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#GEA2: Corporate Ethics

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ISM4041: Global Cyber Ethics

Hennes and Mauritz AB (aka H&M) is a Swedish multinational clothing-retail corporation known for its latest fashion styles and trends for all age groups and genders. As of February 2021, H&M has 4,372 stores operating in 74 countries (including online service for 52 of them) across the world (H&M, n.d.). With such a huge platform, H&M is the second largest global clothing retailer (Hennes & Mauritz AB, n.d.). “H&M has been named one of the most ethical companies in the world by Ethisphere eight times in a row” (Jordan, 2021). The company “shares the details of its suppliers and information about [supplier policies, audits, remediation processes](https://www2.hm.com/en_gb/hm-sustainability/lets-change.html/transparent) and its policies on forced labor, gender equality and freedom of association” (Jordan, 2021). H&M maintains integrity by following the rules and regulations in each country and not accepting any form of corruption (Code of Ethics, 2003). **I value sensibility and autonomy the most because following my heart rather than head and respecting individuals based on their contribution are extremely important to me.** For this assignment, I will evaluate, describe, and analyze H&M’s ethical policies, values, and practices and give my opinion.

H&M, being a huge platform across the world, interacts with stakeholders coming from different countries and cultures. The company values diversity and makes sure to show humbleness, dignity, “integrity, respect, honesty, and transparency” to all the stakeholders, regardless of where they are from (Business Ethics, 2003). I believe in sensibility because the only way to maintain good relationships with the stakeholders within and outside the company is to take people’s feelings into account. This ethical policy shows sensibility as all the stakeholders are happy and everyone can live in a peaceful environment, regardless of their culture. The company believes in human rights and therefore, provides information during training about these ethical policies to all the employees coming in. A brief description about its human rights ethical policies is also given during the recruitment process. The policies keep changing regularly and it is the responsibility of the employee or business partner to keep up with the Code.

H&M also values animal welfare as no animals are harmed in the production of their products. Animals are treated humanely and *five freedoms* (principles set by World Organization by Animal Health) are followed in all the countries. The company is working with experts in this ongoing research, development, and implementation of animal welfare standards (Global Sustainability Department, 2018). For example, cashmere is made from the soft undercoat of cashmere goats, which are mostly found in Asia (China and Magnolia). H&M places orders and imports the material every year to the non-Asian countries due to its high quality. This can have a negative effect on both environment and animals. However, the company is sourcing the material only if it is certified by the animal welfare standards (Animal Welfare, n.d.). This policy also shows sensibility because the company clearly values the lives of animals and is investing time and money into it in order to make sure that these standards are met.

Not accepting any form of bribery or corruption is the most important ethical policy to this company. Corruption risk assessments are regularly conducted in all business units in order to make sure that the Code of Ethics is not violated. This Code of Ethics applies to all the H&M employees and business partners (both domestic and international business). They all must sign the Code of Ethics and commit to them in order to stay in the company. There is an example of a no-gift policy in which H&M employees should not accept any gifts or favors from its business partners and business partners should not offer any gifts or favors to H&M employees (Code of Ethics, 2003). This shows responsibility as according to the company, the right thing is being done as in corruption is taken as a very serious issue and reduced eventually.

Taxes and fees are always paid on time depending on the laws and regulations of the locality of where the store is operated. Different countries have different tax rates and deadlines. For example, USA imposes a tax rate of 21% on all the corporations with a deadline of April 15th every year. Whereas Australia imposes a tax rate of 30% with a deadline of October 31st. The company files and pays off its taxes at different times and dates in every country. This shows responsibility as the company respects, values, and follows every country’s rules and regulations.

The company also values confidentiality. This also shows responsibility as the disclosure of information to anyone outside of the company is considered a violation of the Code. The information may only be disclosed to the stakeholders involved in the contract with a prior permission from the company (Code of Ethics- Supplier/ Business Partner, n.d.).

“H&M claim [they are working to improve wage management systems](https://www2.hm.com/en_gb/hm-sustainability/lets-change.html/fair) to make sure everybody’s individual skills are taken into account when setting wages (Jordan, 2021). I believe in autonomy because every individual at workplace must be given respect and reward for the amount of work he/she puts in. H&M believes in autonomy as well by treating every employee fairly depending on his/her skills. Individuals who use their skills and work exceptionally hard are respected and rewarded for the contributions they are making for the company in order to reach H&M’s goals.

The company is dedicated and determined towards fulfilling these ethical policies and practices. Therefore, the company will continue to monitor its business partners and employees to ensure that there are no violations being made. Any violation can be reported by even employees and business partners confidentially and the company will take the issue into consideration and follow up in a thorough and responsible manner (Code of Ethics, 2003). Any deliberate violation can lead to severe repercussions including the termination of all connections with the company and the prosecution of employee or business partner (Code of Ethics- Supplier/ Business Partner, n.d.).

I would be a good fit for this company because even though I value sensibility and autonomy the most, I also believe in being responsible. The ethical policies mentioned above have all the three lenses. The company has sensibility as it values diversity and animal welfare. It has autonomy as it is working on improving the wage management system to make sure every individual is treated fairly. It has responsibility as it is against corruption, values confidentiality, and pays tax on time. I agree with every ethical policy of the company as these policies would create harmony and avoid issues and conflicts within and outside the company.

Works Cited

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