

Countering Allegations with Actions: The Hermès Style

In 1837 at the heart of Paris, a leather craftsman named Thierry Hermès founded a company at Grands Boulevard. The shop first manufactured fine horse leather saddles and harnesses for the European noblemen. The supremely exclusive target market persists until today, with the brand transformation into the epitome of high-end fashion mode across the globe. Its iconic 'H' logo has never ceased to amaze the eyes of shoppers scrambling to buy the latest release. Nevertheless, in recent years, the company has received backlashes regarding its supply-chain sustainability. The various ethical allegation ranges from environmental impact, animal abuse, and substandard labor conditions, have been lurking in the shades of the company's success. To counter, the company launches a comprehensive environmental action plan; as an attempt to show its distinctive and renewable manufacturing process and corporate social responsibilities. The executive summary argues on how Hermès' action plan for sustainable development goals has become its defense against the ethical violation allegations and lays suggestions for further improvements.

Strengths: Comprehensive Agreements, Cooperations, and Action Plan

When it comes to buying Hermès handbags, such as its all-time best-selling Hermès and Kelly editions, the signature orange storage boxes that bear the horse carriage logo often catch attention. However, most often do not pay huge focuses to the certificates included in the packages. It goes as far as to specify the type of crocodile that is being used to supply the materials, the place where the crocodiles live, the age of the crocodiles, and the location and date of production processes. While it seems trivial, the certificates are in accordance with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITE). As the international world tries to curtail the sales of a product that contains rare animals, the CITE certificate acts as a tool, not only to check whether you have authentic Hermès but also to declare that the product is not illegally made using poor exotic and protected species. Indeed, the central figure of Hermès manufacture lies on genuine and authentic leathers—mainly obtained from calves and crocodiles. It does not come with no consequences, though, as Hermès has been facing tons of protests regarding animal cruelty and environmental damages due to its reliance on leather.

La Maison Hermès, the company's profile section of the website, highlights Hermès vision of environmental protection. Apart from maintaining its production process to be as sustainable as possible, the company has been engaging in significant sustainable development plans. Hermès becomes one of the pioneers in making of EpE (Entreprises pour l'Environnement), a non-profit

organization consisting of multinational companies who have all cooperated to rally behind an ethical code of business conduct (Hermès 2021).

In the year 2000, the United Nations launches the UN Global Compact to provide a *vade mecum* on "how should a corporate citizen of the world act in order to contribute to the sustainable development of the planet?" As the description states, the UN Global Compact urges business leaders to implement the Sustainable Development Goals principles. Hermès has been actively implemented the agreements, with the latest being its France workshops signing a contract with Électricité de France to receive 100% supply of green energy to prevent energy that comes from exhaustible natural resources. Along with other 65 France businesses, Hermès has also joined the Act4Nature initiative, an organization that fights for nature protection causes.

Furthermore, Hermès corporate social responsibility is structured through series of projects that it has personally undertaken to improve the condition of their surroundings—particularly to areas closest to their supply-chain proximity that may well be affected by their business process. While Hermès has profited from its vast web of workshops across the globe, it has also sought to preserve, optimize, and renovate the nature around it. The *Foundation d'Entreprise Hermès* sought to ensure the necessary conditions are in place to create new works of art, transmit skills to the labor force, and protect the environment. From protecting endangered African Twix in the Congo basin to mass tree plantations in Indonesia, Peru, and Kenya, and to conduct training workshops for unskilled workers, the projects show the involvement in the sustainability campaign.

Liabilities: Bad Publicities and Transparency

Albeit having a well-pitched sustainable development initiative, the fact that leathers are the main commodity for Hermès becomes a constant liability for the company. PETA has been one of the most vocal opponents of Hermès, going as far as to raise funds to buy the company's stock to sit in the shareholders meeting and confronts the board members (Bain 2016). When the footage of disturbing crocodile farms and slaughterhouses in Australia circulates on the web, famous public figures withdrew their endorsement of Hermès products, subsequently damaging the company's goodwill (BBC News, 2015). In addition, reports on substandard salaries and ugly working conditions in the company's offshore production process have put the company under constant public scrutiny. In the latest saga, Open Democracy highlights how fashion industries, including Hermès, have left their workers in labor-intensive developing countries such as India, Bangladesh, and Sri Lanka starved amid COVID-19 economic turmoil (Hoskins, 2021).

Hermès may have already invested millions in ensuring sustainable business practices and complying with the ethical code of conduct prescribed by common conventions. That being said, in the era of globalization and mass media supremacy, a few bad publicities prove to be pivotal in altering perceptions and damages goodwill. While the role of the press as a medium of check-and-balance towards the company's action is essential, more often than not, the company's efforts on revitalizing their business process are being outweighed by gimmicks and publications that contain partial information. Hermès is far from being a quintessential role model in the campaign of sustainable business practices. However, it has become one of the few rare companies that have respected the move towards conducting ethical business practices. While the company simply could not and should not silence the stream of public voices, the ideal solution is to simply embrace public surveillance by balancing the equation with production transparencies and activity reports. The company can start by providing more information on their supply-chain procurements and manufacturing processes. It can also begin to give limited workshop tours to concerned stakeholders to further induces the sense of transparency and openness, thus diminishing the doubt upon Hermès being engaged in unethical and cruel business practices.

Conclusion

The combination of craftsmanship and the fine materials it uses transform Hermès into an archetype of premium fashions that many covets to own. Within their organizational framework, Hermès has also invested in a comprehensive action of sustainable development initiatives. Nevertheless, navigating on the international stage where ethical business awareness has become more prevalent than ever, public criticism arises mainly regarding allegations of unethical practices such as environmental impact, animal abuses, and substandard labor conditions. Thus, gaining public confidence and trust is necessary for the company to clear the shadow of doubt and scrutiny regarding its business practices. The challenges moving forward are to further enlighten the public on their company's sustainable business vision, provide reports on their actions, and increase transparency in their production-chain processes.

Works Cited

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