Sustainability is the new black?
How are sustainable practices manifested as core part of luxury brand identities?

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Table of Contents

1 Introduction ............................................................................................................. 6

2 Literature Review & Previous Research ............................................................... 9
   2.1 CSR as a discursive construct .......................................................................... 9
   2.2 Organizational identities ................................................................................. 11
   2.3 CSR narratives and rhetorical elements ......................................................... 13
   2.4 CSR and luxury: A convergence of paradoxes ........................................... 17

3 Research Design and Rationale ............................................................................. 20
   3.1 Research method ............................................................................................ 20
   3.2 Sampling procedure and data collection ....................................................... 21
   3.3 Analysis of the data ....................................................................................... 22
       3.3.1 Open Coding ......................................................................................... 24
       3.3.2 Axial Coding ......................................................................................... 24
       3.3.3 Selective coding ..................................................................................... 25
   3.4 Reliability and Validity of the research design ............................................. 25

4 Results .................................................................................................................... 27
   4.1 ‘Sustainability and luxury go hand in hand’ .................................................. 27
   4.2 ‘Supply chain: it’s a matter of perspective’ .................................................... 30
   4.3 ‘Compliance ergo legitimacy’ ......................................................................... 33
   4.4 ‘Be good and choose your friends wisely’ ..................................................... 36
   4.5 ‘Sustainability comes from within’ .................................................................. 39

5 Conclusion .............................................................................................................. 43
   5.1 Theoretical and practical implications ........................................................... 44
   5.2 Limitations ..................................................................................................... 45
   5.3 Directions for future research ....................................................................... 46

6 References .............................................................................................................. 48

Appendices ............................................................................................................... 53
   Appendix 1 ......................................................................................................... 53
   Appendix 2 ......................................................................................................... 56
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Abstract

Organizations are entities that need to have the ‘licence to operate’ in society. The shifting political, economical and financial changes cause an increasing uncertainty about what the future will bring, leading organizations having to strive even more for this licence. Due to these facts, sustainability has gained much prominence in recent years, shifting stakeholders’ perceptions of how an organization should operate. Luxury brands are not exempted from this licence and are certainly affected by this shift in perception, as previous research has shown that millennials and luxury brand consumers emphasize on purchasing luxury goods that are sustainably produced. Given this, and that the notions of luxury and sustainability don’t go hand in hand at first glance, luxury brands have to convince stakeholders, they are – as a matter of fact – sustainability oriented and driven. To achieve that brands design sustainability narratives, justifying the apparent paradox between luxury and sustainability, and aiming to portray themselves as being sustainable at their very core. The present thesis examined how luxury brands approach those issues and manifest sustainability as an integral part of their organizational identities by applying specific rhetorical strategies in their sustainability narratives. In order to answer this question qualitative content analysis was applied in the sustainability narratives that luxury brands present in their website. Aiming to spot different attitudes between luxury manufacturers of same conglomerates, the goal was to focus only on the sustainability website of each brand and not that of the overarching group company. Overall, the assumptions made by the researcher, based on the theoretical framework of this research, were confirmed by the findings. The key findings confirm the hesitation- addressed by previous research- of luxury brands taking a leading stand when it comes to sustainable practices. Most of the brands of the sample opted for a rather collaborative attitude towards the notion of sustainability and in some cases portrayed themselves as being constraint to operate in a certain manner, not by choice, but rather due to external influences that are out of their control. An additional theme of this research is the issue of supply chain practices, with most luxury brands shifting gears between a collaborative and authoritative attitude. Most of the brands stressed the importance of strategic partnership to achieve sustainable practices, while emphasis was also placed on achieving internal employee compliance to achieve the status of being sustainable. In terms of future research, the findings further triggered the discussion of topics that have not being addressed in this research, such as the importance of strategic partnerships. Hence
replicating the present research design but refocusing on the topics would lead to a fruitful analysis. Last, scholars should delve into the rhetorical strategies luxury manufacturers apply in their non-financial reports and try to identify how sustainability is addressed in long texts, where there is significantly more space to be elaborate and detailed.

**Keywords:** CSR, CSR-luxury paradox, luxury, luxury brands, narratives, paradoxes, rhetoric, rhetorical strategies, strategic partnerships, supply chain, sustainability
1 Introduction

In 2016, the global spending on personal luxury goods reached 249 billion Euros with current exchange rates, an amount considerably flat, in comparison to 250 billion Euros in 2015 and constantly changing currency rates (D’Arpizio, Levato, Zito, & de Montgolfier, 2015). It is a world that is increasingly worried by the financial recession, the major political changes globally and terrorism. At the same time, natural resources and biodiversity levels decrease constantly, and the effects of global warming are becoming more evident. In light of these events, sustainability is considered to be the most trending term in the fashion industry at the moment (DuFault & Kho, 2015). In fact, sustainability is more than a buzzword. Luxury makers no longer consider sustainability as a “nice to have” add-on, but rather perceive it as a necessary business practice (Winston, 2016), as the business-as-usual mindset seems to be ineffective. Consequently, it is worth mentioning that CSR reporting is on rise the past five years. According to KPMG’s 2011 International Corporate Responsibility Reporting Survey, corporate reporting in European countries rose to 70% (White, 2012). The rise of non-financial reports and in particular CSR/sustainability reports highlights the discursive nature of the concept and the strong link between organizations and society. It also underlined the fact that organizations need to be operate in a socially and environmentally responsible manner and ‘talk’ about it, and go beyond of solely focusing on their financial interests.

Overall, there is plenty of research in the area of consumer perception of luxury brands and whether sustainability as a factor is influencing their purchase behavior (Kastanakis & Balabanis, 2012). Still, there has not been much research conducted from the perspective of luxury companies, as to whether they chose to be vocal about their sustainable practices and if so, how they frame their understanding and business practices related to sustainability by using organizational narratives. Thus, there is plenty of work about sustainability of luxury brands, but there is not so much research on the exact narrative approaches that luxury brands choose to talk about sustainability. This is the research gap that the present thesis aimed to bridge. Although there are studies highlighting the distinct differences between the terms CSR and sustainability (Pirnea, Olaru, & Moisa, 2011), the terms will be used interchangeably in the present thesis, as some brands may label it corporate responsibility and others sustainability.
The aim of this thesis was to examine what kind of narratives luxury brands use in their websites and how much they go into specific details about their ‘responsible behavior’ practices to project sustainability as an integral and inseparable part of their brand identity, hence legitimizing their practices.

The following research questions are posed:

RQ1: How is CSR and/or sustainability manifested in the identity narratives of luxury brands?

RQ2: How do these narratives address the paradox between luxury and CSR and/or sustainability practices?

RQ3: What kinds of rhetorical devices are used by luxury brands in their CSR and/or sustainability narratives?

In order to examine the above-mentioned research questions, qualitative content analysis has been conducted on the luxury brands websites that address sustainability.

There are several scholarly articles addressing the paradox between sustainability oriented business practices and the original images and values luxury brands were projecting until recently (Bain & Company, 2015; Kapferer, 2015, Yun & Dhanesh, 2017). Luxury consumers, especially millennials, have changed their purchase behavior. Instead of purchasing luxury good, regardless of the environmental, social and financial consequences, they have shifted to looking for luxury goods from social and ethical manufacturers that are sustainability oriented. Millennials are now leading the “clean label trend” (Winston, 2016). Given pressures coming from NGOs for sustainable fashion, and in spite of the “clean label” trend and the increasing sustainability awareness worldwide among consumers, the luxury industry has remained less vocal about its practices, emphasizing the unsettled link between luxury and sustainability. Luxury stands for excellence, exceptional quality, craftsmanship, beauty and heritage. Luxury consumers consider luxury goods as “romantic visions of skilled artisans” (Givhan, 2015), while eco-friendly fashion is connoted in their minds as “nubby fabrics and crunchy-granola styling” (Givhan, 2015). Hence, the challenge for luxury makers is to combine both the romantic visions and image of excellence with the growing demand for sustainable, responsible business practices.
Sustainable fashion emphasizes on living harmoniously with nature, employing trained craftsmen and providing safe and humane working conditions (Partridge, 2011). Since luxury brands create a certain aesthetic and desire through their designs, which influence consumption behaviors, they have the potential to be leading sustainability trends. Taking into consideration other industries, i.e. the automobile industry Toyota introduced hybrid cars, but Tesla made them glamorous (Givhan, 2015). Thus, the challenge for fashion labels in the luxury sector is to portray sustainability as part of their core set of values, while managing to maintain an impeccable image of pristine aesthetics and quality. Luxury brands aim to create a dialogue with their audiences, not via their products, but rather through addressing their customers’ needs in terms of experiences and authenticity (Niemtzow, 2016). Consequently, the societal relevance of the thesis is to establish the narrative approaches luxury brands use to promote sustainability as a core value that goes hand in hand with luxury.

The debate about sustainability, thus sustainable luxury brands, comes at a moment that the earth’s population is consuming more resources than ever. The procedures which are being applied in manufacturing, purchasing, usage and disposal process have major environmental and social impacts. There are already examples of luxury brands who are making sustainable fashion such as Stella McCartney, Salvatore Ferragamo and Vivienne Westwood (Joy, Sherry, Venkatesh, Wang, & Chan, 2012). The way in which we as humans consume is an indicator of our behavior towards society and the planet. Since business are operating within a society, it is upon us to enable or prohibit certain behaviors.

The next chapter delves deeper into terms and theoretical frameworks relevant to the thesis. Moreover, the literature review provided in the next chapter explains the concepts of organizational identities and CSR from a discursive perspective, stressing that both concepts are ongoing processes and products of dialogue. Further, the frameworks presented in the next chapter will be guiding the analysis and interpretation of the results of the present research, of the narratives used by luxury brands to frame sustainability as core value of their identity in their sustainability websites.
2 Literature Review & Previous Research

2.1 CSR as a discursive construct

Overall, there are many theoretical concepts attempting to describe the relationship between organizations and society. Even though there is no universally established term, most authors agree on the use of ‘corporate responsibility’ as it already addresses the fact that businesses have responsibilities beyond their own financial interests. The first notions of CSR can already be traced back to the 1960s however the academic approaches to CSR have changed drastically with the changing dynamic in the relationship between businesses and society as an outcome of globalization in the 1990s. CSR at its core implies that businesses have responsibilities that extend their own financial interests and is funded on moral notions of philanthropy but also as an opposing force to business abusing their power in society. A normative approach to CSR defines it as a process in which an organization conducts business with high social and environmental standards.

These fundamental approaches about the nature of CSR are particularly relevant for luxury brands, as there is much skepticism around the ethical correctness and sustainable and socially responsible business practices in the fashion industry and in particular in the luxury sector (Warrington, 2016), as they use distinct materials for their products (Chrisafis, 2015). When addressing the topic of CSR, it is further imperative to highlight communication as a key element. Approaching the concept of CSR from a constitutive perspective, the role of communication and especially the role of language has to be recognized (Craig, 1999). One major benefit of examining the concept of CSR from a constitutive perspective is that communication is described as the key tool aiming to form social realities. Consequently, communication shall not be perceived as a mere tool with which organizations communicate their goals, intentions, good actions and CSR activities, but rather communication in this context should be perceived an ongoing process where the dialogue parties, such as organizations and stakeholders, are defining, negotiating and alternating what it means for an organizations to be socially responsible (Christensen & Cheney, 2011).

The communicative aspect of CSR and the tight link of CSR practices and external stakeholders can simply be depicted in the example of media and how they may praise or
criticize certain business conducts, or even the usual saying in CSR literature about an organization having “the license to operate” (Morrison, 2014). This license can only be awarded to an organization by external stakeholders, in other words society can award that license. Thus, businesses have to consider the consequences of their actions (Ihlen, Bartlett, & May, 2014), as CSR is to be considered as a sense making process, since meanings stem from individual and collective actors that are outside of the organizational context (Strumberger & Golob, 2016).

Furthermore, given the fact that the term sustainability has become such a buzzword, also for luxury brands, and considering that an organization must gain the “license to operate”, luxury brands cannot overlook it, therefore it is imperative to provide a clear definition of what sustainability stands for. As it is the case with most trending terms, sustainability there are several definitions, with the three most accepted being 1) an activity that can be continued indefinitely without causing harm, 2) doing unto others as you would have them do unto you and 3) meeting a current generation’s needs without compromising those of future generations (Partridge, 2011).

Seidman (2007) points out that when it comes to discussing about sustainability, it goes further than strictly the relationship with the environment; it is about the relationship humans have with themselves, their communities, and their institutions. Langenwater (2009) stresses some important rules when it comes to sustainability practices for organizations; respecting internal stakeholders at all levels, the community within a company operates, its supply chain; the planet, and recognizing that natural resources are not endless, thus stressing the discursive character of the concept and the close links between organization and societal actors.

Given the close relationship between organizations and society, CSR communication appears to be a key element that constructs social realities and relationships. Considering the common phrase ‘language is power’, acknowledging the significance of discourse has shifted the way CSR is perceived. Still the significant role of communication is doubted, when it comes to CSR. Critics of CSR communication often pose the question of why don’t organizations aim to operate responsibly and leave out communicating about their responsible business practices. Such critics emphasize that communicating CSR practices solely serves the interests of the organization, an argument that has gained additional ground by organizations themselves admitting that projecting their CSR activities often aims to improve their public image. Still, that
should not automatically imply that organizations should abstain from communicating their ‘good practices’, but rather how they choose to talk about their actions in public (Ihlen et al., 2014). There are further several scholars, who reject the importance of communication in the field of CSR, yet even if a business does not react to public perceptions and remain silent on their CSR practices, that silence can also be perceived also a form of communication, thus the role of communications cannot be doubted or overlooked when addressing the concept of CSR.

Thus, from a broader perspective, if one takes into account the argument that “CSR is an empty concept” (Reuvid, 2010, p. 89), it implies that audiences create make sense and attribute meanings to realities that do not exist by themselves without communication (Weick 1995). Hence the important feature of the sense making process is the close interactivity of organizations with external stakeholders (Golob, Johansen, Nielsen, & Podnar, 2014). This ongoing dialogue between businesses and society aims to reach a “win-win” (Ihlen et al, 2014, p. 8) for both conversation parties through establishing common goals. Ihlen et al. (2014) in their extensive research summarize the meaning of CSR from a discursive perspective as the “corporate attempt to negotiate its relationship to stakeholders and the public at large” (p. 8). This statement is of particular interest for how luxury brands present CSR/sustainability as a core part of their existence and how they implement their communicational attempts.

2.2 Organizational identities

The concept of organizational identities can be defined as what is central, enduring and distinctive about their organization (as cited in Garcia & Hardy, 2007). Hence, organizations are best characterized as having multiple identities, as a result of an ongoing dialogue between internal stakeholders, i.e. employees, as well as between internal and external stakeholders, i.e. between an organization and external actors, such as NGOs, governments, clients. Identity formation is best described as an ongoing argument (Coupland & Brown, 2004). From this viewpoint, organizational identities, together with their projected images are to be considered as constantly constructed and reconstructed through dialogue (Boden, 1994). The notion of an argument indicates that organizations are not merely engaged in persuading a homogenous public, but rather establishing their position in a multi-voices conversation (Billig, 1996), and are
not using one argumentative approach, but rather apply several argumentative strategies to persuade the several audience groups there are addressing (Onkila, 2009).

In that sense, when examining the notion of organizations, a useful theoretical framework is the “Communication Constitutes Organization” (CCO) perspective, which is particularly addressing the ontological question of what is an organization. The main premise of this framework is that organizations are to be perceived as products of communication, in other words that organizations are linguistic constructions, with their key element of existence being communication. Perceiving communication as the main building element for organizations, this perspective turns the conventional understanding ‘inside out’ and portrays organizations as products of multiple, linked networks and multiple conversations rather than a product created and maintained by of a group of humans (Blaschke, Schoeneborn, & Seidl, 2012).

Consequently, taking Ybema, Keenoy, Oswick, Beverungen and Ellis’ (2009) position, in their research they navigate how businesses project who they are to each other and to themselves, and highlight how several discursive forms, i.e. autobiography, narrative, storytelling and everyday interactions – enable businesses to showcase, experience, shape and reshape their organizational identities. As a consequence, identity formation is a continuous process that combines dramaturgical performance and self-narration. Hence, the construction of an organizational identity appears to be a discursive articulation of a continuous exchange between the organization and society. Discursive construction and re-construction appear as an ongoing process and stability appears to be either a temporary accomplishment or an irrepressible narrative. Subsequently, identity formation is to be considered as multifaceted process which results in a temporary product of an ongoing dialogue between the organization and society of the dynamic interplay between internal and external expectations, between the image an organization has about itself and the perceived organizational image by external actors. As Benwell and Stroke (2006) define it as a “discursive work in relation to other speakers” (p. 16). In the case of luxury brands, the assumption made in the present thesis, is that their aim is to project themselves as sustainable organizations, taking into account societal expectations and the narratives they use are the means to the continuous dialogue in the identity formation process.

Having established the meaning of organizational identities, it is further interesting to look into the narrative approaches organizations choose, that emphasize on the key aspects their
own organizational identities (Brown, 2006). Organizational identities are described as a “continuous processes of narration where both the narrator and the audience formulate, edit, applaud, and refuse various elements of the ever-produced narrative” (Czarniawska-Joerges, 1994, p. 198). Founded on the assumption that people are defined as both “homo narrans” (Fisher, 1984, p. 6) and “homo fabulans” (Currie, 1998, p. 2) – the tellers and interpreters of narrative– the argument is that humans are prone to think in a narrative form and that the reality that humans construct in their minds, is also in the form of a narrative (Brown, 2006). Therefore, narratives are used as sense-making tools of an organization’s identity. Ford and Ford (1995) define narratives as acts of speech that construct a social reality that was not existing before being uttered. Furthermore, Boje (1998) suggests that these stories can be viewed as organizational realities. Organizational identities are constructed by the identity-relevant narratives that their participants’ author about them. Those narratives are attempts that organizations attempt to make sense of their entity and identify their audiences, hence stressing the communicational aspect of organizational identities.

Additionally, there are several narratives describing an organization’s identity, and each of these narratives highlights a different aspect depending on the aim of the narrative and the addressed audience, i.e. non-financial reports on supply chain management may be addressed to NGO’s or even internal stakeholders to increase employee awareness and satisfaction by promoting sustainable practices. Second, through the continuous process of networking, socialization and dialogue, several narratives emerge within an organization about its identity. Last, all organizational narratives are based on distinct conceptions of collective identity based storytelling. By looking into how the corporate identities of luxury brands are being framed in their websites, this research aimed to give insight into which narrative approaches fashion luxury brands use to communicate their corporate identity. The next subchapter aims to shed light into the meaning of narratives and in particular how narratives are used to portray the identities as well as the sustainability efforts of organizations.

2.3 CSR narratives and rhetorical elements

Since organizations exist within a social context, where their identities a product of negotiation between them and society, organizations can negotiate in the form of a narrative.
Narratives, in general, are being used as tools of interpretation with which humans aim to make sense of the actions happening around them; to present themselves and others; to share meaning in a collectivity; and to provide reasoning and accountability for their own actions (Garcia & Hardy, 2007). Garcia and Hardy (2007) use Polkinghorne’s definition of a narrative as the ‘meaning structure that organizes events and human actions into a whole, thereby attributing significance to individual actions and events according to their effect on the whole’ (as cited in Garcia and Hardy, 2007). Narratives function as sense making devices, allowing individuals to construct their own identities. In a similar manner, narratives are means for organizations to ‘fashion’ their own identities, and tell stories about themselves (Garcia and Hardy, 2007).

Drawing from the description about narratives, sustainability narratives, or else CSR stories, help in the formation of perceiving what is morally correct and what is incorrect. They are tools aiding norm-setting procedures and contribute to the creation, maintenance and development of a culture. As sense making devices, CSR stories provide stability and aim to make an organization distinct from others (Wehmeier & Schultz, 2014). Their main function is for organizations to be able to construct and moralize realities in their societal context.

Additionally, in order to grasp how the afore-mentioned realities are being constructed, reconstructed and legitimized, rhetoric, in general, provides insights into how knowledge is produced and socially shaped through the process of discourse. ‘Truths’ and ‘objectivity’ are always influenced by the social context and the significance of rhetoric has been acknowledged by scholars across several academic disciplines (Ihlen, 2014). When organizations communicate about CSR, one of the key implications is to convince their audiences that their CSR policies are honest (Ihlen, 2014) and more that a merely a fancy add-on. Organizations strive to come across as honest, trustworthy, stressing the purity of their aims and that financial profits are not the sole goal they have (Ihlen, 2014). Hence, organizations base their statements on the three fundamental elements of rhetoric: logos: build elaborate arguments; pathos: appeal emotionally to the audience; and ethos: address the moral aspect of the organization (Ihlen, 2014). Assuming that luxury manufacturers approach the notion of sustainability as an honest and ‘business as usual practice’ it is imperative to also identify specific rhetorical devices that luxury brands apply in their sustainability narratives of who they are and how the operate within the societal context.

Luxury brands are talking about sustainability, yet in order for the concept of sustainability
to come across as a core value of luxury brands, brands have to craft their narratives using rhetorical strategies. Onkila (2009) identified three rhetorical techniques that organizations apply in their CSR stories: (1) the rhetoric of dominance, which depicts the organization as a leading actor when it comes to responsible practices and external stakeholders are followers of that policy. Skills and knowledge are contributing to the organization’s leading role. Key phrases used in this element can be advancing, promoting, changing, and developing. This rhetorical element shapes and interdependence between environment and finance while justifying the limits of the organization’s responsibility. The discursive dynamic in this element is presented as one way where organizations are influencing society (Onkila, 2009). Further, (2) the rhetoric of subordination displays the company implementing CSR policies because there have limited power to resist the influence of external stakeholders. The organization is presented as responsible but with limited potential of influencing stakeholders, hence organizations mention facts that are to be accepted without any doubts, an example for this strategy being “in all the countries where it is possible” (Onkila, 2009, p. 293). The alleged limits businesses are facing, are based on external influences, problematic nature of environmental issues and lack of resources. Common terms used in this technique are serving, service as a mission, the needs and interests of stakeholders. This rhetorical element is more interactive than the rhetoric of dominance, as the organizations is responding to the needs of stakeholders (Onkila, 2009).

Lastly, (3) the rhetoric of joint action and equality, where company and stakeholders are presented as a team having the same goal. This strategy highlight the “we-rhetoric” (Onkila, 2009, p. 294) and commonly includes phrases such as common will, common vision and common goal. Hence, organizations are illustrated as operating without any societal conflict and credibility is gained by the alleged approval of external stakeholders. As such the interactive character of this element is underlined and possible conflicts are being concealed in the name of unity and responsible actions (Onkila, 2009). These rhetorical elements are all addressing the close interplay between businesses and society as well as the discursive character of CSR.

Moreover, on the topic of particular narrative elements used in sustainability stories, Siltaoja (2009) recognized five discursive strategies organizations use to persuade stakeholders about the legitimations of their CSR practices. (1) Authorization depicts how specific company rules and policies may be applied directly or indirectly as rhetorical devices to legitimize the organizations claims of responsible behavior. In that sense, authorization systemizes certain
authorities while managing others and the organization comes across as a spokesperson from responsible handling (Siltaoja, 2009). (2) Moralization serves as a moral foundation for an organization’s responsible business actions. This rhetorical element stresses the core values that an organization must possess or should possess to be considered ethically upright. Irony is identified as a significant metaphorical tool in the process of moralization to either legitimize or delegitimize actions (Siltaoja, 2009). Next, (3) rationalization, as a legitimation, is strategy based on the assumption of utility, in particular, the organization is justifying why certain behaviors are appropriate. Legitimizing the utility of continuous, responsible and efficient economic business practices is key in the concept of CSR, since the premise of it is the contribution of business to the wellbeing of society and vice versa. This rhetorical element enables organizations to claim their operations as “social investment” (Siltaoja, 2009, p. 197).

Further, the rhetorical strategy of (4) narrativization illustrates how telling a story can prove the appropriateness of business practices, in particular how cautionary and moral narratives can serve as tools of legitimizing organizational practices, for example inevitability of policies, historical examples. It is evident that moralization comes into play when narrativization is used as a legitimizing element (Siltaoja, 2009). Last, (5) normalization also applies as a rhetorical element of legitimation in terms of presenting something as a natural phenomenon, for instance presenting responsible handling as a ‘business as usual’ strategy. This element is the product of combing forms of moralization and rationalization at the same time (Siltaoja, 2009).

Last, having defined sustainability, the term cannot be conventionally measured, thus many scholars are advocating the use of a balanced score card to assess the sustainability practices of an organization (Ambec & Lanoie, 2008). The triple bottom line approach is most common: it has three dimensions measuring the effectiveness of sustainability practices in accordance with environmental, economic and social indicators. The environmental dimension indicates a company’s environmental practices such as its carbon footprint or water consumption. The economic dimension addresses the organization’s financial contribution to the context within it operates. Last, the social dimension references the organization’s impact on the local communities in which it operates, with a range of activities, such as philanthropy and safe working conditions (Reilly & Hynan, 2014). The approach is theoretical, and cannot provide any concrete ‘score’ figures, but the essence of it is that it challenges organizations to satisfy all relevant stakeholders at the same time (Tyson, 2010). Taking into account the discursive nature
of organizations and sustainability, the assumption of keeping all stakeholders satisfied, is what makes the triple bottom line approach relevant to the present research topic. This research aimed to establish how sustainability is manifested as a core part of luxury brands’ identities. For that this research also sought whether the indicators of the triple bottom line approach; people, planet, profit, may be appearing in the sustainability narratives of luxury manufacturers; and lastly whether the approach is used as a legitimation strategy that luxury brands use to argument their case of being indeed sustainability oriented organizations.

2.4 CSR and luxury: A convergence of paradoxes

As the topic of the present thesis addresses luxury brands, it is imperative to establish the meaning of luxury as well as address its connection to the topic of CSR. In their research, Granot and Brashear (2008) trace the first notions of luxury back in 1899, when Veblen was writing that the rich were buying and showcasing luxury goods to establish their status and social advantage. According to Hennigs, Wiedmann, Klarmann and Behrens (2015), there is yet no universal definition of what luxury is. In an effort to define luxury, Dubois and Paternault (1995) found customers of luxury goods focus on the very high price, in absolute and relative terms, of the goods and the fact that luxury goods have no utility. In Dubois’ and Laurent’s later research, they established that luxury goods are goods that are expensive, polysensual, with a sense of legend or history, exclusive, aesthetic and superfluous. Hence, luxury is to be perceived as standoffish, class oriented and ensuring exclusivity, offering pleasure but no actual use. Questions regarding sustainable business practices, especially the issue of questionable supply chains across the fashion industry are being addressed very often (Mihm, 2010; Partridge, 2011). Beard (2008) notes that the challenge lies on operating sustainably at all levels, from production to the transportation of the goods across the stores. Given the increased significance of sustainability, it is interesting to establish, how luxury manufacturers talk about this excess, that luxury stands for, in their sustainability narratives.

The main argument when addressing the concepts of luxury and sustainability, i.e. commitment to “good” practices, is that they are opposing or even paradoxical (Kathuria, 2013; Torelli, Monga, & Kaikati, 2012). The concept of luxury, as stated above is built on self-oriented
values such as elitism, hedonism, excess, while sustainability is driven by values of equality, universalism, and moderation. These conflicting values lead to the CSR–luxury paradox (Kathuria, 2013; Torelli et al., 2012), such that luxury brands must discursively navigate tensions triggered through the pursuit of such oppositional goals. Values associated with luxury brands can trigger opposing moral values for audiences, given that sustainability has come to be important. Yun and Dhanesh (2017) identify four kinds of value that are classified in two orthogonal dimensions: self-enhancement versus self-transcendence, and openness versus conservation. Torreli et al. (2012) underline that the CSR-luxury conflict is the outcome of these two dimensions clashing. Nonetheless research has found that this paradoxical relationship between luxury brands and sustainability can shift from an ‘either/or’ to rather holistic ‘both/and’ approach (Lewis & Smith, 2014; Putnam, 2013). Yun’s and Dhanesh’s (2017) research supports that luxury brands can harmoniously embed the notion of luxury with the image of sustainability, hence, according to their findings CSR and luxury can co-exist or even unite. In particular, the findings of their research indicate that luxury brands project use two discursive strategies to justify and resolve the tension between CSR and luxury. The first strategy is an image of harmonious coexistence of paradoxes (Yun & Dhanesh, 2017), by establishing the balanced coexistence of both the notions of hedonism- standing for luxury- and universalism – assumed by sustainable practices. In order to justify this paradoxical relationship luxury brands, project the image of being hedonistic organizations focusing on their business growth and using sustainable practices as the means to achieve this goal, in other words that luxury is a product of sustainable operations. The second discursive strategy that Yun and Dhanesh (2017) identified is that luxury brands blend the tensions between sustainability and luxury in the discursive arena, i.e. convergence of paradoxes (Yun & Dhanesh, 2017), by first showcasing how they can balance out the opposing notions of excess and moderation, in other words how they are able to keep up with their pristine heritage while being environmentally responsible. Further, luxury brands commonly claim the excellence of their products. In order to equate the notions of excess and moderation, such brands also stress their excellence in their commitment to behave responsible and in an ethically and socially legitimate manner. By doing so, luxury brands achieve to combine concepts as elitism and equality. By applying these two discursive strategies in their CSR stories on their websites, luxury brands aim to bridge the gap between CSR and luxury by narrating stories of harmonious coexistences of the two notions and even by having this
paradoxical relationship merged.

Taking also into account that organizations’ constant aim is the legitimacy of their practices, according to the societal and environmental norms (Suchman, 1995), the goal of the present thesis was to look how fashion luxury brands frame notions of luxury, sustainability and what kind of discursive elements, i.e. rhetorical devices, they use to present such opposing notions in a harmonious coexistence.
3. Research Design and Rationale

3.1 Research method

This research examined the narrative approaches of luxury brands and how they integrate sustainability and ethical business practices in their narratives. The researcher’s focus were the luxury brands’ websites and these have been analyzed with the aid of qualitative content analysis, in particular by applying inductive thematic analysis. The reason for choosing this research method was that with qualitative content analysis, much emphasis is being placed on the language as a mean of communication, as well as the context within which language is placed (McTavish & Pirro, 1990). Qualitative content analysis has the advantage of going beyond solely examining how often certain words are being used and enables researchers to classifying sizable amounts of text into an efficient number of representative categories (Weber, 1990).

The method was particularly useful as the researcher examined large amount of textual data stemming from different online sources, i.e. brands, with the goal of coming to a conclusion about the way with which luxury brands embody sustainability as an integral part of who they are. In addition to that, the researcher looked into how luxury brands are framing the notion of luxury, in the context of sustainability, and to what extent as well as how they justify this paradoxical relationship between the notion of luxury and sustainability in their websites. The categories built with qualitative content analysis are referring to the underlining meaning of the items, as the ultimate goal of content analysis is to give insight about the latent meaning of a text (Downe-Wamboldt, 1992). Hence, for this research, the goal was to grasp the latent meaning of the narratives that brands use to embody sustainability as core of their set of values by applying particular rhetorical strategies and how they combine the apparently opposing notions of luxury and sustainability.

The researcher applied the conventional approach to content analysis, therefore the previously mentioned literature was used as guidance for the research and the finding of this research are discussed based on the above-mentioned literature review, as well as how they are contributing to the existing scholarly articles written on the topic of luxury brands and sustainability. The reason for choosing the conventional approach of qualitative content analysis was because during the research phase, the researcher did not base his research design on already
conceived categories, but rather, from a data-driven perspective, the researcher chose to develop his own themes, emerging from the data set, hence enabling him to already start classifying and interpreting the latent meaning of the data in a more accurate and fit for these data manner (Braun & Clarke, 2006), by looking for rhetorical strategies, i.e. logos, pathos, ethos, used in these narratives by luxury makers to promote sustainability as core part who they are. By already researching the latent meaning of the content, the results this research produced were already in a more theorized and abstract form.

3.2 Sampling procedure and data collection

In terms of the selection criteria, the research focused on luxury brands and watch and jewellery makers, as the latter category also appears across the lists. The reason for including watch and jewellery makers in the research was because they use rare materials such as gold and diamonds, thus not necessarily aligning with the ‘clean trend’, already mentioned in this thesis. The researched brands were selected according to their ranking on the 2016 CSR RepTrak® 100, Forbes: The world’s most valuable brands 2016 and the Deloitte Global Powers of Luxury Goods 2016 list. Each brand in the table below appears at least in two of the aforementioned lists.

The selection of brands for the present research is illustrated in the below table. In total 19 CSR websites of 22 brands were taken into consideration. The amount of textual data comprised of 98 pages, with one and a half spacing in Word. An overview of the sample can be found in Table 1 in Appendix 1. The figures about the 2016 revenues of the conglomerates come from the conglomerates’ 2016 financial reports that are available on each group’s company website. The plus and minus next to every figure indicates whether the conglomerate had an increase or decrease on its revenues compares to the fiscal year of 2015. In addition to that, the Forbes Brand Value is also presented in the table, aiming to provide insight on how valuable each brand is but also aiming to highlight the differences between the selected brands. Since not all brands are to be found in the Forbes Most Valuable Brands lists, there are several empty cells in that column. Taking into consideration the revenues of each group and the brand value, the aim is to highlight the significant financial differences between the selected brands, even though
all of them are considered to be luxury brands addressing the same clientele. Last, the information provided in the company milestone column is to be found in the website of each brand.

Even though the 2016 CSR RepTrak® 100 and the Deloitte Global Powers of Luxury Goods 2016 lists classify the company group, i.e. conglomerates, and not the individual brands that each conglomerate has under its corporate umbrella, the research mostly focused on the sustainability narratives of the luxury brands separate. Only in three cases, in particular PVH Corp, Prada Group and Hugo Boss AG, the sustainability website of the conglomerate was included in the data, as all brands under these company groups did not have a website and both brands and were redirecting to the same corporate sustainability website.

The sustainability websites of the brands or the company groups are the units of analysis for the aim of this research. The textual elements of the websites were downloaded and color printed. Generally, there were not so many visual elements in the sustainability websites, consequently they were excluded from the analysis on purpose. In order to extract the underlying meaning of the narratives and the textual data was not segmented per sentence, as the goal is to grasp the underlying meanings within the text and this cannot be extracted on the basis on sentence segmenting. All the textual elements were downloaded and copy pasted into separate word documents for each brand/company in two consecutive days from the 27th of March, 2017. The reason for collecting the data in such a short time was because websites can be regularly updated and events may occur that may lead to the update of the CSR websites. Consequently, during these two days nothing major happened around the world that would lead luxury brands to update their websites immediately.

3.3 Analysis of the data

The data were analyzed by using an inductive theme analysis. One reason for choosing this method is that it is considered to be ideal for identifying and analyzing patterns within the data set, by organizing all data while providing detailed information (Braun & Clarke, 2006). Furthermore, an additional reason for opting for thematic analysis on the data, is that the approach is enables to do interpretations on the data set (Boyatzis, 1998). Thematic analysis
enables categories to emerge from the data set. That came to be particularly useful for this research, as the topic focuses on the narrative approaches luxury brands use to promote sustainability as core part of who they are. The aim was to establish, how luxury brands, that are considered to be hesitant or less vocal when it comes to the topic of sustainability, frame and justify sustainable practices from the latent meaning (Boyatzis, 1998) of their narratives, given the discursive strategies and rhetorical elements analyzed in the literature review of the thesis.

Another advantage to use thematic analysis is that it allows the researchers approach to be explicitly ‘data-driven’, thus providing results that are nonetheless not very broad, but very rich in in-depth details. Moreover, thematic analysis generally allows the researcher to establish how humans make sense of their experiences and the overall social context. Overall, thematic analysis aims to offer insights about the ‘reality’ but also about what is underneath the surface of the data. The goal of my research is to highlight the narratives that brands use to frame their good practices. This research aims to grasp the latent meaning of the content, the analytical tool selected allows to go beyond what is stated in a text and is significant to confirm my assumptions. This can be achieved by identifying what rhetorical devices are being applied in the CSR narratives of luxury brands in order to legitimize their practices as being sustainable.

As previously mentioned, the aim was to grasp the latent meaning of the whole data set, than simply quantifying how often certain terms or phrases are being used within a text. The benefit of applying thematic analysis is that is allows the researcher to get the underlying ideas, concepts and ideologies. Consequently, for the present research, thematic analysis allowed the researcher to grasp the deeper meaning of the data and further enabled the interpretation of the underlying ideas and values that luxury brands present. Finally, the aim of thematic analysis is to approach the data by taking into account the social and cultural contexts within which they appear. Overall, inductive thematic analysis was performed on the data multiple times, until no new categories and concepts emerged and theoretical saturation was reached. The next steps subchapters illustrate in detail how the analysis of the data was conducted.
3.3.1 Open Coding

After copying and pasting the textual data from the sustainability websites and printing them into hard copies, the data set was read several times to get the overall sense of them. Reading and rereading the date enabled the researcher to establish the topics that emerge, while there was enough time to review all notes and memos made during the initial readings and see how these memos may fit with the concepts that emerged from the data set, while also enabling the potential revision of these concepts. Open coding was conducted on the printed data, as the aim was to extract the latent meaning of the sustainability websites (Boeije, 2010), along with notes that described each unit of analysis. The aim of open coding at that point of the research was “breaking down, examining, comparing, conceptualizing and categorizing data” (Corbin & Strauss, 2008, p. 61). At that point of the research the aim is to break down the data in separate codes by summarizing the literal meaning of a text fragment and addressing what is meant by each text fragment (Boeije, 2010). After eliminating irrelevant to the research topic codes, the codes and the notes on the printed data was transcribed in an excel document. The result of open coding was a list of codes under each brand, defined as “coding scheme” (Boeije, 2010, p. 98). Eventually all relevant for the research data was labeled with codes and theoretical saturation at this point of the research was reached (Boeije, 2010), resulting in a total number of 403 codes. Open coding eventually led the researcher to axial coding, as the data set needed to be developed into a more solid theoretical framework.

3.3.2 Axial Coding

The next step was to conduct axial coding on coded text fragment. According to Corbin and Strauss (2008), axial coding is defined as “a set of procedures whereby the data are put back together in new ways after open coding, by making connections between categories” (p. 96). At that point, the codes are being put together into broader categories, in other words axial coding is putting back together the dataset. It is considered to be a more abstract process containing common codes across the axes of the dataset. The most important reason why axial coding was employed in this research is the fact that it drew on the open codes to indicate which categories are central and which are not, in other words establishing what are the sensitizing concepts.
emerging of the dataset. As a result, eight core categories were established which then needed to be narrowed down in a smaller number of themes - also my selective codes.

### 3.3.3 Selective coding

Since the analysis of the data is data-driven, the next logical step was to do selective coding, aiming to build categories that are theoretically abstract, and possibly build an argument to answer the research questions of the present thesis. Although the research is data driven, given the theoretical framework provided in the previous chapter to build the argument for the present thesis, the researcher searched whether themes, such as \textit{environment, planet, people, society, profit, revenues and communication} emerged from the data and how they talk about the paradoxical relationship between the notions of luxury and sustainability within their CSR stories in that last step of the analysis. Moreover, in that stage of the analysis, the researcher actively sought to establish whether certain rhetorical devices, described in the literature review, emerged from the data, as legitimation strategies, i.e. authorization, rhetoric of dominance etc. A sample of the analytical steps of how the selective codes emerged can be found in the coding trees in Appendix 2.

### 3.4 Reliability and Validity of the research design

Qualitative research uses a naturalistic approach that aims to make sense of phenomena in certain contexts. Reliability in the context of qualitative studies is an indicator of a research’s quality (Golafshani, 2003). As Eisner (1991) puts it, the aim of a qualitative research is to “understand a situation that would otherwise be enigmatic or confusing” (p. 58). The present research will be data-driven thematic qualitative analysis with the aim to figure out certain narrative approaches, for instance rhetorical devices, with which sustainability is key for luxury makers and how they justify the paradox between sustainability and luxury. All narrative approaches and rhetorical elements will be named beforehand, thus making the interpretation of the findings comparable to previous research and reliable. Moreover, in terms of validity, this research will be valid, given that qualitative analysis in context-specific (Golafshani, 2003) and
the aim of the present study is to navigate through the context in which sustainability is embodied as a core value.
4. Results

The focus of this thesis is how sustainability is addressed by luxury brands. In particular, the three research questions were: (1) How is CSR and/or sustainability manifested in the identity narratives of luxury brands?; (2) How do these narratives address the paradox between luxury and CSR and/or sustainability practices?; and (3) What kinds of rhetorical devices are used by luxury brands in their CSR and/or sustainability narratives?

Overall, the results of the present research indicate that luxury brands used a mixed style in their sustainability narratives to talk about their practices. First of all, luxury manufacturers positioned themselves in leading roles when it comes to being sustainable, and emphasized that the notion of sustainability is integral to the core values that define each brand. At the same time, and despite previously portraying themselves as leaders in sustainable practices, luxury brands also stressed the fact of being constrained by situational circumstances, thus not being able to completely control if their practices or the materials they use are indeed sustainable. That is why they emphasize that sustainable practices can only by achieved and ensured with the cooperation of external stakeholders, addressing mainly the supply chain but also the consumers. At last, luxury manufacturers placed internal stakeholders, i.e. employees, also as an important part of their sustainability journey.

By conducting inductive thematic analysis on the sustainability websites of the luxury brands several times, until theoretical saturation was reached, the following five themes emerged: (1) ‘Sustainability and luxury go hand in hand’, (2) ‘Supply chain: it’s a matter of perspective’, (3) ‘Compliance ergo legitimacy’, (4) ‘Be good and choose your friends wisely’ and (5) ‘Sustainability comes from within’. The following sections aim to provide detailed descriptions of the findings, as well as interpret their meaning.

4.1 ‘Sustainability and luxury go hand in hand’

One of the themes that emerged from the research, was that almost all brands started their narratives by talking about their organizational values. Almost all the luxury brands in the
sample tended to introduce their sustainability narratives by highlighting what their brands stand for as well as highlighting how sustainability is a driving force, as seen from the example below: “The respect of our natural environment, well-being of our employees and our communities are part of the culture of the Maison.” (Van Cleef & Arpels, 2014). At this point, if one looks at the way luxury brands choose to talk about their own brand values and how sustainability is an integral part of the brand, evidently there are three approaches to demonstrate that; first some brands choose to talk from the perspective of a leader, with Tiffany’s (2017) tone being a clear example:

As a leader in the luxury industry, we recognize the opportunity we have to influence culture and set the standards for excellence—not only in fine jewelry and craftsmanship but also in what it means to be a responsible corporate citizen.

The statement above showcases how by applying a rather dominant tone and portraying themselves as leaders, luxury brands can showcase their organizational values. Luxury brands that have such an attitude usually showed initiative throughout their sustainability narratives, trying to constantly innovate and be proactive in how they operate. Luxury manufacturers that adopt a rather dominant attitude also perceive sustainability as an intrinsic conviction or even a moral duty, as seen in the statement below. Highlighting sustainability either as something intrinsic or moral aims to enhance the allegation of sustainability being a core values of the brand and to legitimize the position and the practices of the brand: “At Tiffany & Co., we believe it is our moral duty to sustain the natural environment” (Tiffany, 2017).

Secondly there are brands that opt for the perspective of the someone who is committing to certain values that someone else in some way established. An example of a brand portraying itself being constrained to situational circumstances is Hugo Boss: “HUGO BOSS and its brands represent premium fashion and accessories for men and women. We ensure that these products are also manufactured in compliance with environmental and ethical standards on the production side.”

Statements similar to the one above imply a rather compliant tone, where luxury brands ‘commit’ to something but given how they decided to present their business values in their sustainability narratives, it rather comes across as a result not based entirely upon their own decision bit still they are willing to do so. Luxury brands being rather compliant to some extent
with the idea of being sustainable practice, may serve a strategy of avoiding contradiction between the notions of luxury and sustainability. An additional assumption about the compliant tone, is that luxury brands chose to portray themselves as being constrained by external actors to operate in a certain way. In that case, if there is any contradiction between what the brand stands for and how it operates, a brand can claim that it has no other choice, thus stressing that it operates under external influence.

Third, when addressing the driving forces for their sustainable business practices, some brands stress the importance of dialogue and how those business practices are a dialogic product coming from the interaction between the organization and the relevant stakeholders, with statements such as the following

*In a complex, erratic world where globalisation too often means standardisation, an impoverished worldview and bland, homogenised tastes, the Fondation d’entreprise Hermès reflects the distinctive voice and deep artisan roots of the house of Hermès, with its long history of social solidarity based on mutual support and collaboration. The Fondation d’entreprise Hermès listens to and engages with the wider world.* (Fondation d’enterprise Hermes, 2017)

Addressing the significant role of stakeholders indicates that there are luxury brands that presented their values as being the product of an ongoing exchange between the organization and –mostly- external stakeholders, as seen from the statement above. Such findings confirm the assumption, previously described in the theoretical frameworks, that organizations, organizational identities and consequently organizational values are mainly discursive concepts. Such concepts cannot be completely coming from an organizational perspective but rather are to be perceived as a product of communication that comes from the ongoing interaction between the organizations and society, in this case, the values that luxury brands are talking about and how they perceive sustainability, are the results of an ongoing dialogue between each luxury brand and the addressed audiences, may these be target audiences, partners, suppliers, NGOs etc.

Given how luxury brands choose to address sustainability in relation to their own organizational identity as well as their organizational values, whether they choose to talk in a more leading tone, or a compliant tone or opt for a more open to dialogue and participation style, all ways highlight the discursive nature that both concepts, organizational identities and sustainability have. Whichever approach luxury brands choose to use to communicate their
identities in regards to sustainability highlight that organizations are not standalone entities that operate completely independently from their societal context and that their organizational identities are also formed by the non-stopping interaction with that context. Luxury brands either communicate their ideal to stakeholders as established authorities, or present their set of values as something that is dictated by societal expectations alone, or lastly frame their values as a product that came to exist after taking into account what stakeholders expect. In other words, the set or organizational values including sustainability cannot be defined, achieved and ensured by the brand by itself, but is rather a discursive process regardless of how luxury brands chose to talk about them, where luxury brands have to negotiate and renegotiate their positions, in the three different manners, aiming to legitimize what they stand for with their external stakeholders and meet their expectations.

4.2 ‘Supply chain: it’s a matter of perspective’

The second theme that emerged from this research, is the issue of the supply chain and its and how luxury manufacturers position themselves around it. What is worthy of mention that two luxury brands, i.e. IWC and Balenciaga emphasized that they are not able to control completely their suppliers’ practices and that some things are simply out of the brands direct sphere of control, with statements like the two following: “Although the social impact of the goods and services that Balenciaga purchases often lies outside our direct control, where possible, we have taken proactive steps to ensure the absence of slavery and human trafficking in our supply chain.” (Balenciaga, 2017) and “As a vital part of our commitment to social and environmental impact of the resources we buy and use in the production of our watches is often outside our direct control.” (IWC, 2017).

Both statements have a rather authoritative tone and leave almost no room for counter argument. Even though it is not about a particular business practice, both luxury brands try to legitimize their behavior as being as sustainable as possible and their own position by explaining that they cannot ensure sustainable practices at all production stages since some stages apparently are out of their own controlling. As a result, should there be a case of contradiction between ‘what is being said and what is being actually done’ luxury brand can always claim that
a malpractice or an unethical business operation was not something the brands were able to control. Contrary to the common belief “there is no such thing as bad publicity”, there is indeed, and by shifting responsibility to the supply chain, luxury brands constantly strive to present themselves in a flattering perspective to external stakeholders. The two statements present above clearly illustrate the attitude other luxury manufacturers of the research sample portray in their narratives - that of being constraint to situational circumstances, and as a result not being able to directly control all practices of their supply chains.

Moreover, confronting the readers of the sustainability narratives with such direct statements is addressing the two following topics, that have not been addressed in the present research: the issue of supply chains in the fashion industry and the concept of greenwashing. First, the significance of supply chain and their –many times- questionable or less transparent practices- is a major issue in the fashion industry, and the topic has been often linked in to the fast-fashion industry, but evidently luxury manufacturers face similar struggles as well. By shifting responsibility to the suppliers, should a scandal occur that has to do with the materials brands use for their goods, brands can deny of being responsibility, claiming it is the supplier’s fault, whom they cannot control completely.

The second topic that emerges from such statements is greenwashing. The above statements can be interpreted as attempts from the side of luxury brands to avoid being associated with greenwashing and the risks it entails. By directly stating that a few stages in the production stage of a luxury good are completely out of the brand’s control, the brand aims to legitimize itself and its practices as ethically correct and sustainable, but also at the same time be honest, that it is sustainable about the practices the brand can control. Having major greenwashing scandals across almost every industry, green-washing is a dangerous strategy and there are always watchdogs waiting to catch a brand red-handed. The validity of claims about a company’s practices can be confirmed or rejected and with the rise of the web, if one company is caught green-washing about its practices it can be spread online within a few minutes and the effects can be damaging. Hence, by directly being honest about how many things fall under the direct influence of a luxury brand, it ‘safely’ escapes claims of greenwashing and manages to present itself in a manner that is beneficial for the brand, at least in terms of reputation.
As a result, it is only logical that luxury brands are requesting the suppliers’ compliance with each brand’s sustainability regulations but also compliance with international regulations about sustainable business practices. Statements such as “All Harry Winston suppliers must certify that they maintain ethical business practices, and comply with applicable laws and regulations, including protecting basic human rights wherever they operate” (Harry Winston, 2017) highlight the significance of suppliers’ compliance with ‘green’ and correct practices in order for a luxury brands and its products to be sustainable. Overall, the compliance of supply chain with accredited sustainability practices was stressed more than enough within this theme.

In their effort to regain control of the practices they employ, the narrative tone the brands adopt in their sustainability narratives becomes rather cooperative, by highlighting how important it is that both the brand and its partners, i.e. the supply chain, share the same values and visions. It is implied, as already seen that sustainability is a joint process that cannot be achieved by either a brand or by a supplier alone, instead that both sides are needed to work closely and in a transparent manner to achieve that. Hence, luxury brand ask repeatedly that suppliers comply with internationally established regulations but also with the brands’ in-house Codes of Conduct to ensure sustainable and ethically upright business practices. Requesting compliance underlines again the discursive perspective of CSR and organizations, as luxury brands tend to adopt the attitude of what Onkila (2009) describes as the rhetoric of joint action and equality. This way luxury brands place themselves on the same level with their suppliers, in the sense that their practices can only emerge through sharing the same vision and cooperating with suppliers on achieving them.

Luxury brands often mentioned that even though not everything is under their direct influence and control, many of them underlined that they are monitoring suppliers and their practices before entering a partnership with them but also some luxury brands emphasized that they are constantly monitoring their suppliers’ practices and compliance with the relevant regulations. Such an attitude marks a shift from joint action and equality (Onkila, 2009) and move towards the rhetoric of dominance (Onkila, 2009), adopting a more authoritative attitude (Siltaoja, 2009), by legitimizing their practices and position as leading in the industry, where suppliers without asking further questions have to comply with the brands codes of conduct but also with international regulation and by ultimately presenting themselves as sustainability oriented organizations with well-established and effective policies that are not to be questioned.
Lastly, this shift of attitude further confirms what Onkila (2009) also found in her research, that organizations do not keep up with one particular tone in their sustainability narratives, but it is rather an interplay where the organization always places itself in the ‘more flattering light’ by coming across as being sustainable. The luxury brands examined in this research change their tone in their narratives according to how they want to position themselves around the notion of sustainability and the issue of the supply chain. By placing themselves as authorities that suppliers have to comply with, luxury brands place themselves in a higher rank that the supply chain, therefore the aim to be perceived as being leading in that dynamic. Still luxury brands claim that without their suppliers’ compliance, it wouldn’t be possible for them to be sustainable. At this point the importance of the supplier is elevated again and appears to be on a more equal level with the brand, hence in the sustainability narratives it is always a matter of perspective of how luxury brands position themselves around the supply chain.

4.3 ‘Compliance ergo legitimacy’

Since sustainability has changed the business landscape in many industries, luxury brands, in their attempt to convince stakeholders that they are sustainable businesses, have to project arguments and evidence to back up such claims. From the data set it emerged that evidence to back up sustainability claims is complying with internationally acclaimed regulations, whether this is in the form of support and compliance with a set of regulations or even being a member of an independent council that establishes such regulations. It is worth highlighting that 15 of the 19 brands mentioned strong support for compliance with such regulations, with the following statements:

As a certified member of Responsible Jewellery Council (RJC), Montblanc embrace and is independently audited against the principles of the RJC Code of Practices regulating responsible business practices when dealing with diamonds, gold and platinum group metals.

(Montblanc, 2017)
Principle 4 - We will adhere to the Kimberley Process Certification Scheme (KPCS) and the World Diamond Council voluntary system of warranties, whose purpose is to put an end to conflict diamond trade, and will support similar future initiatives aiming to protect human rights and the integrity of our supply chain. (Cartier, 2017)

The most commonly mentioned sets of laws and regulations were the Responsible Jewellery Council, the Kimberley Process Certification Scheme and the California Act of Transparency 2010”. These three acts were referred to the most by luxury brands. Overall, mining practices and the supply chain of jewelers have been heavily criticized. This is the reason many of the luxury brands from this sample highlight their compliance with regulations promoting responsible practices.

Members of the Responsible Jewellery Council voluntarily join and opt to be independently audited according to the RJC Code of practices. It is set of international regulations promoting responsible business practices in the extraction of precious materials and production stages of jewellery, supporting human and labor rights and addressing the environmental impact of supply chain practices (Responsible Jewellery Council, 2017). Furthermore, the Kimberley process is an initiative aiming to completely remove ‘rough’ diamonds from supplier chains worldwide and is controlling an estimate of 99.8% of diamonds globally. Luxury brands that support this initiative go through extensive auditing processes to establish that diamonds are conflict free by ensuring transparent practices at every stage of the supply chain (Kimberley Process, 2017). The third most referred to act was the California Transparency in Supply Chains Act, which is effective since 2012. Companies signing the Act are requested to take actions to ensure no human rights violations is taking place at any point in their supply chain. (United States Department of Labour, 2010).

Lastly some of the brands referred to complying with the Sustainability Goals of the United Nations while other refrained from providing specific information and only mentioned to be complying with international regulations. All institutional actors are well established in the fashion industry and that is the reason why luxury manufactures emphasize their compliance with the sustainability regulations these actors provide. By complying with these regulations, luxury manufacturers aim to legitimize their claims of sustainability being an integral part of
their identities. Additionally, by complying with these sets of regulations, brands show that they aim to go beyond profit by supporting causes fighting corrupt practices.

On one hand luxury brands address their membership or compliance with such regulations as blindly accepting the regulations because ‘that will make them sustainable and trustworthy’. On the other hand, luxury brands also project a harmonious coexistence between what each brand stands for, i.e. organizational values and what the international regulations dictate as responsible business practices. This way they refra...
legitimizing their practices, which ultimately is one of the reasons that set them apart from fast-fashion lines, that are known for their less ideal working conditions.

4.4 ‘Be good and choose your friends wisely’

The fourth theme from the dataset is the importance of strategic partnership and the impact joint actions can have. This theme was the second most emerging theme from the data set with a total number of 101 valid open codes. The three key topics emerging in this theme emerging from the data address the luxury brands’ highlight their support for initiatives and programmes regarding education, arts and culture, improvement of local communities, as well as partnering with externals actors for sustainable business practices and causes.

The statement of Omega below shows that luxury brands are actively supporting causes that are providing better chances at education and study conditions. The topic came up many times, usually in regards to offering better chances at education to people coming from challenged backgrounds: “Benefitting around 1000 students every year, the aim with this project is to improve study conditions for students in two primary schools within the city of Rio de Janeiro. It will provide them with equipment and furniture that will be useful to both their education and their teachers” (Omega, 2017). The statement of Rolex Award Enterprise is addressing the sustainable orientations of luxury manufacturers by offering their support for the preservation of local ecosystems, that usually the brand has no connection with, i.e business related. “Given this, the Rolex Awards for Enterprise serve an important role in supporting conservation actions for species as diverse as the endangered grey crowned-crane in Rwanda through to Thailand’s threatened hornbill species” (Rolex Awards for Enterprise, 2017). Prada Group’s statement is addressing also one of most common emerging topic within this theme, the strategic partnerships issue. Luxury brands aim to team up with suppliers around the world that are also operating in a sustainably manner: “We pursue an ethics-driven management of institutional relationships; we aim at achieving common socio-cultural goals and building strategic alliances consistent with a sustainable development of the environments in which we work (Prada Group, 2017).
Overall, the kind of support luxury brands are talking about in their sustainability narratives usually is shown in local communities, where the brand is operating, such as where brands have their production sites. Still, it can also be places, that are not associated with the brand in any way, but are still in need of aid and support. This way, luxury brand show that they are entities that are existing within a societal context and go beyond their profits. Instead, these brands aim to improve social and environmental conditions around the planet, by cooperating with local bodies and by helping with the means they have at their disposal, i.e. in most cases financial help. That way, luxury brands can continue manufacturing goods of exquisite taste and quality, while also ‘doing good’ for the planet. This finding corresponds to Yun & Dhanesh’ (2017) harmonious coexistence finding, where the notions of luxury and sustainability can coexist without any tensions.

Luxury brands aim to be perceived as organizations that are aware of what is happening around the world, aware of humans that are less fortunate, and consequently want to help improve the lives of such groups by either helping them directly through educational programmes or by preserving their local environment. Still, this projects cannot be fulfilled without the cooperation of external local organizations, such as NGOs, or even local governments. Thus, luxury brands frame themselves as sharing the same visions with local institutions and governments and the former stress how important it is to them to support local projects run by the latter. The attitude that luxury manufacturers adopt in order to emphasize their support and commitment to causes that go beyond the financial interests of the brand is how Onkila (2009) describes it, as the rhetoric of joint action and equality. This, again, confirms the discursive character of organizations, with luxury brand identities being aware of the fact that what is taking place outside their organizational context does not immediately mean that it is irrelevant to them.

The same applies to CSR being a discursive concept, as brands, aiming to have effective CSR policies and initiatives, do not plan and execute initiatives according to their own perspectives of reality, but rather echo the needs outside the organization and plan their CSR strategies accordingly. Lastly, the fact that in many cases a cooperation with a local authority of institution is needed, confirms that organizations cannot act as stand-alone entities. When it comes to supporting local communities, may that be in the form of educational, humanitarian or environmental initiatives as describe above, luxury brands keep focusing on the discursive aspect
of sustainability being a joint journey, an effort and a dialogue with external stakeholders, in that
case local organizations and governments. Sustainable actions of luxury brands are being shaped
and reshaped, in cooperation with these local bodies, to respond to the local needs of each
community, instead of having one major sustainability plan and applying it to every community
by the principle of ‘one size fits all. Consequently, Reuvid’s (2010) statement of “CSR being an
empty concept” (p. 89) can only be confirmed, that the concept can be designed and redesigned
to respond to the needs of each target group.

When luxury brands opt to talk about the need of joint action with external stakeholders
for sustainable practices, they adopt a rather moralizing tone, claiming sustainability lies in the
morals of the brand and it is their duty to act this way, hence once again aiming to legitimize
organizational practices. This finding confirms Siltaoja’s (2009) concept of narrativization they
appear to be supporting either actively or less actively such initiatives, because being sustainable
and aware what is happening around the world lies in the core values of brands.

Luxury brands appear to always act beyond focusing solely on their own revenues and
profits. The theme is applied well to the triple bottom line approach addressing the sustainability
practices of an organization, in other words the 3 Ps; profit, people, planet aspect of this model.
Luxury brands in their sustainability narratives indicate that their sustainability activities extent
the organizations financial interests. By operating in several local communities, usually by
running production sites, luxury brands contribute to the financial development of local
communities by providing job opportunities to locals in their production sites. Considering the
environmental footprint of organizations, luxury manufactures ensure in their sustainability
stories, that in the communities within they operate, they enforce sustainable and
environmentally friendly practices aiming to reduce as much as possible their impact on the local
environment, where they have their headquarters and their production sites. Last but not least,
luxury brands support various educational programmes or initiatives that aim to preserve local
craftsmanship skills, thus addressing the third P of this approach, the people.
4.5 ‘Sustainability comes from within’

It should not come as a surprise that concrete “internal sustainability policies” emerged as one of the themes in the sustainability narratives of luxury brands, as the topic these narratives address is sustainability. With a total number of 150 valid open codes the theme is the largest in size and two main topics it addresses is luxury manufacturers aiming to actively engage employees in sustainability practices and describing concrete sustainability policies and practices.

In terms of sustainability policies and practices luxury brands highly stressed that they wish in no way to conduct any sort of corrupt businesses or financial transactions and that overall the traceability of all materials is very important to avoid corrupt business practices. Given the discussion around ethical supply chain and responsible diamond mining practices in the fashion and jewellery industry, such statements, when it comes to the particular sustainability practices, are to be expected. Many luxury manufacturers emphasized on the importance of responsible water, waste and energy consumption in the headquarters, production sites and in their flagship stores, where the installing LED lamps seems to be a very common practice to decrease energy consumption. The following statement from Louis Vuitton highlights the attempt of luxury brands to reduce their energy consumption:

Keen to set an example and searching for solutions to reduce our energetic consumption, the Architecture teams have been working on this subject for a long time. In this way, thanks to the optimization of the lighting and the use of resources with less impact, the energetic consumption of stores linked to lighting was reduced by 50% between 1995 and 2010.

(Louis Vuitton, 2017)

Most luxury manufacturers stressed that monitoring gas emissions is key to be sustainable. Moreover, in order to reduce CO2 emissions, many luxury brands stressed the importance sustainable design in the first place and environmentally responsible practices throughout all of the production stages, as well as monitoring mechanisms to reduce emissions with statements such as “HUGO BOSS reduces its emissions when renovating and building new operational facilities by using energy supply systems which are based on renewable resources and energy efficient technologies” (Hugo Boss, 2017). Another issue, when thinking of
environmentally friendly practices, even at a micro level, is recycling paper. Surprisingly only in three brands, i.e. Tiffany, Louis Vuitton and IWC mentioned in their narratives the importance of using sustainable packaging for the luxury goods. Despite that, overall luxury brands overall focused of the planet and people aspect of the triple bottom line effect and less on the profit aspect of the approach. Almost all luxury brands from the data set perceived sustainable practices, as something that has to do directly with the environment, hence they are being vocal about their sustainability practices and initiatives. In addition to that sustainability for luxury manufacturers is also linked to people, by stressing that both internal and external stakeholders are being involved. Internal and a group of external stakeholders, i.e. employees and suppliers, are key for the implementation of sustainability practices, whereas external holders, i.e. local communities, are benefiting from sustainability initiatives.

The rhetorical tone mostly used to describe the specific sustainable policies and practices luxury brand enforce is rather authoritative. Providing details about sustainability programmes, such as exactly describing how they discard waste, or reduce energy consumption, serves as a legitimation strategy about each brand’s business practices and ultimately legitimizes brands’ claims of being sustainable organizations. Onkila’s (2009) rhetoric of dominance respectively could also be clearly identified when luxury brands describe their sustainability policies and tactics. They portray themselves as leading in sustainability practices in their line of business, by emphasizing on innovation being key to develop environmentally friendly practices. It is worth mentioning that the competitive advantage was also mentioned by Gucci, as an internal driving force to be sustainable, consequently emphasizing on the dominant and leading tone of the narratives. Overall, describing sustainability policies shows that luxury brands want to project a harmonious co-existence between the notions of luxury and sustainability.

The second most common topic was the importance of employee engagement. Already in the first subchapter of the finding the importance of internal stakeholders was mentioned. In this chapter, luxury manufacturers stress how important it is for employees to comply with the sustainability regulations of each brand, especially employees that are in direct communication with the brands supply chain.

We provide training to employees and management who has direct responsibility for supply chain management of direct finished goods geared toward raising awareness of the risks
associated with human trafficking and slavery in supply chains, identifying potential risks, and addressing those risks if human trafficking and slavery are suspected. (Fendi, 2017)

Employees are trained to investigate violations of the Code of Practices and take appropriate action up to and including terminating agreements with vendors who have demonstrated egregious or uncorrected material violations. (Harry Winston, 2017)

Given the extent to which luxury brands addressed the need for sustainable practices ‘from within’, they stressed on educating their employees on behaving sustainably, such as limited printing, recycling office paper and discarding waste responsibly. Luxury brands appear to understand that sustainability can be achieved and maintained only if employees are a part of this process, since employees are the ones conducting the day-to-day business. Lastly, luxury brand underlined the significance of internal dialogue, insisting that this ‘from within’ perspective can only result if the organization is open to ‘listen’ to its employees and strives to actively engage them in its sustainability practices. One statement emphasizing the importance of communication is: “Together we are committed to raising awareness and creating a culture of responsiveness within the Gucci system - employees, shareholders, customers, suppliers, subcontractors, commercial and financial partners, local communities, institutions, trade associations, trade unions – by promoting a Social and Environmental Responsibility Policy that values the following aspects.” (Gucci, 2017). The importance of internal stakeholders, i.e. employees, has been stressed throughout the dataset on multiple occasions, from addressing the organizational values and how employees are related to them, to emphasizing how employees are key for luxury brands in implementing sustainable practices internally and externally. Luxury brands stressed that they strive for a work environment open to dialogue, as it is through communication that a brand can monitor and advance its sustainability practices.

In this theme, it is evident that emphasis is given in the environmental aspect of the triple bottom line approach. Luxury brands aim to present themselves as aware of the challenges the planet is facing due to the extensive human and industrial activities of the last decades, and project themselves as environmentally conscious organizations, and it is that consciousness that drives them to be sustainable. Moreover, placing stress on internal communication confirms the
discursive nature of organizational identities as being an ongoing process of argument exchange between integral and external stakeholders. Given the emphasis, placed on internal communication and employee engagement in CSR activities, that emerged from the sustainability narratives of luxury brands, evidently those narratives are not solely addressing external audiences with the aim to legitimize their practices and come across as sustainable businesses. Those narratives seem to be addressing their own employees as well, by stressing what an integral part of the ‘puzzle’ they are to the organization and in the part of actually applying sustainability practices on a meso-level.
5. Conclusion

Sustainability as a concept started becoming important already in the 1960s but it wasn’t until the 1990s that it gained much prominence. Given the environmental, financial and political changes happening around the world the concept has gained importance in many business sectors and the high fashion industry is not an exception. There is already much research about consumers’ perception of luxury brands’ sustainability practices or how luxury brands approach the opposing notions of luxury and sustainability. The aim of the present thesis was to examine how sustainability is manifested as a core part of the organizational values of luxury brands. By identifying rhetorical techniques luxury brands use in their suitability narrative, one of the focus areas of this thesis was to establish how do luxury manufacturers approach these opposing notions in their sustainability narratives. Overall, the aim of this thesis was to identify the rhetorical strategies luxury brands use to legitimize their positions and practices as being sustainable business.

Previous research has described luxury manufacturers as being less vocal or hesitant in regards to addressing the concept about sustainability. An initial look at the data is confirming that assumption to some extent, as some brands had very limited amount of information about their sustainability practices on their websites, whereas other brands provided rich in details information about their sustainability activities.

In general, almost all brands were highlighting the values that are the driving force of who they are, especially in the beginning of their sustainability narratives. In addition, all brands stressed the role of sustainability a core part of their brand philosophy and organizational identity. If it was the case that brands highlight their brand philosophy and perception of sustainability, usually these two concept were emerging together. Moreover, a theme that emerged from the data very often was the issue of the supply chain. There is already much research about supply chain issues in the fashion industry (Mihm 2010; Partridge 2011), consequently it was expected that the topic would be very present in the data set. In addition, in order for luxury brands to assure the addressed stakeholders about their practices being environmentally responsible and sustainable almost all of the brands stressed their compliance with international regulations and act regarding sustainable manufacturing practices.
Furthermore much emphasis was placed on strategic partnerships and how essential it is to partner up with the right external stakeholders to achieve that. Most luxury brands stressed that such partnerships are important especially if it concerns a CSR initiative in a location the brand is not operating. Moreover, luxury brands focused on the importance of internal compliance when it comes to sustainability practices, by highlighting that employees are key during that process, as they are the one that are practically implementing the organizational policies. Last, all luxury brands, in order to underline the integration of sustainability as a core part of who they are, they all underlined either specific sustainable practices they apply to manufacture their products, or they stressed their support of the local where they operate, usually in cooperation with other local bodies or institution, may that be environmental support or social support. On a side note, what came as a surprise was the fact that even though there were sustainability websites that were rather extensive, taking up to 10 pages, it did not immediately translate addressing multiple causes and efforts related to sustainability. To the contrary some of the extensive sustainability narratives focused on a rather limited number of topics, whereas narratives smaller in size managed to be more concise and addressed plenty of practices and initiatives that add to being sustainable. Consequently, the quantity of information brands may have offered on their sustainability websites, did not necessarily translate into quality.

5.1 Theoretical and practical implications

There is one major theoretical implication the present thesis is offering. Built upon theoretical approaches stemming from different academic disciplines, this research delves into the linguistic aspects of organizational communication and specifically how several communications techniques, i.e. rhetorical elements, are applied in the sustainability narratives of organizations. There is plenty of research regarding how luxury brands approach the notion of sustainability. This thesis explored an area that has not been research before, i.e. the rhetorical strategies luxury brands apply in their sustainability narratives to manifest sustainability as core of their identity. Overall, the findings of this research corresponded with the theoretical framework provided, especially with the theoretical concepts of Onkila (2009), Siltaoja (2009) and Yun and Dhanesh (2017).
In terms of practical implications, this thesis qualifies as a practical guide with examples of how business can apply rhetorical strategies to communicate with external stakeholders. The findings can be particularly useful other industries as well, beyond luxury brands, that also may not necessarily be synonymous to sustainability, like oil and automobile industry. The findings of this research can serve as an example for communication practitioners across industries, of how they can apply these rhetorical strategies to their benefit. Given how an organization wants to be perceived, this thesis provides plenty of examples of how to adopt an authoritative tone and project themselves as leaders, but also how to portray openness to dialogue with external stakeholders or even compliance with regulations and decision set outside an organization. Tifanny was a very clear example of a luxury brand adopting a leading attitude in their sustainability narratives.

5.2 Limitations

In terms of topics that emerged from the data but have not been previously discussed in the literature review of this thesis are twofold. On one hand the topic of strategic partnerships was often addressed in the sustainability narratives. Many luxury brands stressed how, in order to be more effective in their local CSR activities, collaborating with the right actors is essential. This thesis, did not address the topic of CSR partnerships. On the other hand, one of the themes that emerged often from the data was the importance of employee engagement in the CSR activities of luxury brands. The topic of engaging employees in CSR activities within an organization is an area that has been research much and there are several interesting frameworks to approach the theme. Given that, the author of the present thesis did not assume that internal stakeholders would be addressed to that extent in the sustainability narratives of luxury brands, the employee engagement literature was not included in the theoretical framework that aided the analysis of the findings.

The research material of the present thesis were the sustainability narratives luxury brands offer in their websites. The sample contained 22 different brands and 19 sustainability narratives, as some brands share the conglomerate’s sustainability website and did not have one of their own. All the luxury brands of the sample offer several non-financial reports on their
websites, that users can download. Several brands from this sample provided limited information about their organizational values and sustainability practices in their websites. Consequently, it may be the case that some of the brands of the sample offering limited amount of information online, provide rather long and detailed narratives in their sustainability reports, which have not been examined in this research.

The topic of this research is very inspiring and promises to give much details about how luxury brands argue their cases. Still a limitation of this thesis, is that the sample of the research design is rather limited given the time frame available to conduct the research. Hence, no major conclusions can be drawn on how luxury brands are legitimizing their positions of perceiving sustainability as being core of their identities and the rhetorical elements they use to argue their cases.

5.3 Directions for future research

Considering that there is not a big volume of scholarly articles on the specific legitimations strategies, i.e. rhetorical elements, luxury manufacturers use in their sustainability narratives to legitimize their identities and practices, there are plenty of paths to take for future research. The topic of employee compliance is a highly discussed topic among CSR scholars, but the theoretical framework of this thesis did not place any emphasis on internal CSR compliance. Given the fact that the importance of internal stakeholders’ compliance was emphasized a lot throughout the data, it would be interesting to focus on the rhetorical strategies luxury brands apply in their sustainability narratives to address their employees and have them complying with internal suitability practices and initiatives.

Moreover, the dataset for the present research consisted of the sustainability narratives on the websites of the luxury brands. Taking into account that several luxury brands provided very limited information on their websites about their sustainability activities, it would be interesting to replicate the research design of this thesis, but examine the sustainability reports of the luxury brands instead. The CSR reports of luxury brands will contain more details about sustainability practices and initiatives, thus there will be more evidence on the legitimation strategies brands apply to support their claims of being sustainability aware.
Furthermore, the same research can be conducted, using the same selection criteria, but using larger. All three lists, from which the luxury brands have been chosen, entail many more luxury brands that promise to give more insight and be able to draw stronger conclusion on the rhetorical techniques luxury brands use to manifest the notion of sustainability as an integral part of who they are. Lastly, more emphasis can be placed at the analysis stage of the research whether facts such as company size, or annual revenues play a role on ho and to what extent brands are vocal about being sustainable.
6. References


Warrington, G. (2016). *Luxury brands are more vulnerable than ever to crises*. Retrieved 3 3, 2017, from LinkedIn: Luxury brands are more vulnerable than ever to crises


## Appendices

### Appendix 1

<table>
<thead>
<tr>
<th>Company Group</th>
<th>2016 Revenues</th>
<th>Luxury Brand</th>
<th>Forbes Brand value 2016</th>
<th>Company milestones</th>
</tr>
</thead>
</table>
| Compagnie Financiere Richemont SA      | $11.08 bn +   | Cartier      | $10.1 bn +              | • Cartier’s Maison des Métiers d’Art aims to bring together the most precious artistic crafts applied to watchmaking.  
• Cartier timepieces were hosted by two prestigious museums in China and the USA in 2014  
• The Fondation Cartier pour l’art has a longstanding history of 30 years.  
• The Cartier Charitable Foundation is partnering with 17 organizations and is active in projects in 28 countries. |
| Van Cleef & Arpels                     |               |              |                         | • The Maison continues adding signature collections through new unique creations  
• The brand opened 7 boutiques in 2016, strengthening its presence in Asia and leading to a total number of 105 boutiques.  
• L’ÉCOLE Van Cleef & Arpels, the school of the brand, inaugurated its permanent address on Place Vendôme.                                                                                       |
| IWC                                    |               |              |                         | • The Portofino collection was expanded to include an additional watch.  
• The Aquatimer collection timepieces were technically technical with horlogerie features.  
• The brand’s passion for cinema was evident at various Film Festivals and the IWC Film-maker Award.                                                                                                      |
| Montblanc                              |               |              |                         | • The brand’s Meisterstück 90 years writing instrument collection was unveiled, complemented by the respective watch collection.  
• The brand launched an international campaign featuring Hugh Jackman.  
• Successful integration of the brand in South Korean operations.                                                                                                        |
| Hermes International SCA               | $5 bn +       | Hermes       | $11.7 bn +              | • The brand was founded in 1837, and was primarily known for producing harnesses and saddles.  
• In 1956 the Kelly bag is inspired by Grace Kelly.  
• In 1982 and inspired by actress Jane Birkin, the first Birkin bag is produced.                                                                                                      |
| Hugo Boss AG                           | $2.7 bn -     | Hugo Boss & BOSS |                         | • 1950 marks the year the brand produced its first men’s suits after World War II.  
• In 1996 the Hugo Boss Prize is established promoting contemporary art.                                                                                                                     |
<table>
<thead>
<tr>
<th>Company</th>
<th>Revenue (2022)</th>
<th>Brand Name</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kering SA</td>
<td>$12.4 bn.</td>
<td>Gucci</td>
<td>The brand was founded in Florence in 1921.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The brand appointed Alessandro Michele, a long time member of the company, as the creative director in 2015.</td>
</tr>
<tr>
<td>Balenciaga</td>
<td></td>
<td></td>
<td>The brand was founded by Christof Balenciaga in 1917.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The brand established in Paris in 1937.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>By appointing Demna Gvasalia as the creative director in 2015, Christof’s Balenciaga creative dream is kept alive.</td>
</tr>
<tr>
<td>LVMH</td>
<td>$37.6 bn.</td>
<td>Louis Vuitton</td>
<td>Louis Vuitton at 16 started as a trunk maker.</td>
</tr>
<tr>
<td></td>
<td>+</td>
<td></td>
<td>Both a family residence has been the symbol of the Vuitton family's personal and commercial success since 1859.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>In 1886, Georges Vuitton revolutionized luggage locks turning travel trunks into treasure chests.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Six designers were asked to create original pieces to celebrate the iconic canvas, the Monogram, that was created over a century ago:</td>
</tr>
<tr>
<td>Fendi</td>
<td></td>
<td></td>
<td>The journey of Fendi began over ninety years ago in a family-run shop on Via del Plebiscito, in Rome. The everlasting charm of the City and the daring creativity of Fendi go hand-in-hand, as both blaze a trail into the future.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fendi’s HQs bring new life to one of the most iconic buildings of the city, Palazzo Della Civita Italiana.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fendi contributed to the restauration of the Trevi Fountain.</td>
</tr>
<tr>
<td>Bulgari</td>
<td></td>
<td></td>
<td>Founded in 1884 by a Greek silversmith.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The brand expanded overseas already in the 1970s, while it kept diversifying in the world of watchmaking.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2014 marks the 130th anniversary of the brand.</td>
</tr>
<tr>
<td>TAG Heuer</td>
<td></td>
<td></td>
<td>In 1860, Edouard opens the first workshop.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>In 1869, the brand had its first patent.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>In 1910 the brand joins the American market.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1962 was the years that the first Swiss</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>in 2015 the brand manufactured its first smartwatch.</td>
</tr>
<tr>
<td>Prada Group</td>
<td>€2.83 bn.</td>
<td>Prada</td>
<td>Prada was founded in 1913 by Mario Prada in Milan.</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td></td>
<td>The Prada Foundation, founded in 1993 to promote artistic and cultural initiatives</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Prada sponsored the Luna Rossa team.</td>
</tr>
<tr>
<td>Brand Name</td>
<td>Price (bn)</td>
<td>Other Information</td>
<td></td>
</tr>
<tr>
<td>----------------------------</td>
<td>------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
</tbody>
</table>
| Miu Miu                    |            | • The brand was founded in 1993 by Miuccia Prada.  
• The brands retail boutiques expand across New York, London, Paris, Milan, Tokyo, Beijing and Hong Kong                                                                                     |
| PVH Corp.                  | $8.2 bn.   | Calvin Klein                                                                                                                                                                                                      |
|                            |            | • The brand was founded in 1969.  
• In 2015, global retail sales reached $8 bn.  
• The brand got acquired by PVH in 2003.                                                                                                               |
|                            |            | Tommy Hilfiger                                                                                                                                          |
|                            |            | • The brand was founded in 1985.  
• The brand operates in over 115 countries with over 1,600 boutiques.  
• The brand got acquired by PVH in 2010.                                                                                                              |
| Tiffany & Co.              | $4 bn.     | Tiffany                                                                                                                                                |
|                            |            | • The brand was founded in New York City in 1837.  
• In 1867 the brand was first recognized globally.  
• 2012 marks the brands 175th anniversary.                                                                                                               |
|                            |            | $5.16 bn.                                                                                                                                              |
| The Swatch Group Ltd.      | $7.5 bn.   | Harry Winston                                                                                                                                          |
|                            |            | • The brand is founded in New York City in 1932.  
• In 1952 the brand is reported to be the largest collector of historic jewels.  
• The brand introduces the first timepiece manufactured entirely by zalium, an innovative alloy.                                                           |
|                            |            | Omega                                                                                                                                                 |
|                            |            | • The brand was founded in 1892.  
• In 1892 Omega manufactured the world’s first minute-repeater wristwatch.  
• 1900 marks the year the brand created its first wristwatch                                                                                                 |
| Ralph Lauren Corporation   | $7.4 bn.   | Ralph Lauren                                                                                                                                           |
|                            |            | • The brand was founded in 1968 as Polo, a necktie line.  
• In 1968 the brand launched its first menswear collection  
• 2001 marks the year the Polo Ralph Lauren Foundation is established, supporting the brands employees in the several communities the brand operates. |
| Rolex SA                   |            | Rolex                                                                                                                                                 |
|                            | $8.8 bn.   | • The company was established in London in 1905.  
• In 1914 the brand won a precision award for its chronometric precision.  
• The Rolex Mentor and Protégé Arts Initiative was founded in 2002, encouraging talented people through mentor-trainings.                                    |
## Appendix 2

### Table 2: Sustainability comes from within

<table>
<thead>
<tr>
<th>Selective Code</th>
<th>Axial Codes</th>
<th>Open codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability and luxury go hand-in-hand</td>
<td>Expertise and excellence being the core values</td>
<td>ongoingly innovating to be more sustainable</td>
</tr>
<tr>
<td>framing sustainability</td>
<td>stressing its high business standards and honest practices</td>
<td>stressing that ethical behavior lies in the core values</td>
</tr>
<tr>
<td></td>
<td>ongoingly committing to ethical business practices</td>
<td>responding to contemporary challenges</td>
</tr>
<tr>
<td></td>
<td>interacting with all relevant stakeholders for sustainable development</td>
<td>being sustainability oriented for a long times</td>
</tr>
<tr>
<td></td>
<td>producing long lasting products</td>
<td>perceiving biodiversity as source of innovation and creativity</td>
</tr>
<tr>
<td></td>
<td>striving for excellence</td>
<td>CSR practices are business as usual</td>
</tr>
<tr>
<td></td>
<td>committed to doing business ethically</td>
<td>striving for responsible production practices</td>
</tr>
<tr>
<td></td>
<td>stressing that their long time excellence goes hand in hand with CSR practices</td>
<td>perceiving environmentally responsible practices as a competitive advantage</td>
</tr>
<tr>
<td></td>
<td>CSR practices being beneficial for company, stakeholders and society</td>
<td>encouraging external stakeholders to act sustainably</td>
</tr>
<tr>
<td></td>
<td>perceiving sustainability as a moral duty</td>
<td>committing to sustainably practices</td>
</tr>
</tbody>
</table>

- Selective Code and Axial Codes are used to frame sustainability.
- Open codes provide specific instances of sustainability in practice.

Selective Code

- **Expertise and excellence being the core values**: Setting high goals, ongoingly innovating to be more sustainable.
- **Stressing its high business standards and honest practices**: Stressing that ethical behavior lies in the core values, environmentaly responsible practices are core in LV business ethic.
- **Ongoingly committing to ethical business practices**: Responding to contemporary challenges, being sustainability oriented for a long times.
- **Interacting with all relevant stakeholders for sustainable development**: Listening and engaging with the world, perceiving biodiversity as source of innovation and creativity.
- **Producing long lasting products**: Defining problem zones, CSR practices are business as usual.
- **Striving for excellence**: Highlighting counterfeiting as main challenge for brands survival, striving for responsible production practices.
- **Committed to doing business ethically**: intermediates as the challenged group in counterfeiting, perceiving environmentally responsible practices as a competitive advantage.
- **Stressing that their long time excellence goes hand in hand with CSR practices**: Framing sustainability as an intrinsic conviction, encouraging external stakeholders to act sustainably.
- **CSR practices being beneficial for company, stakeholders and society**: Perceiving innovation as key for sustainability, committing to sustainably practices.
- **Perceiving sustainability as a moral duty**: Defining sustainability as a joint journey with stakeholders and partners, acknowledging the various local differences in the operating regions.
Table 3: Supply Chain: it’s a matter of perspective

<table>
<thead>
<tr>
<th>Selective Code</th>
<th>Axial Codes</th>
<th>Open codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>requesting the compliance of suppliers to sustainable practices</td>
<td>Demanding from suppliers to operate sustainably</td>
<td>engaging third parties to monitor compliance of suppliers</td>
</tr>
<tr>
<td>requesting suppliers to comply with laws and sustainable practices</td>
<td>monitoring suppliers before cooperating with them</td>
<td>encouraging supplies to operate sustainably, but IWC cannot really control it</td>
</tr>
<tr>
<td>demanding from suppliers to comply with RJC and CTA 2010</td>
<td>framing suppliers as key for environmentally responsible behavior</td>
<td>requesting partners to comply with IWC codes of conduct</td>
</tr>
<tr>
<td>CSR policies apply to suppliers too</td>
<td>since HB cannot control everything the ask for suppliers compliance</td>
<td>requesting suppliers compliance with LVs sustainability policies</td>
</tr>
<tr>
<td>requesting compliance of suppliers</td>
<td>cooperating in investigating supply chains</td>
<td>not able to control everything</td>
</tr>
<tr>
<td>enforcing monitoring mechanism to ensure supply chain compliance</td>
<td>expecting suppliers compliance</td>
<td>requesting suppliers to comply with guidelines of the sustainability certificates</td>
</tr>
<tr>
<td>requesting partners compliance</td>
<td>expecting suppliers responsible business practices</td>
<td>auditing suppliers practices</td>
</tr>
<tr>
<td>monitoring suppliers practices</td>
<td>ongoingly monitoring suppliers responsible business practices</td>
<td>promoting sustainable practices for suppliers</td>
</tr>
<tr>
<td>awareness raising initiatives for supplies</td>
<td>requesting that materials comply with local regulations</td>
<td>requesting employees and suppliers to comply with code of conduct</td>
</tr>
<tr>
<td>requesting suppliers to comply with IWC codes of conduct</td>
<td>requesting evidence to prove their sustainable practicies</td>
<td>importance of supply chain compliance with company values</td>
</tr>
</tbody>
</table>
Table 4: Compliance ergo legitimacy

<table>
<thead>
<tr>
<th>Selective Code</th>
<th>Axial Codes</th>
<th>Open codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>complying with RJC</td>
<td>complying with the Kimberley Process Certification</td>
<td>complying with high ethical standards</td>
</tr>
<tr>
<td>complying with relevant regulations and legislations</td>
<td>supporting the CTA 2010</td>
<td>being a KJC member</td>
</tr>
<tr>
<td>being a RJC member</td>
<td>requiring compliance of suppliers with the CTA 2010</td>
<td>aiming to comply with further sustainability practices beyond the KJC principles</td>
</tr>
<tr>
<td>complying with the California Transparency Act of 2010</td>
<td>being a RJC member</td>
<td>complying with legislations</td>
</tr>
<tr>
<td>being an RJC member</td>
<td>acquiring sustainability certificates</td>
<td>complying with UN regulations</td>
</tr>
<tr>
<td>describing the RJC certificate</td>
<td>aiming to acquire more sustainability certificates</td>
<td>complying with international standards</td>
</tr>
<tr>
<td>describing the Kimberley Process</td>
<td>supporting the CTA 2010</td>
<td>making sure to comply with local laws</td>
</tr>
<tr>
<td>complying with UN regulations</td>
<td>conglomerates companies hold several sustainability certificates</td>
<td>upholding high international employment Standards</td>
</tr>
<tr>
<td>Being an RJC member</td>
<td>adopting CSR practices that are beyond compliance</td>
<td>complying with high international standards regarding &quot;good business&quot; practices</td>
</tr>
<tr>
<td>basing their CSR policy on the RJC principles</td>
<td>acquiring new sustainability certificates</td>
<td>aiming to get sustainability certificates</td>
</tr>
</tbody>
</table>
Table 5: Be good and choose your friends wisely

<table>
<thead>
<tr>
<th>Selective Code</th>
<th>Axial Codes</th>
<th>Open codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>supporting education, art and culture</td>
<td>supporting the development of local communities re. art, education</td>
<td>supporting skill training in local communities</td>
</tr>
<tr>
<td></td>
<td>supporting modern art</td>
<td>supporting causes protecting birds</td>
</tr>
<tr>
<td></td>
<td>supporting Unicef’s education Programme in Asia and Africa</td>
<td>supporting talented artists from underprivileged areas beyond commercial interest</td>
</tr>
<tr>
<td></td>
<td>supporting in cooperation aspiring film makers</td>
<td>Supporting cause protecting endangered species</td>
</tr>
<tr>
<td></td>
<td>supporting the development of local communities</td>
<td>supporting local heritage skills</td>
</tr>
<tr>
<td></td>
<td>advocating the need for cooperations to achieve change</td>
<td>addressing the change in human lifestyle</td>
</tr>
<tr>
<td></td>
<td>stressing the importance of local communities</td>
<td>supporting causes aiming to improve lives/environment</td>
</tr>
<tr>
<td>local communities and initiatives</td>
<td>Tiffany &amp; Co. Foundation supporting organizations for good causes</td>
<td>Strategic partnerships with organizations that operate sustainably</td>
</tr>
<tr>
<td></td>
<td>striving for strategic partnerships with ethic driven organizations for sustainable development</td>
<td>supporting various causes aiming to improve human living standards</td>
</tr>
<tr>
<td>Be good and choose your friends wisely</td>
<td>initiating sustainability activities with partners in the local communities</td>
<td>supporting causes aiming to improve living standards in India</td>
</tr>
<tr>
<td>sustainable business practices</td>
<td>releasing a film narrating the importance of education</td>
<td>highlight the importance of strategic partnerships</td>
</tr>
<tr>
<td></td>
<td>cooperating with external organizations for sustainable development</td>
<td></td>
</tr>
</tbody>
</table>
Table 6: Sustainability comes from within

<table>
<thead>
<tr>
<th>Selective Code</th>
<th>Axial Codes</th>
<th>Open codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability comes from within</td>
<td>environmental policies and practices</td>
<td>increasingly using natural practices in processing materials</td>
</tr>
<tr>
<td></td>
<td></td>
<td>being a responsible employer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Striving for sustainable material sourcing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ongoingl seeking to reduce environmental footprint</td>
</tr>
<tr>
<td></td>
<td></td>
<td>incorporating sustainable practices in corporate culture</td>
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<tr>
<td></td>
<td></td>
<td>improving supply chain practices</td>
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<tr>
<td></td>
<td></td>
<td>Welcoming external auditing processes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>striving for employee awareness in relevant supply jobs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ensuring that diamonds are sustainably extracted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>supporting independent monitoring of corporate practices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Worldwide transportation of goods as an additional challenge</td>
</tr>
<tr>
<td></td>
<td></td>
<td>conducting business in an environmentally responsible manner</td>
</tr>
<tr>
<td></td>
<td></td>
<td>aiming to minimize environmental footprint</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ensuring responsible waste, water and energy consumption</td>
</tr>
<tr>
<td></td>
<td></td>
<td>comparing their practices to others</td>
</tr>
<tr>
<td></td>
<td></td>
<td>traceability of materials is key to combine CSR and luxury</td>
</tr>
<tr>
<td></td>
<td></td>
<td>using sustainable packaging (recycled paper)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>mentioning vaguely their green policies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>stressing the importance of renewable energy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>using led lamps</td>
</tr>
<tr>
<td></td>
<td></td>
<td>being a fair opportunity employer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>being an inclusive employer, respecting diversity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>striving for internal compliance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>considering its employees key</td>
</tr>
<tr>
<td></td>
<td></td>
<td>encouraging professional growth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>supporting transparency regarding materials</td>
</tr>
<tr>
<td></td>
<td></td>
<td>striving for internal compliance</td>
</tr>
</tbody>
</table>