers in designing studies to result in clear theoretical contributions. In addition, it contributes to the expansion of boundaries of the existing domain theory (Lukka and Vinnari 2014). Given the nature of data and selected research design being discourse analysis, we employ Laclau and Mouffe's (1985) theory on Hegemony and Socialist Strategy as our main method theory, with additional insights from prominent social identity theorists ((Ashforth and Mael 1989); (Stets and Burke 2000)). A lens of social identity construction and hegemony facilitates the understanding of how organizations, through their sustainability disclosures, construct identities that allow them to maintain a hegemonic position in relation to sustainability.

A discourse analysis was initiated through interpretation of texts. The reports were read and interpreted by two independent researchers, both knowledgeable within the sustainability reporting research domain. Themes and nuances were sorted into empirical

categories, where each extraction was coded in different colors to separate which stakeholder identity they referred to. These categories were constructed and reconstructed through an iterative process. The iterative process goes beyond empirical categories, since theory, data and research questions all have an interdependent influence on each other in this type of qualitative research progresses (Ahrens and Chapman 2006). Once the empirical categories had been determined, identities of the different stakeholders could be defined over time using the theoretical lens of our method theories ((Laclau and Mouffe 1985); (Ashforth and Mael 1989)). Thereafter, the construction of H&M's identities relating to each stakeholder was identified and later analyzed. To apply a combined method theory including both discourse theory and social identity theory could be questioned by academic purists. However, we acknowledge the opinion of Deegan (2002, p.295) when he asks; "who believe that a researcher must embrace just one view of the world?"

When interpreting texts, Laclau and Mouffe's discourse theory was applied to identify social identities and how these relate to sustainability. To establish a center around which the discourse circulates as well as the structured reality is constructed, a nodal point needs to be defined. In this study, as we build on Tregidga et al. (2014), the nodal point 'sustainable organization' has been selected for the following analysis. Each text extract has been analyzed in relation to this specific nodal point and how it contributes to filling the meaning of H&M as a sustainable organization. The 'filling-of-meaning' process analyzed in this paper includes H&M's communicated relations to its stakeholders and the implied character traits it generates, both of which have an integral role in the construction of H&M's own identity. In addition, marginalized stakeholder relations have also been included in the analysis, as these have been argued to be equally important to what is articulated (Tregidga et al. 2014).

3.4. Research quality

Quality of research is commonly evaluated through its validity and reliability. However, this way of assessing data originated from quantitative methods and its applicability on interpretive and in-depth studies has been questioned ((Ahrens and Chapman 2006); (Dubois and Gadde 2014)). Dubois et al. (2014) argue that qualitative data diffuses the

concept of validity and makes any generalizations more difficult. In addition, interpretive studies may require some dissolution of reliability in order to gain in-depth knowledge of a certain phenomenon (Dubois and Gadde 2014). Instead, qualitative studies are now suggested to evaluate research quality based on its authenticity and plausibility (Lukka and Modell 2010). According to Lukka and Modell (2010, p.462), the purpose of validation of qualitative studies is to assure the readers of "the authenticity of research findings whilst simultaneously ensuring that explanations are deemed plausible".

Authenticity is determined to what extent a study unveils the stories of the studied subjects and circumstances, enhanced by the richness of its portrayal. A common way to increase authenticity is to speak on behalf of others, reducing the perception of biased researchers (Lukka and Modell 2010). In this study, we therefore aim to provide deep and insightful descriptions of the empirical findings. The organization has been given a clear voice in terms of the many direct quotations from its reports, presenting the readers with the possibility to derive some of the empirical interpretations made.

In terms of plausibility, it is determined to what degree the reader can understand and interpret findings presented in a research. Lukka and Modell (2010) describe plausibility as how the reader can 'make sense' of things. Hence, the usage of rhetoric and language play an important role. We therefore outlined a detailed explanation of how data has been collected as well as interpreted and throughout the analysis refer to the method theory as a means for sensemaking. We are aware that the concept of identity construction, and discourse analysis in general, calls for somewhat subjective readings that ultimately are affected by the background of the researcher. In terms of reflexivity, we therefore recognize how our previous knowledge and motives have affected the interpretation of data. To countervail the biased impact of our research agendas, we have outlined a structured research methodology.

4. Case findings

Chapter 4 presents an empirical analysis where stakeholder identities are identified throughout the reports. Relevant stakeholders are identified and separated into different sections. First, the identities of stakeholders in general are described. This is followed by a presentation of suppliers, customers, non-governmental organizations, governments and finally a section on silent stakeholders. Each section ends with an interpretation of the implications of H&M's related identities.

4.1. Empirical analysis

The empirical findings are analyzed and presented through the lens of social identity theory, that has been further elaborated under the method theory section 2.2.2. Relevant stakeholders are identified and individually analyzed from a perspective of identity construction. However, since the scope of this paper is limited to interorganizational relationships, intraorganizational members such as employees are excluded from the analysis.

4.1.1 Stakeholders in general

> *"We think it is imperative to interact and have a dialogue with our various stakeholders. The values of society are constantly shifting and knowing what our stakeholders expect from us is essential to our business. We will only earn the "licence to operate" and the "licence to grow" if we meet those expectations."* (H&M 2003)

The above quote indicates that H&M's stakeholders are fundamental to the company and the expectations of stakeholders clearly have a significant impact on the operations. Further, the stakeholders are mandated to decide whether H&M will be able to grow or even operate. This mandate is visualized throughout the reports where the notion of having a 'continuous dialogue' with stakeholders are remarkably apparent. Further, H&M frequently adopts the role as *listener* in order to 'balance' expectations and to 'prioritize' the actions of the company. Stakeholders' position as *feedbackers* are exemplified in activities such as roundtable discussions, interviews and yearly stakeholders review of a 'material matrix', which lay the foundation of important focus areas for H&M. However, being a sizable, multinational company results in a broad base of stakeholders with

different expectations. In answering how H&M's sustainability reporting could be improved, three different stakeholders were interviewed;

"H&M avoids any serious discussion of its own role when it comes to wages, purchasing practices, transparency and a proactive, structural approach." (H&M 2005 [Joel Lindfors, Rena Kläder])

"H&M's commitment to 'continuous improvement' could not be verified from the report, nor was it possible to determine whether most suppliers were in compliance even with local labour legislation." (H&M 2005 [Neil Kearney, International Textile, Garment and Leather Workers' Federation])

"By its own admission, H&M has not given enough attention to environmental issues. Consequently there are areas where WWF would like to see improvements." (H&M Sustainability Report 2005 [Lena Tham, World Wildlife Fund])

Even if the above stakeholder demands do not exclude each other, it implies the focus and resources must somewhat be prioritized. This order of prioritization also needs to take in consideration the interests and abilities of H&M. H&M indicates that even if stakeholders would like to see assurance of the reports, the resources are allocated in a different area:

"We do not currently assure our report. While we recognise that some stakeholders appreciate assurance, we believe our resources are still best placed in furthering our sustainability work. We are committed to open and honest disclosure [...] feedback from our stakeholders of which some is published in this report, add value and credibility to our sustainability work and reporting." (H&M 2009)

Thus, there are occasions where H&M deviates from its stakeholder-centric focus. It raises questions regarding what role the stakeholders have as *dialogue partners* and how H&M make use of the diverse stakeholder demands they face. It calls for a further investigation of the respective key stakeholders, how they and their areas of interest are perceived in the reports as well as what implications it has for the impression of H&M as a company.

4.1.2. Suppliers

Over time, suppliers as a group is undoubtedly the most recurrent stakeholder mentioned within H&M's sustainability reports. In the earlier reports, the relation between suppliers and H&M is emphasized through dominant focus on Code of Conduct compliance. Suppliers are represented as being strictly monitored, less capable and *submissive subjects* under the requirements imposed by H&M:

> *"All the suppliers who produce H&M's products must sign an agreement in which they undertake to adhere to our Code of Conduct. H&M's production offices have full-time inspectors who make regular inspections of our suppliers and their subcontractors to check that the requirements of the Code of Conduct are being respected."* (H&M 2002)

In essence, H&M describes suppliers with lower social status and as less knowledgeable within the field of social and environmental sustainability. There is a clear distinction between supplier practices and H&M values. If not supervised or controlled there is an implicit risk their practices will have a negative impact on H&M's sustainability work:

> *"In our monitoring effort, there is a strong element of consultation/education/awareness making to really make our suppliers understand the importance and the advantages of complying with our code [Code of Conduct]."* (H&M 2003)

The picture of suppliers as *apprentices* starts to evolve as time progresses. Although sporadic early mentions, the first shift in identity is not apparent until 2010. In contrast to submissive subjects, they are instead described as someone to teach, support and empower into becoming involved in the sustainability work. Suppliers are portrayed as more willing to change and adopt H&M practices. H&M starts to refer to some key suppliers as *partners* and emphasizes the importance of long-lasting and meaningful relationships. With the emergence of a partnership approach, the needs and role of suppliers are given more importance and their social status in relation to H&M gradually increases. However, suppliers are still clearly portrayed as apprentices under the influence of H&M:

> *"Activities such as capacity building, workshops and training with our suppliers, as well as management systems analysis are some of the additional sustainability activities that accompany our audit programme."* (H&M 2010)

In 2015, the diverged view of suppliers, as both partners and students, persist. Suppliers are expected to take charge of their own sustainability in the long run, while H&M provides the means and tools necessary to get there. H&M has support systems in place to help measure performance and analyze their social and environmental impact. They initiate a project called "10 steps for supplier ownership" and in addition, H&M replaces its previous Code of Conduct with a "Sustainability Commitment", which increases focus on supplier self-assessment with a more interactive approach to compliance. The voice of suppliers is also growing stronger over time, for instance through supplier interviews:

> *"The H&M group is helping us understand the importance of sustainability and how social dialogue is a part of this. We have a growing understanding of sustainability issues and this approach is starting to spread throughout our factory. [...] we can continue to be partners for a long time."* (H&M 2016 [Lu Yue Hua, General Manager, Suzhou Wanli Knitting Co., Ltd])

In the most recent reports, suppliers are conferred an influential voice and their identity as a partner, based on mutual trust and valuable long-term relationships, is established. Although the need for guidance is still present, goals and values appear to be more aligned:

> *"Across the supply chain, our influence is the strongest where our relationships are closest. This is why we work with partners who share our values and our commitment to positive environmental and social impact. It's essential we have the same ambitions and mindset to ensure compliance with our standards, drive performance and impact."* (H&M 2019)

As *business partners,* suppliers are granted a high social status. Emphasis on collaboration between the parties strengthens the identity of suppliers as capable and empowered business partners. The space between H&M's in-group identity and the identity of this out-group has narrowed and although boundaries between the groups do exist, they are less explicit today than in earlier reports.

H&M's constructed identities in relation to the suppliers
The implied identities of suppliers indirectly contribute to the construction of H&Ms own identity that is also reconstructed over time. In relation to the first supplier identity as a submissive subject, H&M is contrasted as a *dictating force* in charge of the agenda. H&M distance themselves from its suppliers and construct an identity where they can condemn suppliers not compliant with its codes. As the supplier identity evolves into becoming

more of an apprentice, H&M adopts the identity of a *teacher*. Instead of only dictating terms, they now lead and guide suppliers into changing their practices. H&M is recognized as someone with abilities to influence and support its suppliers, but also that they are motivated to do so. The third and last identity where suppliers are portrayed as capable business partners contribute to the construction of H&M as a *collaborative partner*. There is an emphasis on the importance of collaborations and H&M is identified as a leading partner advocating for change.

4.1.3. Customers

As a consumer-facing brand, H&M portrays its customers as a key stakeholder. The customer offering as well as demands are the central line of argument of what actions they take towards becoming a sustainable organization. The reports have a persistent theme of a continuous dialogue taking place between H&M and the customers. Over the course of time, however, the content regarding who is 'listening' and who is 'talking' changes. The first report illustrates H&M's commitment to listen to its customers:

> *"H&M is not ISO14001-certified. Our customers do not call for certification as such. Hence, no value is added with it. Nevertheless, we consider it important with a systematic work on environmental issues that is a natural part of our everyday work."* (H&M 2002)

The ISO 14001-certification is an international standard for environmental management systems for "organizations to enhance its environmental performance" (ISO 2015). Even if H&M states its environmental work is important as well as integrated in its daily operations, H&M disregards a certification which clearly could support the organization in its environmental work. As the above quote indicates, customers play a critical role when organizational decisions are made, although they can be in contrast to H&M's values. With a high social status, the customers' demands appear to have a more significant validation role than an established certification. This validating position is clear throughout the early reports. H&M is recurrently referring to the customer's expectations as a guide in its everyday work and is emphasizing the importance to live up to, or even to exceed, them:

"H&M must be responsive to our customers' demands. Customers are becoming more aware of environmental and social issues and question where the products they buy come from and how they are made. We work towards improving the factory conditions in our supply chain and strive to limit the negative impact we have on the environment." (H&M 2007)

Listening to the increasing environmental awareness among the customers, H&M takes action accordingly; the organic cotton production is ramped up, improving working conditions in the supply chain by "placing the Code of Conduct at the heart of our sustainability agenda" and training of employees in sustainability in order for them to respond to customer queries. The customers' early identity, constructed as a *validator* of H&M's trajectory towards becoming a sustainable organization, is continuously strong even when customers' awareness and H&M's communicated sustainability focus increasingly align. However, during the years 2011 to 2014, there is a shift in the identity construction of customers:

"[…] we can also make conscious choices in fashion easy and desirable for our customers. It allows us to create added value to our offering – something that our customers are increasingly looking for. But we don't want to stop there. We also want to inspire our customers to wash at lower temperatures and make it easier for them to not let fashion go to waste. Conscious fashion, however, is not just about our customers' choices. We want to make all of our products more sustainable, piece by piece, all the way from the cotton farm." (H&M 2014)

The quote indicates that H&M are moving beyond the expectations of customers and instead excel its sustainability objectives even further. In parallel, customers are accused of contributing to an essential share of the environmental footprint and need to become aware of their own role in reducing the climate impact. H&M states that the "biggest [climate] impact along our value chain happens outside of our operations", "the way customers take care of our products has a major environmental impact" and that "36% of all carbon emissions occur when consumers wash and tumble dry their clothes". During the shift, customers develop from being a stakeholder group H&M listens to, to becoming recipients of advice as well as actions regarding reduction of their own environmental footprint. For instance, a global garment collecting system was initiated in 2012 where customers were rewarded for bringing old clothes to H&M stores and the Clevercare label was launched in 2013 to inspire customers to conscious garment care. Furthermore, by increasing transparency, H&M will raise awareness among customers regarding

sustainability issues and help them make informed as well as conscious choices. Through 'inspiration', 'transparency' and 'incentives', the customers are constructed as passive *followers* that need to be engaged and empowered to join H&M on its 'sustainability mission':

> *"Our size and scale means we have many customers, so every single action, no matter how small, makes a huge collective difference. That is why it is so important that we inspire and enable our customers to make sustainable choices for the environment, people and communities."* (H&M 2018)

Throughout the reports, the distance between H&M as an in-group and customers as an out-group has kept relatively constant. Moving from a validation position to a recipient of advice and a follower implies that the social status of customers have decreased. However, as a consumer-facing for-profit company, the alignment between the customer offering and the customer demands will always mitigate the social status of customers to decrease too far.

H&M constructed identities in relation to customers

With the customers initially having a validating position, H&M's role could be described as a *credibility seeker*. H&M disregard the ISO 140001-certification when customers do not see the value of it but try to align the organizational actions and visions when customers become increasingly sustainability conscious. With a rhetorical shift towards customers being a part of the environmental problem, and hence are viewed as a stakeholder group that needs to be inspired as well as enabled to reduce their climate impact, H&M's identity is constructed as being an *influencer*. With this position, in combination with the size and scale as a company, H&M could argue they are an essential driver of change in society.

4.1.4. Non-governmental organizations

Although the non-governmental organizations (hereafter referred to as NGOs) are not directly involved in H&M's value chain, they are certainly important stakeholders of a multinational organization. Through certifications, collaborations, workshops and other initiatives, NGOs are portrayed as independent advocates for change in social and environmental issues. H&M constructs an identity of the NGOs as a group with great

influence and competence within sustainability. A collaboration with an NGO instills confidence and credibility, this form of legitimization is used already in the very first reports:

> *"We acknowledge the fact that child labour does exist and cannot be eradicated with rules or inspections, as long as the children's social situation is not improved. We want to actively work with factories and with NGO's (Non Government Organisations) in third world countries, to try to improve the situation for the children affected by our ban on child labour."* (H&M 2002)

NGOs are given the identity of being an expert, someone who supports and conveys credibility onto H&M and its actions. The role of NGOs is further established through concrete examples where some selected organizations are mentioned by either name or purpose:

> *"The programme, in cooperation with the NGO Advit, was completed in August 2007 and has been shown to have increased the awareness levels amongst trained workers."* (H&M 2007)

Represented as both knowledgeable and influential they are not only credible experts, but also serve as teachers. The constructed identity of being an *expert teacher* contributes to a high social status where values and goals are considered something to strive for:

> *"NGOs are expert advisers on standards and practices throughout our value chain. We rely on their expertise and independence to ensure that we meet the most up-to-date standards and to make us aware of any concerns"* (H&M 2011)

In contrast to other stakeholder identities, the identity of NGOs remains somewhat stable over time. The representation of an expert teacher remains, however additional layers are added in more recent reports. Open dialogue, roundtable discussions and collective actions are all common reference points when referring to NGOs. For example, around 2008-2009 the reports starts to emphasize NGOs as *collaborating partners*:

> *"[...] we seek to join forces with our stakeholders such as our peers, suppliers, NGOs and many others in order to tackle some of the major challenges in our industry – challenges that affect everyone along our value chain and that no company can solve on its own. Such collaboration can also help to increase the level of influence we have and promote systemic change.* (H&M 2014)

NGO statements are used as validation of H&M as a sustainable organization. But for this validation to take place, there are also high expectations on H&M's sustainability activities. Emphasizing the collaborations and shared goals contribute to the construction of an out-group that is positioned close to H&M's in-group and its own identity. By constructing an identity of NGOs as legitimate teachers, H&M can strengthen its own identity as someone seeking to absorb knowledge and credibility.

H&M's constructed identities in relation to the NGO's

When NGOs are given an identity as expert teachers, H&M's identity is constructed as a credibility seeking *student*. Interaction with an NGO highlights H&M's own responsible actions and helps transfer credibility of NGOs onto H&M. Portrayed as someone seeking support of these experts, often with a strong local presence, they are considered as responsible and caring with the willingness to drive change. The identity remains somewhat intact over time. However, when H&M in later reports is represented as a stronger partner in this relation, the social status of their identity increases. As *collaborating partners,* H&M now also brings something to the table when joining forces to change industry standards. H&M's constructed identity is thereby even further legitimized by the relationship with NGOs.

4.1.5. Governments

Equivalent to NGOs, governments are not included in H&M's value chain. However, with their regulatory power over H&M's operations, they are a key stakeholder. In the early reports, governments are portrayed as an actor confining H&M from achieving environmental and societal change. The question regarding minimum wage for production workers is notably apparent when governments are acknowledged:

> *"We agree with our stakeholders that the legal minimum wage in many countries, such as Bangladesh, is too low and we would welcome a raise. It should however be a government decision."* (H&M 2003)

As the above quote indicates, the regulatory authority of governments is clear and not always aligned with H&M's ambition. There are examples of meetings with governmental representatives, however no decisions or action points from these meetings are disclosed. With this background, governments are given the identity *withholding*

authority. This identity is especially obvious during the first years. Already in 2005-2007 there is a shift in the communication regarding governments. Instead of being a withholding force, governments are presented to be an important enabler in the change process H&M is leading:

> *"We are also continuing to involve governments and other stakeholders to promote systemic change across communities and our entire industry. As an important part of this, we are sending clear signals to governments and suppliers that we remain fully committed to long-term relations with suppliers and existing sourcing markets."* (H&M 2014)

The involvement of governments is exemplified in the numerous multi-stakeholder initiatives regarding improvements for wage, working conditions, animal welfare, water stewardship and so on. With a constant statutory position, in combination with an increasing presence during different sustainability issues discussions and initiative, governments are identified as a *receptive authority*.

As an authoritarian policymaker, governments have an inherently high social status with clear boundaries. Further, in the two identities constructed, the inclination of change is argued to be clearer in the latter one. Since H&M is communicated to lead the change, the distance between H&M's in-group identity has narrowed in relation to governments when they are constructed as a *receptive authority*.

H&M's constructed identities in relation to the government's

A withholding identity construction implies a restriction in H&M's operations and in the early reports this limitation is self-evident. Thus, H&M's identity is constructed as an *amenable*. In later reports, however, H&M takes on a leading role in the change process, for both the organization and the related stakeholders as well as the industry. Then it is evident that governments have an important role in realizing change and are presented as a receptive authority. As H&M needs to acknowledge the authoritarian position of governments, but in parallel intend to find ways to improve sustainability issues, it constructs H&M's identity as an *obedient change driver*.

4.1.6. Silent shareholders

Shareholders are identified as another key stakeholder group, but only have limited and sporadic presence in the reports. However, they are acknowledged in some sections:

> *"I am convinced that CSR [corporate social responsibility] can minimise our risk and create long-term value, both for society and our shareholders, and is important for our long-term success."* (H&M 2007 [CEO Interview])

The sections when shareholders are mentioned are either regarding creating long-term value, like the statement above, or that shareholders participate in a continuous stakeholder dialogue:

> *"While we do take into account that our influence is stronger closer to our own operations, we are working hard to minimise our impact and contribute to positive change along our entire value chain. Thereby, we interact with various stakeholders such as our customers, employees, suppliers as well as local and international NGOs and Unions, authorities, our shareholders and many more in a mutual dialogue."* (H&M 2010)

Even if shareholders are mentioned a few times over the years, the data is too narrow to draw any conclusions regarding specific identities. Notwithstanding, the absence of a stakeholder identity could be regarded as a constructed identity as such; the *silent* shareholder.

H&M constructed identities in relation to the silent shareholders

Even a lack of presenting a certain stakeholder identity indirectly contributes to the construction of H&M's own identity. The absence of shareholder perspective on H&M's actions implicitly indicate an unspoken approval of these stakeholders, strengthening the social status of H&M's identity as *approved*.

Table 1. Summary of identified stakeholder identities related to the implied identities of H&M

Stakeholder relations	2002	2010	2019
Stakeholders / H&M	Feedbacker & dialogue partner / Listener & dialogue partner		
Suppliers / H&M	Submissive subject / Dictating force	Apprentices / Teacher	Business partners / Collaborative partner
Customers / H&M	Validator / Credibility seeker	Follower / Influencer	
NGO / H&M	Expert teacher / Student	Expert teacher & partner / Learning partner	
Governments/H&M	Withholding authority / Amenable	Receptive authority / Obedient change driver	
Silent shareholder/ H&M	Silent /Approved		

5. Discussion

The following chapter includes a discussion divided into two different sub-sections. Section 5.1 begins with an analysis of the multiple identities constructed and is followed by a section on how the construction contributes to the legitimization of an organization as sustainable. The section is finished with an exploration of the maintenance of a hegemonic position. Lastly, the second section 5.2, presents an analysis on how collaborative identities contribute to a discharge of accountability.

5.1. Construction of multiple identities through discourse - how to maintain a hegemonic position as a sustainable organization

The nodal point, and hence the centrality of the discourse, has been defined as 'sustainable organization'. An analysis of the process to fill this nodal point with meaning will contribute to the understanding of how the hegemonic position of H&M is maintained. Identity construction has an integral role in the filling-of-meaning process of nodal points (Laclau and Mouffe 1985). Tregidga et al. (2014) approach the matter by interpreting the construction of three identified identities, over time and in relation to the contextual development. This paper, on the other hand, extends their research by adding the perspective of how construction of multiple identities, and the implied characteristics, can legitimize H&M as a sustainable organization. Firstly, we continue to analyze H&M's communicated relations to its stakeholders to identify the constructed stakeholder identities and the corresponding identities of H&M. Thereafter, the implied character traits generated by these relations are discussed in terms of legitimization and finally how this legitimization contributes to the maintenance of hegemony.

5.1.1. Construction of multiple identities

Building on Tregidga et al. (2014), this single case study of H&M further corroborates their findings of how the continuous identity construction contributes to the representation of organizations in relation to sustainability. Many of the identity characteristics observed in the Zelenian context (Tregidga et al. 2014) are also found in the sustainability reports of this Swedish fast fashion company. For example, when H&M in early reports emphasizes its Code of Conduct compliance, they construct an identity

that falls under what Tregidga et al. (2014) define as "Environmentally responsible and compliant organization". Similarly, more recent reports highlight strategic alliances with NGOs where they together collaborate on responsible actions, constructing an identity corresponding to a "Strategically 'good' organization". Thus, we also find empirical evidence on how identities are dynamic and evolve over time (Laclau and Mouffe 1985). A summary of the constructed identities is mapped out in table 1 (stakeholder identities) and table 2 (H&M's identities).

However, as social identity theory suggests that identities only exist when contrasted to others (Ashforth and Mael 1989), the identity of *who* the organization is talking *on behalf of* can ultimately also be constructed. In the case of H&M, the construction of its various stakeholders' identities has resulted in a multitude of identities. Identities are constructed in parallel, demonstrated with a snapshot of the first years of reporting; suppliers are given the identity as submissive subjects, customers as validators and NGO's as expert teachers. These identities simultaneously all have different implications on what the H&M is claiming to be, which extends the perspective on how identities are constructed as presented by Tregidga et al. (2014). In relation to these exemplified stakeholder identities, H&M is in turn portrayed as a dictating force, credibility seeker and legitimized student. Supported by these empirical observations, we therefore argue an organization can construct multiple identities simultaneously as these are relational and relate to different stakeholder identities. Through disclosures, we find that organizations can construct their own identities through the construction of their stakeholders' identities ((Laclau and Mouffe 1985); (Ashforth and Mael 1989)). This construction process is facilitated by the power a talking organization has over a certain discourse, in this case referring to sustainability reports.

The table below summarizes H&M's implied identities, all relational to the constructed identities of its stakeholders, by social identity theorists referred to as 'others' (Ashforth and Mael 1989). The talking organization within the reports, speaks on behalf of its stakeholders and thus ultimately controls the discourse. Each stakeholder relation develops over time and the different identities identified do not necessarily change at the same point in time as illustrated in the table.

Table 2. H&M's identities constructed in relation to its stakeholders

Stakeholder relations	2002	2010	2019
Stakeholders / **H&M**		Listener & dialogue partner	
Suppliers / **H&M**	Dictating force	Teacher	Collaborative partner
Customers / **H&M**	Credibility seeker	Influencer	
NGO / **H&M**	Student	Learning partner	
Governments / **H&M**	Amenable	Obedient change driver	
Silent shareholder / **H&M**		Approved	

To conclude, we further develop the arguments put forward by previous scholars on how sustainability reports are used as means for identity construction. The identity construction extends to also include the construction of others, correspondingly resulting in a multitude of identities of the talking organization.

5.1.2. Legitimizing character traits

In the previous section, we have outlined the continuous as well as simultaneous construction of multiple identities within the sustainability reports. These various identities are integral elements of the procedure of filling the nodal point, 'sustainable organization', with meaning. To further add insights on H&M's maintenance of its contemporary hegemonic position and what it is claiming to be, the most recent stakeholder relations are analyzed in relation to legitimizing characteristics. An overview of the interrelational legitimizing process is summarized in figure 1.

To gain legitimacy, congruence must be achieved between the behavior of H&M and the beliefs of a social group, from which the legitimation is desired (Suchman 1995). Even if the social group constitutes a plurality of interests (Deegan 2019), H&M focuses on addressing these beliefs, rather than interests, to become legitimate as a sustainable organization. The beliefs concern climate change, reduction of environmental and social impact as well as sustainable actions. Through identity construction of multiple stakeholders, H&M can comprehensively demonstrate how the company's behavior coincides with the above-mentioned issues. The sustainability centric behaviors are incarnated in relation to different stakeholders and further reinforced through consecutive, legitimizing character traits. The most recent stakeholder relations are

analyzed below to identify the legitimizing characteristics that gradually and partially fill the nodal point with meaning.
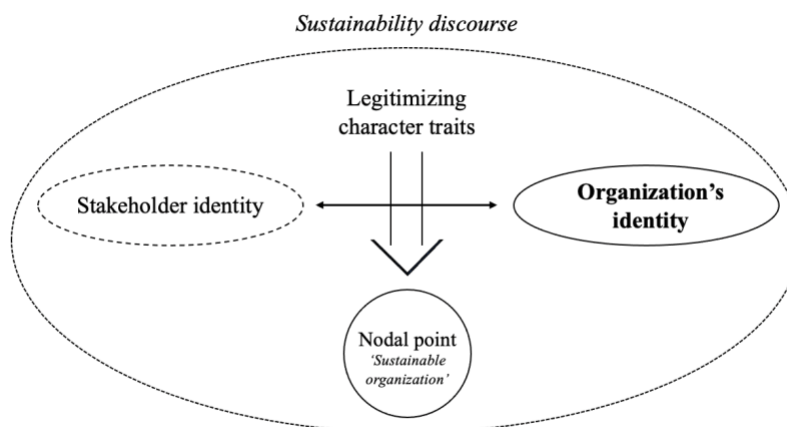

Figure 1. How construction of social identities and its character traits legitimizes H&M as a sustainable organization

Stakeholders in general

H&M invites its group of stakeholders to participate in a continuous dialogue throughout the time period. It is exemplified in communicated feedback sessions and roundtables discussions as well as disclosed interviews in some of the reports. Crane and Livsey (2003) states that communicating *with*, instead of *to,* stakeholders is a 'high-quality form of engagement' building relationships and enabling joint problem-solving. Further, dialogue invites stakeholders to engage in the organization's activities (Greenwood 2007), which is evident in the process of developing the material matrix based on stakeholder feedback. It is a tangible example of how communication assists H&M in managing the heterogeneous expectations from the stakeholder base. However, there is still limited transparency with regards to how these expectations are prioritized and ultimately realized. The word 'dialogue' does not suggest any time limit nor demand for closure. Cooper and Owen (2007) present the definitions of discussions as an activity where 'decisions are made' and dialogue where 'complex issues are explored'. Having an ongoing stakeholder dialogue suggests it gives H&M some leeway in balancing as well as actualizing the expectations. The absence of a defined closure when using the word dialogue, could be compared to the metaphorical usage of 'journey' (Milne et al. 2006), when organizations are describing their sustainable development. Moreover,

keeping a dialogue with stakeholders per se does not only construct the identity of H&M, but serves a legitimizing element as well. It is empirically evident when H&M partly motivates the rejection of external assurance with having a stakeholder feedback dialogue, which in turn adds credibility to the report when disclosed. Being a facilitator of dialogue suggests characteristics such as *responsive*, *responsible* and *cooperative*. These character traits together fill the nodal point with meaning.

Suppliers

Stakeholder collaboration is a driver for legitimization ((Palazzo and Richter 2005); (Grekova, Bremmers, Trienekens, Kemp, Omta 2014)). Long-lasting relationships, mutual trust and shared goals as well as commitment to positive environmental and social impact, are some elements related to the communicated partnerships between suppliers and H&M. Consequently, an overall positive perception is created that H&M and the suppliers are working together towards the same goal; improvement of environmental and social issues. Furthermore, when H&M states that the influence is the strongest where the relationships are the closest, collaboration could be seen as a means to increase the sense of impact further out in the value chain.

Additionally, suppliers are portrayed to be more open to change under the guidance and empowerment of H&M. There are multiple initiatives and projects that call for increased supplier involvement. For example, a project called "10 steps for supplier ownership" and the replacement of Code of Conduct with a "Sustainability Commitment". With the construction of two collaborating partners, mutually committed to sustainability improvements, the characteristics implied to partially fill the nodal point are *business partnering, change driver, trustworthiness* and *empowerment*.

Customers

In the latter reports, the identity of customers shifts from being a *validator* to a *follower*. Previously, the customer expectations were used to guide as well as justify H&M's sustainability actions. After the identity shift, customer expectations regarding sustainability issues are communicated to be acknowledged but are also used as a benchmark which H&M chooses to go beyond. In taking on the role of exceeding these expectations, H&M rhetorically builds the image of being ambitious and hard-working in

its aim to become sustainable. The ambition is further emphasized as H&M looks beyond its own operations and states that the biggest climate impact happens outside its organizational boundaries. Customers are pointed out as having a "major environmental impact" and H&M undertakes the responsibility of enabling customers to limit this impact. This is communicated to be achieved by influencing sustainable customer choices through transparency, incentives and inspiration, facilitated by H&M.

When H&M describes its relation to customers with words like 'major environmental impact' together with 'reduction', 'inspiration' and 'enable', it is argued that the sustainability impact of customers could be regarded as reducible through the empowerment of H&M (Higgins and Coffey 2016). Constructing customers as being followers under H&M's trustworthy and enabling influence partially fills the nodal point with positive character traits such as *ambitious*, *knowledgeable, enabler* and *leadership*.

NGOs

The collaboration rhetoric is not only used in the case with suppliers, but also when the NGO's identity is constructed. H&M's construction of the NGO's identity was found stable over time. H&M construct NGOs as experts as well as drivers of multiple social responsible initiatives. H&M also states that it relies on NGOs to raise concerns in their particular areas of expertise and to be at the forefront of industry standards. The proficiency of NGOs within distinct issues makes them a suitable teacher to H&M and results in a transfer of legitimacy from the NGO to H&M (Reast, Maon, Lindgreen, Vanhamme 2012). The plurality and broadness of communicated NGO relations, further creates an impression that H&M is trying to learn how to manage environmental and social problems in a comprehensive way.

In the latter reports, H&M highlights the collaboration between the organization, the NGOs and other stakeholders. Without losing the legitimizing spill-over effect from working closely with NGOs, the identity is now shaped towards cooperation and partnerships. As H&M is operating in an industry with multiple social and environmental issues, the legitimizing outcome of a strategic alliance with actors like NGOs are particularly important (Dacin, Oliver, Roy 2007). The communicated objective of the collaboration is increased influence throughout the value chain as well as promoting

systemic change in the industry. With a background of these high ambitions of partnering with NGOs, character traits like *awareness, learner, collaborator* and *change driver* are established in relation to the nodal point 'sustainable organization'.

Government

Government is a key stakeholder since governmental decisions could either enable, delay or even withhold change initiatives. Thus, it is important to gain policymaker's approval when it comes to H&M's endeavor to improve the environmental and social impact. To cooperate with governments is a clear legitimizing relation, especially for organizations which operate in industries with notable social and public issues (Dacin et al. 2007). When H&M construct governments as receptive authorities, it implies that they are aware of H&M's aspirations towards change. Additionally, H&M does not forcefully push for its agenda, but rather communicates how they involve governments in different sustainability initiatives and discussions. It suggests that H&M respects the dependency its position holds with regards to governments. Consequently, H&M is constructed as an obedient change driver. It signals a responsiveness for authorities in combination with being the one advocating for change and improvements. The identity partially fills the nodal point with characteristics such as *progressive, mediator* and *engager*.

Silent shareholders

Why are some stakeholder identities explicitly constructed and others are not? The acknowledgement of shareholders is very limited throughout the reports. Nevertheless, H&M clearly states that the various stakeholders are important for the organization's 'license to operate'. It could be argued that especially shareholders have a high impact on H&M's very existence. Hence, it is noteworthy that they exclude them in the reports to a large extent and the potential underlying motives for this should be further examined.

Shareholder expectations are commonly associated with profit maximization (Nyberg and Wright 2012) and is a disputed area with regards to sustainability ((Milne et al. 2009); (Milne et al. 2006); (Laine 2009); (Busco et al. 2018); among others). On one hand, there is an opinion of a 'win-win' relation, where corporate social responsibility could be beneficial for both society and the organization, mainly through resource efficiency, competitive advantage and risk management ((Milne et al. 2009); (Nyberg and Wright 2012)). On the other hand, a more critical opinion is that when an organization initiates

reforms to limit its environmental and social impacts, it is nothing 'but old wine in new bottles' (Tregidga et al. 2018) with an unchallenged organizational position to continue with business-as-usual ((Milne et al. 2006); (Laine 2009)). H&M has effectively avoided the delicate question of how to manage profit and growth in a sustainable way by constructing a *silent* shareholder identity.

In sum, through construction of the identity of its respective stakeholders in relation to its own, H&M is provided different legitimizing character traits that fill the nodal point with meaning and position them as a sustainable organization. Figure 2 below provides an overview of the identified identities and corresponding legitimizing characteristics. Our findings are aligned with Tregidga et al. (2014, p.490), that identity construction is an organizational means "to maintain legitimacy and power and influence (hegemony)". However, by looking at individual stakeholder identities and what the talking organization is claiming to be in the communicated relations, additional insights are gained of how an organization legitimately upholds a hegemonic position.
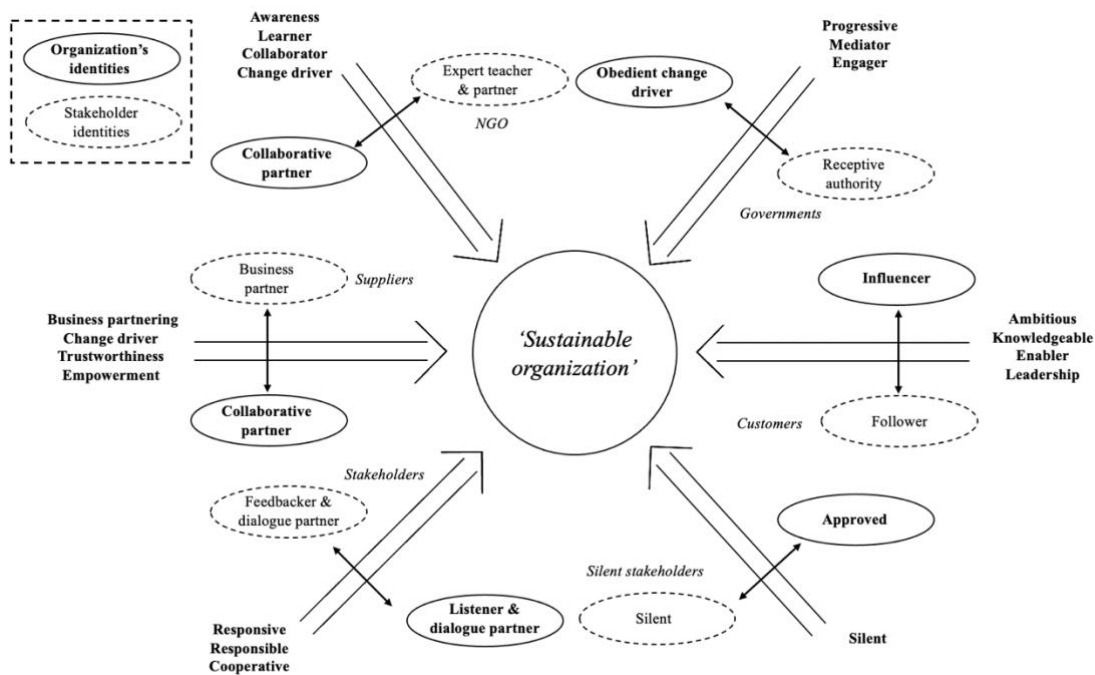

Figure 2. Legitimization in relation to the nodal point 'sustainable organization'

5.1.3. Maintaining a hegemonic position

Hegemony within discourse is not merely a form of coercive domination but is further a constructed position of elements such that determines what is considered as taken-for-granted and common sense. To maintain a hegemonic position means having the power to influence and lead others (Laclau and Mouffe 1985). H&M has managed to position itself as a leader within sustainability, once again ranked as the most sustainable corporation within the consumer goods category on the Swedish stock exchange. The company also ranked number 27 of the world's most sustainable companies 2020 by *Corporate Knight's index*, implying its legitimate role and influence in relation to sustainability prevails on a global scale as well. Arguably, H&M today holds a hegemonic position as a sustainable organization in the eyes of the public (Laclau and Mouffe 1985).

The above analysis illuminates how the construction of multiple identities results in legitimizing character traits and has contributed to a further understanding of what H&M is claiming to be in order to maintain influence within the sustainability discourse (Tregidga et al. 2014). As empirically observed, H&M appears as ambitious, knowledgeable and leading within sustainability in relation to its customers, while being empowering and a business partner in relation to its suppliers. Moreover, the construction of shareholders as a silent approver could be seen as a way to avoid revealing the viewpoint of the disputed trade-off between sustainability and business-as-usual (Milne et al. 2009). This marginalization of 'less accepted features' is enabled by a hegemonic position (Laclau and Mouffe 1985) and further reinforces the notion of representing common sense. The wide range of stakeholders, all different from each other, invokes a need for construction of multiple identities. Character traits contributing to the legitimization of a sustainable organization may vary significantly between stakeholder relations in order for the organization to appear believable and trustworthy. This process thereby establishes H&M as a legitimate sustainable organization and sustains its hegemonic position, confirmed by the prevailing public view of H&M.

Today, H&M manages this construction through an emphasis on more collaborative identities. Stakeholder identities are given increased social status, making them attractive as partners and thus H&M reconstruct its own identities closely related to the partnering stakeholders. Although a number of legitimizing characteristics have been identified, we

find the ones of more collaborative nature particularly salient in the process of constructing H&M as a sustainable organization.

5.2. Discharge of accountability through identity construction

The findings of a slight dominance towards collaborative stakeholder identities are aligned with the prevailing context. Multi-stakeholder collaborations within sustainability constitutes an area which has received an increased interest since the beginning of this century ((van Tulder 2011); (Cooper and Owen 2007); (Murray, Haynes, Hudson 2010); (Airike, Rotter, Mark-Herbert 2016); (Greenwood 2007)). Even though individual business organizations are common targets for external pressures and public scrutiny with regards to sustainability, voices have been raised that it is impossible for one organization to undertake and successfully manage sustainability challenges independently ((Roloff 2008); (Murray et al. 2010)). With globalized sustainability challenges, this 'collaboration paradigm' is a necessary acknowledgement and a 'logical step' for public, private, for-profit and non-profit actors as well as civil society ((Murray et al. 2010); (Austin, Hesselbein, Whitehead 2000)). H&M has evidently recognized this paradigm through many of its contemporary identity constructions. Nevertheless, increased multi-stakeholder collaboration to achieve corporate social responsibility imply challenges concerning accountability and governance mechanisms ((Zadek and Radovich 2006); (Hardy, Lawrence, Grant 2005)). With joint problem solving at a global scale, who is accountable for the solutions and the means to achieve them?

Organizations produce sustainability reports to disclose performance with regards to sustainable development and, under a public review, become accountable to relevant stakeholder groups ((European Court of Auditors 2019); (Kolk 2008); (Amran and Keat Ooi 2014)). However, we would argue that the sustainability reports are not just used to enhance accountability towards stakeholders, but also fulfill the purpose of discharging accountability to the same receivers. Through construction of simultaneous stakeholder identities, H&M influences the perceived accountability allocation between the stakeholder and the company itself.

Once again revisiting the suppliers, H&M has constructed the identity as an empowered business partner with a shared goal of reducing environmental and social impact. Hence,

the suppliers are portrayed to be capable to work independently, but with guidance from H&M, towards becoming more sustainable. The responsibility to undertake the sustainability challenges is thereby partially discharged onto suppliers. The discharge of accountability is also evident in the case of customers. H&M states that the biggest environmental impact takes place outside its operations and that customers contribute to a major share of it. With incentives, inspiration and increased transparency, H&M communicates that they will enable its customers to make conscious choices. Hence, H&M is portrayed to encourage the customers to make the right decision, but the ultimate judgement and responsibility lies on the customers themselves.

Both suppliers and customers are direct members of H&M's value chain and are suggested to be the most accessible to discharge accountability to. Nonetheless, by constructing NGOs as expert teachers there is a perception of 'they know best' and H&M is participating in a learning process with NGOs as teachers. Equivalent to the metaphor of dialogue with an inherent absence of actual decision-making, the notion of learning can give H&M some leeway in being accountable for sustainability areas it does not fully comprehend. Furthermore, the identity of governments as a receptive authority are constructed in a way that governments have the definite power to enable or withhold sustainable changes. With the role as mediator and change driver, H&M is communicated to attempt to improve the sustainability impact but ultimately needs to rely on governments for these attempts to be realized.

A key element in the discussion regarding sustainability reports serving as a rationalizing device (Laine 2009) and tool for impression management ((Cho et al. 2016)); (Dillard and Vinnari 2019)), is the underlying tension between long-term sustainability and creation of shareholder value ((Nyberg and Wright 2012); (Milne et al. 2009)). Regardless of how the tension should be balanced, the fact that H&M is accountable to its shareholders remains. Hence, it is suggested that the construction of the silent shareholder is another way to elude accountability and further construct a reality where H&M's commitment to sustainability is unchallenged.

Discharging accountability through disclosures during the collaboration paradigm has partially been enabled by constructing partnership relations with stakeholders. Thus, the context has an impact on how organizations chose to portray itself (and its stakeholders). Our empirics are thereby aligned with the findings of Tregidga et al. (2014). However, the collaboration paradigm is a result derived from an ever-increasing internationalization and the consecutive globalized sustainability challenges. This development also extends organizational dependency upon interorganizational relationships. It broadens the scope of *who* is accountable for *what*, as organizations are now also accountable on the *behalf of others*. In the above analysis, it is evident that H&M utilizes the identity construction of others to designate accountability and thereby create an impression of being only partially accountable for sustainable development. Hence, the question asked is no longer limited to who is accountable, but rather who is dictating the accountability allocation?

6. Conclusions

Previous research has analyzed sustainability disclosures as a legitimizing device, utilized to influence the perception of organizations and uphold the organizational role in society ((Gray et al. 1995); (Gray et al. 1996); (Deegan 2002); (Shinkle and Spencer 2011); (Tregidga et al. 2014)). We draw on the findings of Tregidga et al. (2014), that provided observations on how organizations' construction and reconstruction of its own identity serve to maintain a hegemonic position in relation to the contextual setting. The starting point of this study is a multinational case company with a prevailing hegemonic position within the sustainability discourse, despite operating in a demonstrated unsustainable industry. We investigate how the case company reconstructs the identities of its multiple stakeholders and the consecutive implications on the identity(ies) of the talking organization. By taking a pluralistic perspective on identity construction, we provide additional insights to the under researched area of organizational hegemony within sustainability discourse ((Brown et al. 2015); (Tregidga et al. 2018)).

This paper makes several contributions to the field of identity construction within sustainability reporting. First, the study mobilizes Laclau and Mouffe's (1985) discourse theory and concept of hegemony, complemented by social identity theory as an additional layer, to address the relational construction of stakeholders' identity. Multiple stakeholder identities are found to be constructed, simultaneously and over time, and contribute to the construction of the case company's own identities. The identified identities and their relations are mapped out in table 1 and 2.

Secondly, we found that every stakeholder identity constructed generated multiple legitimizing character traits transferred to the talking organization. The discovery included both differing and overlapping character traits, see figure 2 for an overview. Hence, we argue that through an individualized identity construction of respective stakeholders, organizations can internally gain comprehensive legitimacy to further strengthen its hegemonic position as a sustainable organization. This finding goes beyond the insights of Tregidga et al. (2014) and further contributes to the understanding on how sustainability reports influence the perception of the organization.

Lastly, based on our findings, we further contribute with understanding regarding the implications of how the identity construction of multiple stakeholders may influence the notion of organizational accountability. A reallocation of accountability is particularly evident for suppliers and customers that are actors in the direct value chain of the case company. However, empirics also indicate that essential actors like NGOs and governments are constructed in a way that the case company is relying on their knowledge as well as approval on its endeavor to become a sustainable organization. Thereby, explanations of H&M's limited or absent sustainability improvements also involve others. Further, by silencing shareholders, H&M's sustainability commitment remains unchallenged.

We argue that when sustainability reports are used as a legitimizing device, identity construction creates means for discharging accountability from the talking organization to the (constructed) stakeholders. With a globalized scope of operations, the boundaries of identity construction have extended to involve 'others' as a way to holistically manage the vast public pressure and maintain a dictating voice in sustainability discourse. Being the dictating voice in your own communicative arena is one thing. But what if the arena is the world, and the voice heard is a desperate cry for change. What are you claiming to be then?

We recognize that the study is subject to several limitations. In terms of reflexivity, we acknowledge that our backgrounds and motives to some extent may have influenced the interpretations of texts. Similar to any qualitative research, there is room for interpretive biases (Ahrens and Chapman 2006), however through a structured outline and research methodology we seek to minimize such biases. The research scope was delimited to an analysis of the case company's *current* construction of legitimizing character traits and hegemonic position, focusing on in-depth insights rather than broad conclusions. Although the time factor was essential in validating the continuous constructions of the multiple identities, it was excluded from the second layer of analysis that elaborated on the legitimization of identities. Another limiting element to consider is the fact that our study only included published sustainability reports produced by the talking organization. Previous studies using similar methods ((Tregidga et al. 2014); (Higgins and Coffey

2016)) address the lack of critical perspectives as well as stakeholder voices when isolating the empirics to such reports.

We suggest future research to adopt a broader scope, beyond the sustainability reports, that includes other corporate texts, new articles, stakeholder communication and other forms of relevant conversations. This would enable an analysis of the debate and further facilitating the understanding of identity construction in relation to sustainability. As this study has been limited to disclosures, we encourage other researchers to explore how practices are aligned with what is reported and to what extent the constructed identities comply with reality. Furthermore, another interesting approach would be to extend the findings of this study in terms of the relation between legitimization and identity construction of stakeholders. For example, multiple-case studies can help confirm patterns and validate the findings presented above. Finally, to further develop the analysis on hegemony and legitimization through identity construction, it would be interesting to explore the evolution of a hegemonic position. How can an organization that initially lacks both power and influence, construct identities in such a way that it attains a hegemonic position within discourse over time?

7. References

Printed sources

Adams, Carol, and Ken McPhail. 'Reporting and the Politics of Difference: (Non)Disclosure on Ethnic Minorities', *Abacus,* vol. 40/no. 3, (2004), pp. 405-435.

Ahrens, Thomas, and Christopher S. Chapman. 'Doing Qualitative Weld Research in Management Accounting: Positioning Data to Contribute to Theory', *Accounting, Organizations and Society,* vol. 31/ (2006), pp. 819-841.

Airike, Peppi-Emilia, Julia P. Rotter, and Cecilia Mark-Herbert. 'Corporate Motives for Multi-Stakeholder Collaboration– Corporate Social Responsibility in the Electronics Supply Chains', *Journal of Cleaner Production,* vol. 131/(2016), pp. 639-648.

Aldrich, Howard E., and C. Marlene Fiol. 'Fools Rush in? the Institutional Context of Industry Creation', *The Academy of Management Review,* vol. 19/no. 4, (1994), pp. 645-670.

Amran, Azlan, and Say Keat Ooi. 'Sustainability Reporting: Meeting Stakeholder Demands', *Strategic Direction (Bradford, England),* vol. 30/no. 7, (2014), pp. 38-41.

Andersen, Mette, and Tage Skjoett-Larsen. 'Corporate Social Responsibility in Global Supply Chains', *Supply Chain Management,* vol. 14/no. 2, (2009), pp. 75-86.

Ashforth, Blake, and Fred Mael. 'Social Identity Theory and the Organization', *The Academy of Management Review,* vol. 14/no. 1, (1989), pp. 20-39.

Austin, James, Frances Hesselbein, and John Whitehead*., 'The Collaboration Challenge: How Nonprofits and Businesses Succeed through Strategic Alliances'*, Anonymous Translator (1st edn, J-B leader to leader institute/PF drucker foundation ser., John Wiley & Sons, Incorporated, 2000).

Barnes, Liz, and Gaynor Lea-Greenwood. 'Fast Fashioning the Supply Chain: Shaping the Research Agenda', *Journal of Fashion Marketing and Management,* vol. 10/no. 3, (2006), pp. 259-271.

Boiral, Olivier. 'Accounting for the Unaccountable: Biodiversity Reporting and Impression Management', *Journal of Business Ethics,* vol. 135/no. 4, (2014), pp. 751-768.

Brown, Noel, and Craig Deegan. 'The Public Disclosure of Environmental Performance Information - a Dual Test of Media Agenda Setting Theory and Legitimacy Theory', *Accounting and Business Research,* vol. 29/no. 1, (1998), pp. 21-41.

Brown, Dillard, and Hopper. 'Accounting, Accountants and Accountability Regimes in Pluralistic Societies', *Accounting, Auditing, & Accountability,* vol. 28/no. 5, (2015), pp. 626-650.

Buhr, Nola. 'Environmental Performance, Legislation and Annual Report Disclosure: The Case of Acid Rain and Falconbridge', *Accounting, Auditing, & Accountability,* vol. 11/no. 2, (1998), pp. 163-190.

Busco, Cristiano, Elena Giovannoni, Fabrizio Granà, et al. 'Making Sustainability Meaningful: Aspirations, Discourses and Reporting Practices', *Accounting, Auditing, & Accountability,* vol. 31/no. 8, (2018), pp. 2218-2246.

Camilleri, Mark Anthony. 'Valuing Stakeholder Engagement and Sustainability Reporting', *Corporate Reputation Review,* vol. 18/no. 3, (2015), pp. 210-222.

Campbell, David. 'Intra- and Intersectoral Effects in Environmental Disclosures: Evidence for Legitimacy Theory?', *Business Strategy and the Environment,* vol. 12/no. 6, (2003), pp. 357-371.

Carroll, Archie B. 'The Four Faces of Corporate Citizenship', *Business and Society Review (1974),* vol. 100-101/no. 1, (1998), pp. 1-7.

Cho, Charles H., Matias Laine, Robin W. Roberts, et al. 'The Frontstage and Backstage of Corporate Sustainability Reporting: Evidence from the Arctic National Wildlife Refuge Bill', *Journal of Business Ethics,* vol. 152/no. 3, (2016), pp. 865-886.

Cooper, Stuart M., and David L. Owen. 'Corporate Social Reporting and Stakeholder Accountability: The Missing Link', *Accounting, Organizations and Society,* vol. 32/no. 7-8, (2007), pp. 649-667.

Crane, Andrew, and Sharon Livesey., *'Are You Talking to Me? Stakeholder Communication and the Risks and Rewards of Dialogue'*, Anonymous Translator (1st edn, Unfolding stakeholder thinking, Unfolding Stakeholder Thinking 2 : Relationships, Communication, Reporting and Performance, Taylor & Francis Group, 2003).

Dacin, M. Tina, Christine Oliver, and Jean-Paul Roy. 'The Legitimacy of Strategic Alliances: An Institutional Perspective', *Strategic Management Journal,* vol. 28/no. 2, (2007), pp. 169-187.

de Brito, Marisa P., Valentina Carbone, and Corinne Meunier Blanquart. 'Towards a Sustainable Fashion Retail Supply Chain in Europe: Organisation and Performance', *International Journal of Production Economics,* vol. 114/no. 2, (2008), pp. 534-553.

de Villiers, Charl, and Chris J. van Staden. 'Can Less Environmental Disclosure have a Legitimising Effect? Evidence from Africa', *Accounting, Organizations and Society,* vol. 31/no. 8, (2006), pp. 763-781.

Deegan, Craig Michael. 'Introduction the Legitimising Effect of Social and Environmental Disclosures - a Theoretical Foundation', *Accounting, Auditing and Accountability Journal,* vol. 11/no. 3, (2002), pp. 282-311.

Deegan, Craig Michael. 'Legitimacy Theory', *Accounting, Auditing, & Accountability,* vol. 32/no. 8, (2019), pp. 2307-2329.

Deegan, Craig Michael, Michaela Ranking, and John Tobin. 'An Examination of the Corporate Social and Environmental Disclosures BHP from 1983-1997', *Accounting, Auditing and Accountability Journal,* vol. 11/no. 3, (2002), pp. 312-343.

Dillard, Jesse, and Eija Vinnari. 'Critical Dialogical Accountability: From Accounting-Based Accountability to Accountability-Based Accounting', *Critical Perspectives on Accounting,* vol. 62/ (2019), pp. 16-38.

Dubois, Anna, and Lars-Erik Gadde. '"Systematic combining"—A Decade Later', *Journal of Business Research,* vol. 67/no. 6, (2014), pp. 1277-1284.

Dyer, W. Gibb, and Alan L. Wilkins. 'Better Stories, Not Better Constructs, to Generate Better Theory: A Rejoinder to Eisenhardt', *The Academy of Management Review,* vol. 16/no. 3, (1991), pp. 613-619.

Fairclough, Norman. 'Discourse and Text: Linguistic and Intertextual Analysis within Discourse Analysis', *Discourse and Society,* vol. 3/no. 2, (1992), pp. 193-217.

Fransen, Luc W., and Ans Kolk. 'Global Rule-Setting for Business: A Critical Analysis of Multi-Stakeholder Standards', *Organization (London, England),* vol. 14/no. 5, (2016), pp. 667-684.

Gerring, John., *'Case Study Research: Principles and Practices'*, Anonymous Translator (1st edn, New York, Cambridge University Press, 2007).

Gray, R., D. Owen, and C. Adams. *, 'Accounting & Accountability: Changes and Challenges in Corporate Social and Environmental Reporting'*, Anonymous Translator(1st edn, Prentice Hall, 1996).

Gray, Rob. 'Is Accounting for Sustainability Actually Accounting for Sustainability... and how would we Know? an Exploration of Narratives of Organisations and the Planet', *Accounting, Organizations and Society,* vol. 35/no. 1, (2010), pp. 47-62.

Gray, Rob, Reza Kouhy, and Simon Lavers. 'Corporate Social and Environmental Reporting', *Accounting, Auditing, & Accountability,* vol. 8/no. 2, (1995), pp. 47-77.

Greenwood, Michelle. 'Stakeholder Engagement: Beyond the Myth of Corporate Responsibility', *Journal of Business Ethics,* vol. 74/no. 4, (2007), pp. 315-327.

Grekova, Bremmers, Trienekens, Kemp, Omta. 'Extending Environmental Management Beyond the Firm Boundaries: An Empirical Study of Dutch Food

and Beverage Firms', *Int. J. Production Economics,* vol. 152/ (2014), pp. 174-187.

Guthrie, James, and Lee D. Parker. 'Corporate Social Reporting: A Rebuttal of Legitimacy Theory', *Accounting and Business Research,* vol. 19/no. 76, (1989), pp. 343-352.

Hardy, Cynthia, Thomas B. Lawrence, and David Grant. 'Discourse and Collaboration: The Role of Conversations and Collective Identity', *The Academy of Management Review,* vol. 30/no. 1, (2005), pp. 58-77.

Higgins, Colin, and Brian Coffey. 'Improving how Sustainability Reports Drive Change: A Critical Discourse Analysis', *Journal of Cleaner Production,* vol. 136/ (2016), pp. 18-29.

Hudson, Bryant Ashley. 'Against all Odds: A Consideration of Core-Stigmatized Organizations', *The Academy of Management Review,* vol. 33/no. 1, (2008), pp. 252-266.

Kolk, Ans. 'Sustainability, Accountability and Corporate Governance: Exploring Multinationals' Reporting Practices', *Business Strategy and the Environment,* vol. 17/no. 1, (2008), pp. 1-15.

Laclau, Ernesto, and Chantal Mouffe*., 'Hegemony and Socialist Strategy - Towards a Radical Democratic Politics'*, Anonymous Translator (2nd edn, London, Verso, 1985).

Laine, Matias. 'Ensuring Legitimacy through Rhetorical Changes?', *Accounting, Auditing, & Accountability,* vol. 22/no. 7, (2009), pp. 1029-1054.

Levy, David L. 'Environmental Management as Political Sustainability', *Organization & Environment,* vol. 10/no. 2, (1997), pp. 126-147.

Livesey, Sharon M., and Kate Kearins. 'Transparent and Caring Corporations?', *Organization & Environment,* vol. 15/no. 3, (2002), pp. 233-258.

Lukka, Kari, and Sven Modell. 'Validation in Interpretive Management Accounting Research', *Accounting, Organizations and Society,* vol. 35/no. 4, (2010), pp. 462-477.

Lukka, Kari, and Eija Vinnari. 'Domain Theory and Method Theory in Management Accounting Research', *Accounting, Auditing, & Accountability,* vol. 27/no. 8, (2014), pp. 1308-1338.

Milne, Markus J., Kate Kearins, and Sara Walton. 'Creating Adventures in Wonderland: The Journey Metaphor and Environmental Sustainability', *Organization (London, England),* vol. 13/no. 6, (2006), pp. 801-839.

Milne, Markus J., Helen Tregidga, and Sara Walton. 'Words Not Actions! the Ideological Role of Sustainable Development Reporting', *Accounting, Auditing, & Accountability,* vol. 22/no. 8, (2009), pp. 1211-1257.

Murray, Alan, Kathryn Haynes, and Lucian J. Hudson. 'Collaborating to Achieve Corporate Social Responsibility and Sustainability?', *Sustainability Accounting, Management and Policy Journal (Print),* vol. 1/no. 2, (2010), pp. 161-177.

Nyberg, Daniel, and Christopher Wright. 'Justifying Business Responses to Climate Change: Discursive Strategies of Similarity and Difference', *Environment and Planning,* vol. 44/ (2012), pp. 1819-1835.

Palazzo, Guido, and Ulf Richter. 'CSR Business as Usual? the Case of the Tobacco Industry', *Journal of Business Ethics,* vol. 61/no. 4, (2005), pp. 387-401.

Patten, Dennis M. 'Intra-Industry Environmental Disclosures in Response to the Alaskan Oil Spill: A Note on Legitimacy Theory', *Accounting, Organizations and Society,* vol. 17/no. 5, (1992), pp. 471-475.

Phillips, Nelson, and Cynthia Hardy.*, 'Discourse Analysis*

Investigating Processes of Social Construction', Anonymous Translator (50th edn, Qualitative research methods, United States of America, Sage University Paper, 2002).

Reast, Jon, François Maon, Adam Lindgreen, Joëlle Vanhamme. 'Legitimacy-Seeking Organizational Strategies in Controversial Industries: A Case Study Analysis and a Bidimensional Model', *Journal of Business Ethics,* vol. 118/no. 1, (2012), pp. 139-153.

Roloff, Julia. 'Learning from Multi-Stakeholder Networks: Issue-Focussed Stakeholder Management', *Journal of Business Ethics,* vol. 82/no. 1, (2008), pp. 233-250.

Rose, Jacob M. 'Corporate Directors and Social Responsibility: Ethics Versus Shareholder Value', *Journal of Business Ethics,* vol. 73/no. 3, (2006), pp. 319-331.

Shinkle, George A., and J. William Spencer. 'The Social Construction of Global Corporate Citizenship', *Journal of World Business,* vol. 47/no. 1, (2011), pp. 123-133.

Smith, H. Jeff. 'The Shareholders Vs. Stakeholders Debate', *MIT Sloan Management Review,* vol. 44/no. 4, (2003), pp. 85-90.

Spence, Crawford. 'Social and Environmental Reporting and Hegemonic Discourse', *Accounting, Auditing, & Accountability,* vol. 20/no. 6, (2007), pp. 855-882.

Stets, Jan E., and Peter J. Burke. 'Identity Theory and Social Identity Theory', *Social Psychology Quarterly,* vol. 63/no. 3, (2000), pp. 224-237.

Suchman, Mark C. 'Managing Legitimacy: Strategic and Institutional Approaches', *The Academy of Management Review,* vol. 20/no. 3, (1995), pp. 571-610.

Tregidga, Helen, Markus J. Milne, and Kate Kearins. 'Ramping Up Resistance: Corporate Sustainable Development and Academic Research', *Business & Society,* vol. 57/no. 2, (2018), pp. 292-334.

Tregidga, Helen, Markus Milne, and Kate Kearins. '(Re)Presenting 'sustainable Organizations'', *Accounting, Organizations and Society,* vol. 39/(2014), pp. 477-494.

Turker, Duygu, and Ceren Altuntas. 'Sustainable Supply Chain Management in the Fast Fashion Industry: An Analysis of Corporate Reports', *European Management Journal,* vol. 32/no. 5, (2014), pp. 837-849.

van Tulder, Rob. 'The Collaborative Paradigm', Sep 22,.

Zadek, Simon, and Sasha Radovich. 'Collaborative Governance - Enhancing Development Outcomes by Improving Partnership Governance and Accountability'.

Other sources

BBC. *'Greenpeace Links Big Brands to Chinese River Pollution',* (updated July 13, 2011)<https://www.bbc.com/news/business-14134034>.

Corporate Knights. '2016 Global 100 Results', (updated Jan 20, 2016) <https://www.corporateknights.com/magazines/2016-global-100-issue/2016-global-100-results-14533333/>.

Corporate Knights. *'2020 Global 100 Ranking',* (updated Jan 21, 2020) <https://www.corporateknights.com/reports/2020-global-100/2020-global-100-ranking-15795648/>.

Dagens Industri. *'Stor Granskning: Här Är Alla Börsens Mest Hållbara Bolag',* (updated Nov 4, 2020)<https://www.di.se/hallbart-naringsliv/stor-granskning-har-ar-alla-borsens-mest-hallbara-bolag/>.

Deloitte. 'Lagkrav På Hållbarhetsrapportering: Vad Behöver Ditt Företag Göra?', (updated 2017) <https://www2.deloitte.com/content/dam/Deloitte/se/Documents/risk/krav-hallbarhetsrapportering-deloitte-sverige.pdf>.

European Court of Auditors. *'Reporting on Sustainability - A Stocktake of EU Institutions and Agencies (Rapid Case Review)',* (updated 2019) <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=%7B33690625-87C7-47C5-8BC5-9AC5E6BBB562%7D>.

Forbes. *'Who are the 100 most Sustainable Companies of 2020?',* (updated Jan 21, 2020)<https://www.forbes.com/sites/samanthatodd/2020/01/21/who-are-the-100-most-sustainable-companies-of-2020/?sh=53d872e814a4>.

Forbes. 'The World's most Ethical Companies', (updated Mar 6, 2013) <https://www.forbes.com/sites/jacquelynsmith/2013/03/06/the-worlds-most-ethical-companies-in-2013/?sh=367af065e934>.

H&M. 'About Us: The History of H&M Group', (updated 2020) <https://hmgroup.com/about-us/history.html>.

ISO. *'ISO 14001:2015. Environmental Management Systems — Requirements with Guidance for Use',* 2015) <https://www.iso.org/standard/60857.html>.

McKinsey. *'Fashion on Climate',* (updated Aug 26, 2020) <https://www.mckinsey.com/industries/retail/our-insights/fashion-on-climate>

Reuters. 'H&M Says Fashion can be Cheap and Ethical', (updated Jan 30, 2014) <https://www.reuters.com/article/us-hm-sustainability-idUSBREA0T00C20140130>.

The Guardian. *'H&M Comes Under Pressure to Act on Child-Labour Cotton',* (updated Dec 15, 2012) <https://www.theguardian.com/business/2012/dec/15/cotton-child-labour-uzbekistan-fashion>.

UN. *'UN Launches Drive to Highlight Environmental Cost of Staying Fashionable',* (updated March 25, 2019) <https://news.un.org/en/story/2019/03/1035161>.

Unicef. *'Child Labour in the Fashion Supply Chain - Where, Why and what can be Done',* (updated 2015) <https://labs.theguardian.com/unicef-child-labour/>.

8. Appendix

Appendix A. Summary of H&M's publicly available Sustainability Reports

Year	H&M Sustainability Report	*Retrieved from H&M website*
2002	Corporate Social Responsibility Report 2002	*Sep 9, 2020*
2003	Corporate Social Responsibility Report 2003	*Sep 9, 2020*
2004	Corporate Social Responsibility Report 2004	*Sep 9, 2020*
2005	Corporate Social Responsibility Report 2005	*Sep 9, 2020*
2006	CSR Reporting 2006	*Sep 9, 2020*
2007	Corporate Social Responsibility 2007	*Sep 9, 2020*
2008	Sustainability Report 2008	*Sep 9, 2020*
2009	Style and Substance Sustainability Report 2009	*Sep 9, 2020*
2010	Conscious Actions Sustainability Report 2010	*Sep 9, 2020*
2011	Conscious Actions Sustainability Report 2011	*Sep 9, 2020*
2012	Conscious Actions Sustainability Report 2012	*Sep 9, 2020*
2013	Conscious Actions Sustainability Report 2013	*Sep 9, 2020*
2014	Conscious Actions Sustainability Report 2014	*Sep 9, 2020*
2015	Conscious Actions Sustainability Report 2015	*Sep 9, 2020*
2016	The H&M Group Sustainability Report 2016	*Sep 9, 2020*
2017	The H&M Group Sustainability Report 2017	*Sep 9, 2020*
2018	The H&M Group Sustainability Report 2018	*Sep 9, 2020*
2019	Sustainability Performance Report 2019	*Sep 9, 2020*