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How legitimate are the environmental sustainability claims of luxury conglomerates?

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How legitimate are the environmental sustainability claims of luxury conglomerates?

Note: there is no conflict of interest

Highlights

- Legitimacy theory is used to ascertain the credibility of the conglomerates'; LVMH and Kering commitment to environmental sustainability.
- A corpus-assisted discourse analysis centred upon Global Reporting Initiative (GRI) guidelines to examine the environmental disclosures.
- Both conglomerates use reporting to communicate their core values.
- Inconsistencies exist due to the lack of brand-level environmental sustainability disclosures.

Abstract
Purpose: By responding to scholarly calls, this study examines the environmental reports of LVMH and Kering. The study extends legitimacy theory to ascertain the credibility of the aforementioned luxury conglomerates' commitment to environmental sustainability.
Approach: A corpus-assisted discourse analysis centred upon the Global Reporting Initiative (GRI) guidelines is used to examine the environmental disclosures of LVMH and Kering.
Findings: The findings show inconsistencies due to the lack of brand level reporting and reporting quality falls short of comparable sustainability reporting within each conglomerate and with one another. Selective and unbalanced reporting along with symbolic management and undermine the legitimacy of sustainability efforts by LVMH and Kering.
Originality: Despite the increased attention paid to sustainable luxury, few studies critically analyse how luxury brands formally report on sustainability.

Keywords: sustainability, reporting, luxury, discourse analysis, legitimacy theory

Declarations of interest: none

How legitimate are the environmental sustainability claims of luxury conglomerates?

1. Introduction

The global luxury industry; valued over £700 billion worldwide (Kollewe 2015), markets products and services primarily valued for their indulgence, lavishness and symbolic meanings (Atwal and Williams 2009). The luxury sector has not prioritised issues of sustainability (Athwal et al. 2019) but now must do so as luxury organisations face growing tensions driven by consumer activists critiquing brands for their lack of supply-chain transparency, including accusations of animal and worker exploitation (Dekhili and Achabou 2016; Kapferer and Michaut-Denizeau 2014). Brands such as Hermès, Prada, Louis Vuitton and Gucci experience criticism for the unethical treatment of animals for exotic-skin handbags and shoes (PETA 2017), while Dior, Chanel and Dolce & Gabbana face censure regarding their supply chains and their unprincipled and ineffective processes (Torrance 2018). Data released after the Rana Plaza disaster further accuses luxury supply chains of being opaque (Kozlowski et al. 2015; Hall 2018). Growing stakeholder awareness of socially irresponsible and unethical organizational practices (Sharma et al. 2020), coupled with significant media and public attention means stakeholders are demanding organizations behave responsibly (Othman and Ameer, 2009; Winston 2016). Thus, sustainability is transforming from niche to necessity (Kozlowski et al. 2015). Additionally, publications such as the 'Deeper Luxury' report (Bendell and Kleanthous 2007) highlight the longstanding pressures on the luxury industry to acknowledge their responsibilities and opportunities for sustainable sourcing, manufacturing, and marketing of luxury goods. In response, alongside other luxury brands, both of the world's largest luxury conglomerates, LVMH and Kering, have developed sustainability initiatives.

Beyond the luxury sector, as attention towards sustainable behaviours has intensified, the response has been an evolution in sustainability reporting (Isenmann et al. 2007), with organisations increasingly publishing sustainability reports as formal tools for communicating strategic corporate social responsibility (CSR) (Landrum and Ohsowski 2018). Used to positively position a brand or organisation, curate an image and shape reputation, sustainability reports provide a window for researchers to understand corporate policy and sustainability priorities (Landrum and Ohsowski 2018). There are many reasons that organisations report on their social, environmental and sustainability initiatives. These include compliance with legal regulations, to meet community expectations, manage particular stakeholder groups and to attract investment (Deegan 2002). Reporting may also be a response to negative media attention and/or environmental or social incidents, which is often the case for luxury brands. When this occurs, reporting may be used to legitimise the organisation by responding to events which may be detrimental to the organisations' reputation and survival (Deegan 2002).

Despite increasing attention being paid to sustainable luxury (Athwal et al. 2019) few studies critically analyse how luxury organisations report and formally communicate sustainability to their stakeholders. Thus, this study examines the legitimacy of those sustainability communications. More specifically, how much are they in accordance with established sustainability principles or standards? Is the content valid, justifiable and reasonable? Here we examine these reporting behaviours via the lens of legitimacy theory by analysing the sustainability communicative style of the world's largest luxury conglomerates, LVMH and Kering. Legitimacy theory states that organisations will seek to ensure they are acting in line with the values and norms of society and their stakeholders (Suchman 1995). Where there are threats to legitimacy, through for example negative reports in the media, organisations will respond through information disclosure to protect their brand. One approach to manage this information disclosure is through corporate reports. However, these reports may be little more than impression management, rather than reporting on actual changes to behaviours, values and norms at the organisation, and potentially exacerbate further damaging perceptions of the organisation (Elsbach 2003). Increasingly, legitimacy theory has also been applied to sustainability reporting but there are scholarly calls for it to be integrated and utilised further (Ching and Gerab 2017).

This study makes the following contributions. First, it addresses the aforementioned research gap by furthering our understanding of the environmental impact of the luxury industry in the context of sustainability reporting. Second, the study extends legitimacy theory by applying it in the context of luxury sustainability reporting to ascertain how legitimate the luxury industry's commitment to sustainability is. This responds to calls for research on effective communications and detailed descriptions regarding luxury (Athwal et al. 2019), and more comprehensive reporting of environmental, monitoring and enforcement practices (Mann et al. 2013). In doing so, the study expands prior sustainability reporting research into the luxury sector (Cormier and Magnan 1999; Cormier and Gordon 2001; Hedberg and von Malmborg 2003; Milne and Gray 2013). Finally, a novel methodological contribution is made by using a corpus-assisted discourse analysis alongside a discourse analysis to examine the sustainability reports (Bondi 2016; Malavasi 2017; Poppi 2018). Such methods are innovative and useful approaches, which offer richer and deeper meanings to large text-based data sets (Humphreys and Wang 2018). Additionally, as legitimacy is partly based on whether communications are grounded in established rules, principles and standards we use the Global Reporting Initiative (GRI) guidelines, the most utilised sustainability reporting principles to frame our discussion.

The study opens with an overview of the extant literature pertaining to luxury and sustainability. Sustainability reporting is discussed, followed by an examination of legitimacy theory. Next, the methodology is outlined, leading to an analysis and discussion. The study concludes with limitations and recommendations for future research and sustainable luxury reporting.

2. Literature Review

2.1 Luxury and sustainability

There is no widely accepted definition of luxury; but 'luxus' - originally derived from Latin – means excess, extravagance, and vicious indulgence (Oxford English Dictionary 2016). It is synonymous with exclusivity, often inessential and indulgent (Berry 1994), difficult to obtain (Phau and Prendergast 2000), conspicuous (Wilcox et al. 2009), exhibits craftsmanship (Atwal and Williams 2009), and perfection (Berthon et al. 2009). The longstanding associations of luxury with ostentation and overconsumption (Veblen 1889), demonstrates a potential incompatibility with sustainability (Dean 2018). Luxury values are coupled with personal pleasure, while sustainable consumption is linked to moderation and ethics (Naderi and Strutton 2015).

However, there are some potential compatibilities between luxury and sustainability. Scarcity of luxury brands is often reflected via selective retailing channels, and production of limited editions (Han et al. 2016) and where luxury products are seen as both scarce and enduring. Thus, they are considered more socially responsible by consumers (Janssen et al. 2014). Additionally, Kapferer and Michaut-Denizeau (2014) contend luxury promotes the conservation of natural resources with its close association with durability. Arguably, unlike more mainstream products, this contributes to responsible consumption that would indirectly protect natural resources and places less strain on supply chains, in turn, assisting with sustainable consumption. Luxury brands also communicate their products as timeless (Kessous et al. 2017). This also suggests synergies with sustainability as luxury is not dictated to by trends, but rather is considered enduring. Debates around the perceptions of luxury as both compatible and incompatible with sustainability highlight the complex nature of luxury communications.

2.2 Sustainability reporting

CSR strategies can signal brand quality and value, performance and sustainability to stakeholders, and reduce and mitigate business risk (Hoejmose et al. 2014). The competitive and reputation advantages that can result from positive signals about an organisation's sustainability are well rehearsed (Porter and Kramer 2002; Roberts and Dowling 2002). However, as noted above, the luxury industry is grappling with the cynicism that emerges when information about their sustainability is uncertain, unreliable or asymmetrically distributed, either because of reports of unethical behaviour or a perceived incompatibility with sustainability.

Signalling an organisation's position, through numerous channels, such as branding, social media marketing and CSR reports (Karasek and Bryant 2012) allows the organisation to communicate their core values to stakeholders. One way to reduce the information asymmetry is to make a clear signal to stakeholders regarding sustainability (Ching and Gerab 2017). In situations where it is challenging for stakeholders to ascertain reliable, credible information about an organisation's sustainability, signals must communicate legitimacy (Hahn and Kühnen 2013). Moreover, these signals will only be effective if they are perceived as plausible and trustworthy (Scott-Philips 2008). Sustainability reporting has become a popular way to signal sustainability, secure legitimacy and protect an organisation's brand (Pérez 2015). Sustainability reports are expected to contain qualitative and quantitative information concerning how the organisation has improved its environmental and social effectiveness in the reporting period (Roca and Searcy 2012).

Sustainability reports should provide a "complete and balanced picture of corporate sustainability performance" (Hahn and Lülfs 2014, p. 401), yet seldom do. Due to the voluntary nature of most reporting the information presented is inevitably selective, inevitably raising questions about the completeness and accuracy of claims (Evangelinos and Skouloudis, 2014; Michael and Dixon, 2019). Regarded as the "de facto global standard" (KPMG 2011, p. 20) the Global Reporting Initiative (GRI) is a multi-stakeholder forum that aims to overcome information gaps in sustainability reporting by providing guidance for voluntary sustainability disclosure, hence improving their legitimacy. Considered the most comprehensive reporting framework (Yeop 2013), the GRI provides a common language for stakeholders and organizations. The GRI objective is for organisations to report positive and negative contributions to sustainability and ensure transparency and completeness (Hahn and Lülfs 2014). Within its categories the framework has two main principles – reporting content and reporting quality. Reporting content is based on stakeholder inclusiveness, context, materiality and completeness. Reporting quality is based on, for example, balance, comparability, accuracy, timeliness, clarity and reliability (see Table One and www.globalreporting.org).

[Insert Table One]

However, the GRI reporting framework is contested. In particular, the framework has been criticized for not taking into account distinctive characteristics of different industries and research is needed to deepen our assessment of sustainability reporting in diverse industries and across time (Fernandez-Feijoo et al. 2014). A key challenge is that such documents often lack specific and measurable evidence, and therefore legitimacy, regarding sustainable practice. Of concern is that if detail and evidence is limited in sustainability reporting, this might lead to greenwashing with the potential to inflate unsubstantiated ethical claims (Delmas and Burbano 2011), further compounded by consumer cynicism, scepticism and scrutiny (Jahdi and Acikdilli

2009). This could be detrimental to corporate reputation and brand equity (Pérez 2015). Despite these shortcomings, the GRI remains a helpful tool in capturing aspects of sustainable activity.

2.3 Legitimacy theory

Legitimacy theory embraces the idea that corporate social and environmental disclosures are motivated by a desire to legitimise an organisation's operations and to influence external perceptions about their organisation (Deegan 2002). Monfardini et al. (2013) emphasise that this type of information disclosure can be a positive strategy for organisations. Through the use of legitimacy theory, Michelon (2011) highlights that organisations which are exposed to significant public pressure are more likely to use sustainability disclosures to communicate their legitimacy to stakeholders. Legitimacy theory is described as a systems-oriented theory which focuses on the role of communications and disclosures in the relationships between organisations, individuals and groups (Gray et al. 1996). These types of disclosures can construct, sustain and legitimise the activities of an organisation and can be directed at a range of stakeholders (Guthrie and Parker 1990). Moreover, legitimacy theory argues that legitimacy is something upon which the organisation is dependent for survival; if the values and norms of the organisation do not mirror those of stakeholders, it will result in threats to legitimacy (Suchman 1995), in other words, the organisation will not be seen as operating in a legitimate manner. In response to the perception that an organisation is not working legitimately, consumers may reduce or eliminate demand for the products of the business (Lindblom 1994) and the organisation's brand can suffer damage through breaking a social contract (Shocker and Sethi 1973).

Thus, within the context of sustainability reporting, it can be viewed as part of a corporation's overall strategy to build and maintain its legitimacy (Roca and Searcy 2012) providing information to counter or offset negative news that may be publicly available (Deegan and Rankin 1997). Organisations may not be perceived as legitimate if major adverse events have occurred linked to supply chains such as the poor treatment of animals or unethical working conditions. Unscrupulous practices possibly deemed acceptable or ignored in the past, are now more widely considered as intolerable. Stakeholder expectations are increasingly that organisations are sustainable, with increased environmental concern emanating from stakeholders. Indeed, values and norms are dynamic and organisations must be flexible and responsive themselves (Perks et al. 2013). Where the norms and values of the organisation do not meet society's expectations this may lead stakeholders to perceive a legitimacy gap (Deegan 2002). In response to legitimacy gap organisations will take remedial action, through selected disclosure of information. The organisation may change its operations to conform to perceived legitimacy and educate relevant stakeholders about these changes, building brand perception of the organisation – an act of substantive management (Ashforth and Gibbs 1990). Alternatively, Lindblom (1994) notes that organisations may seek to change the perceptions of stakeholders, without actually changing behaviour, or manipulate perceptions by deflecting attention from the issue – an act of symbolic management (Ashforth and Gibbs 1990). This raises questions regarding whether organisations have genuinely implemented the initiatives that they have reported and whether their words reflect their deeds (Kolk 2004). In these selective disclosures, reporting relatively benign impact under the impression of transparency, could be perceived as greenwashing (Marquis et al. 2016) and may damage the brand, or if uncovered may not fill the legitimacy gap. As Deegan (2002) notes, disclosure may not lead to the provision of unbiased information, rather it may be self-laudatory. Further an organisation may opt to disclose minimal negative environmental information (Deegan and Rankin 1997).

Overall, this study argues that in order for the discourses within sustainability reports to be seen as legitimate by stakeholders they must comply with guidelines of good practice in sustainability reporting and be open, transparent and valid. The study examines whether luxury organisations follow key tenets of sustainability reporting from the GRI framework, whether they provide sufficient detail, specifics, clarity and evidence to support sustainability claims and what (if any) potential greenwashing or over-attribution occurs.

3. Methodology

By drawing upon the GRI sustainability guidelines, this study conducts a corpus-assisted discourse analysis of the sustainability reports produced by LVMH and Kering, to understand their sustainability claims and legitimacy. The corpus-assisted discourse analysis technique has previously been used to analyse oil and gas companies (Yeop 2013). Further, as noted above, the GRI guidelines are the most recognised sustainability principles (GRI 2018) and will support our understanding of how these two luxury organisations enact environmental sustainability reporting. LVMH, for some of its reporting does state alignment to the GRI principles, while Kering does not.

Collectively LVMH and Kering control a significant share of luxury brands across sectors. LVMH owns approximately 70 brands across a range of sectors and is considered as the world's leading luxury conglomerate, generating approximately 46.8 billion euros in 2018 (O'Connell 2019). Kering; a key competitor of LVMH, owns approximately 18 brands, mainly operating in the fashion industry and reported approximately 15.9 billion euros in 2019 (O'Connell 2020). These two conglomerates were also chosen as they have been negatively portrayed in the media, due to specific events or ongoing criticism; this study will allow for an assessment of whether these negatives were disclosed. Evidenced in Table Two, LVMH sustainability reporting practice began in 2000 and has since been conducted annually. The latest sustainability report available on the official website is dated 2018 (released in 2019).

For Kering, sustainability reporting is available on the official website from 2012, the year in which the group underwent a process of rebranding, changing its brand name from Pinault-

Printemps-Redoute (PPR) to Kering. The documentation available on the official website is wide ranging, consisting of sustainability reports, environmental indicators, statements relating to various acts, and environmental profit and loss methodology and group results. Desk research suggests that the motivation for the rebranding was related to the subtle wordplay defining its own luxury concept as sustainable and *caring for the world* (Kansara 2013; Passariello 2013).

Drawing upon the GRI principle of timeliness, both conglomerates show a degree of commitment to regular reporting. For LVMH this regularity has been with the same annual report and fulfils this criterion, while Kering partially fulfills this criterion as while reporting began in 2012 there have been different styles of reports since. The researchers sought to find Kering's sustainability documentation prior to the rebranding in 2012; no such reports were publicly available.

[Insert Table Two]

This study contributes to a growing body of environmental and sustainability work that employs various forms of discourse analysis (Buhr and Reiter 2006; Tregidga and Milne 2006; Onn and Woodley 2014). de Graaf (2006) has employed both discourse and descriptive techniques and states that *'the analysis focuses on the effects of the texts on other texts'* (p 251). For completeness of information, the researchers further enrich the linguistic analysis with a genre and visual analysis and well as a discourse analysis (Krippendorff 2019).

3.1 Data Analysis Strategy

Corpus-assisted discourse is the *'form and/or function of language as communicative discourse which incorporates the use of computerized corpora in their analyses'* (Partington et al. 2013, p 10). It seeks to analyze language in its context, thus it does not treat the corpus in isolation. Further, it is designed to uncover the meaning in texts and adopts a quantitative (statistical corpus analysis) and qualitative (discourse analysis) approach (Partington et al. 2013). Corpus linguistic analysis has been previously applied to CSR reports (Bondi 2016; Malavasi 2017; Poppi 2018), by drawing on this analytical approach to understand sustainability reports, this study also makes a novel methodological contribution.

A three-stage discourse data analysis strategy was employed for the corpus-assisted discourse analysis with each stage building upon the previous step (see Table Three). The first stage involved a genre analysis to understand the organizational structure of the information (Malavasi 2011). The second stage involved the generation of semantic and word clouds to unpack language style and the intention of the text (Bondi 2016; Poppi 2018). The third stage examined word frequencies and concordances. An analysis of the text through linguistic software provides a systematic detection of patterns in language that researchers might otherwise not notice (Humphreys and Wang 2018). The discourse analysis examined the content in line with the various GRI principles.

[Insert Table Three]

The corpus-assisted discourse data analysis was completed using Wmatrix 3.0, a linguistic software that produces statistical data regarding key semantic domains and main discourse themes in data (Rayson 2003). This analysis involved identifying major semantic themes, which allowed the researchers to study communication style and linguistic features related to sustainability in the data. This form of computer-assisted discourse analysis provided a systematic identification of the *'finer shades of meaning'* (Humphreys and Wang 2018, p. 1277) within texts. Using Wmatrix 3.0 software, the two sets of reports were compared with the sub-corpus British National Corpus (BNC) Sampler CG (Spoken) Business[1]. This chosen reference corpus includes instances of specialized business discourse appropriate for this study on sustainability as it includes 141,143 words collected from the BNC Sampler Context Governed Business. The analysis of the semantic fields generated by Wmatrix follows the USAS (UCREL

[1] A 100 million-word collection of written and spoken British English language designed to represent a wide cross-section from the later part of the 20th century.

Semantic Analysis System) based on a semantic classification developed in 1981 by Tom McArthur for the Longman Lexicon of Contemporary English. This semantic classification includes 21 categories; these categories are further divided into a number of sub-categories. This accurate process of identification of the semantic domains allowed the researchers to investigate sustainability discourse and its different linguistic features based on the co-text and context of specific words (POS: Part-Of-Speech tagging) (Rayson 2003). It is noteworthy that although the analysis for each conglomerate was conducted individually, the interpretation involved comparisons.

In sum, this study employs a detailed discourse approach to examine the use of language in a micro context. This analytical strategy allowed for an in-depth understanding of sustainability disclosures, thus addressing calls for research that offers specific and detailed insights into environmental practices (Mann et al. 2013). Further, it responds to calls for research on effective communications and detailed descriptions regarding luxury (Athwal et al. 2019).

4. Analysis

The GRI has 2 universal standards which are applicable to all organisations (Foundation, General Disclosures) and 33 topic-specific standards which come under Management Approach (Economic, Environmental and Social) of which 8 are environmental and will be the focus of analysis here (See Figure 1). The analysis will be structured around this section with each section drawing on the discourse and three-stage corpus-assisted discourse analysis. During each section reporting content and reporting quality will also be noted and discussed. It is worth remarking that many of the environmental aspects are interrelated and crossovers will be noted where appropriate.

4.1 Universal Standards: Foundation, General Disclosures, Management Approach and Reporting Approach

For both LVMH and Kering, general standard disclosures are reflected when outlining their overall vision for sustainability and are updated for each report, suggesting a level of timeliness. Both LVMH and Kering report at the group level, but also discuss, and sometimes report at the brand level (also referred to as houses or "maisons").

The LVMH reports have evolved significantly since their first 2000-01 report becoming more detailed and sophisticated, covering a wider range of subjects. From 2003 to 2016 the reports state that they were prepared by incorporating GRI guidelines, and this will be discussed further below. From 2010 the LVMH reports also include a statement relating to the French New Economic Regulations (NRE) on extra-financial reporting. Up to 2012 each report stated short-term objectives for the next year based on achievements in that year. From 2012 The LIFE programme, with 9 strategic environmental challenges, was introduced, and in 2016 LIFE 2020 was launched noting objectives for 2020 (but using 2013 as a baseline) presenting a longer-term perspective. Although not in earlier reports, later reports note a number of stakeholders with increasing clarity. In 2011 lists of stakeholders begin to appear (for example: planet, employees, partners and suppliers, society, customers, consumer associations, NGOs, Trade Unions, Press, Governments, Professional federations, multinational organisations) and later reports include communication strategies with stakeholders based on comprehensiveness of information and transparency. The sustainability context is outlined in all LVMH reports, noting their environmental charter and management of initiatives through their environmental department. The GRI guideline (materiality) notes that the report should cover topics that reflect the reporting organisations' significant impacts and LVMH claims to fulfil this by including details on its primary environmental challenges. Each year LVMH includes details on the scope of its reporting and from 2008 this was included in a separate methodology section.

The scope changes regularly across the reporting periods due to acquisitions and sales of brands and improvements in and availability of measurements. However, even in latest report, the reporting scope only covers 58% of production, warehouse and administrative sites and 70% of sales floor areas for energy consumption and greenhouse gases and 19% of sales floor areas for water consumption suggesting that the reports are not complete in their reporting. Year 2008 sees an introduction of a separate methodology section, which has improved accuracy and reliability. However, a number of the reports state estimated figures, making it difficult to see the general trend of improvements. GRI principles note the importance of including positive and negative aspects but the LVMH reports contain predominantly positive aspects suggesting a lack of balance. Where negative aspects (such as an increase in water consumption) are reported this is often attributed to changes in scope. While the reports are well written and presented, there are issues with clarity of reporting. The overall structure of initiatives are often overlapping and difficult to follow. For example, in the 2015 report there is one charter, 5 goals, LIFE issues and group wide objectives some of which are at group level, some at brand level. Additional objectives and performance are often buried in text making them difficult to extract and measurements are sometimes different within and across reporting periods (for example for the LED lights target store numbers and square metres of stores are both used). Due to changing objectives it is quite difficult to compare across years and where the same graphs/charts are used across years these subtly change. For example, a graph related to waste is included as Percentage of Waste recovered (2007), Change in percentage of waste recovery (2008), Percentage of waste recycled (2009), Percentage of waste recovery (2010), Percentage of waste value (2016) and Percentage of waste converted (2018) making longitudinal comparison problematic.

Overall the LVMH reports have a promotional tone, highlight work by individual brands as snap shots, rather than reporting fully on the group as a whole. Early pages in the reports are dominated by statements from various senior figures, while analysis and reporting comes later. The reports exhibit a magazine feel and tone, containing multiple photographs of products and employees, interviews with and profiles of managers, which do not add value or substance to the purpose of a sustainability report. This could signal window-dressing of sustainability disclosures and inevitably creates a negative perception regarding legitimacy (Hrasky 2012) and asymmetry between messages.

In contrast, Kering reporting is much more fragmented using a range of different documentation from 2012, rather than one consistent annual report. The main reporting mechanism is the Environmental Profit and Loss (EP&L) methodology which is used in a number of reports, but particularly in their group results, a document released from 2013-2017. This methodology is open and transparent, has been assessed by external stakeholders, is available for use by any organisation and represents a relatively novel concept in the luxury sector, predominately characterized by its secrecy (Carrigan et al. 2015). This transparency is extremely useful but does not align with the GRI principles which makes comparing between Kering and any other organisation problematic, resulting in a lack of external comparability. Additionally, all environmental impacts are reported in euros rather than amounts of waste, energy etc again causing issues for external comparability. Kering admits this comparability problem stating that "There are no other published analysis by organisations that can be used for can be used as a comparator for our results which can make it difficult to put them into context." As well as their EP&L methodology Kering also works to a three-pillar roadmap for 2025 – Care, Collaborate, Create – with all objectives working towards this goal. The Kering reports are much shorter than LVMH and are focused heavily on reporting at the overall group level rather than individual brands. The GRI guideline (materiality) notes that the report should cover topics that reflect the reporting organisations significant impacts. Kering fulfils this by its focus on raw materials and they state that "much of our sustainability efforts focus on reducing the impacts of the raw materials we use in our products….. our most significant impacts are generated in the supply chain (93%) and in particular by the production and processing of raw materials (49% and 25% respectively)". As well as the EP&L reporting Kering has released a range of other reports including a Sustainability report, Environmental indicators, Python Conservation Partnership Report, a Code of Ethics etc although these are sometimes one-off documents or are available for only a few years. In their methodology memos, Kering also reports the scope of it's reporting with the last memo in 2015 noting that 88% of the 1673 sites open in 2015 were included in the reporting.

GRI principles note the importance of including positive and negative aspects and while, like LVMH, Kering reports contain largely positive reports Kering retrospectively corrects earlier reports (often due to improvements in methodology) and highlights issues suggesting a more balanced reporting strategy. Additionally, an expert review of the EP&L methodology is available.

Comparatively, the genre analysis of the whole data set is smaller for Kering, in comparison to LVMH as the reporting period is much shorter. The genre analysis reveals that Kering utilises a consistent layout with the same set of performance indicators, which allows some longitudinal assessment and comparability, a key GRI expectation. Kerings' performance indicators are split into 10 themes such as energy, water, waste production and packaging consumption. There is a clear crossover between these performance indicators presented in the Kering reports and the GRI environmental categories even if Kering does not state alignment with the principles.

4.2 Specific disclosures within the environmental category

The aspects found within the environmental category in the reports are discussed through a series of semantic fields identified by Wmatrix and mapped into key domain clouds for LVMH and Kering (see Figure Two and Three respectively).

[Insert Figures Two & Three]

Broadly, the key domain clouds for both LVMH and Kering report on their sustainable practices by explaining in which areas of the business they are working to reduce their impact on the environment. As shown in the figures the main categories of discourse evidenced relate to materials, energy consumption, other green issues, logistics, and cause and effect sentence constructions. Interestingly, when compared to LVMH, the Kering cloud presents semantic categories that reflect a more scientific, numeric discourse, evidenced by the emergence of categories such as 'mathematics and numbers'.

When analysing the key words emerging from the linguistic analysis, the analysis frames how both conglomerates signal the environmental dimension of sustainability, relating it to inputs such as energy and water, outputs such as emissions, effluents and waste, and covers biodiversity, transport and product and service-related impacts. The key word cloud (see Figure Four) shows the most frequent key words occurring in the LVMH corpus.

[Insert Figures Four & Five]

The largest words appearing in the word cloud reflect the foreground elements of the discourse, signposting words that are key in the sustainability discourse. Although the size of the data corpus is much smaller for Kering, the analysis shows that Kering frequently uses a wider variety of terms in their sustainability reports as reflected in the word cloud (see Figure Five). In each case, terms linked to waste and energy/carbon emissions are predominant. These relate to performance indicators within the sustainability debate and GRI criteria that signal measurement and comparison for longitudinal improvement, which may explain their narrative prevalence.

The proceeding analysis focuses on discourse and linguistic features from the reporting discourses by drawing upon examples of environmental sustainability in each of the GRI categories.

4.2.1 Materials

The GRI principles for materials state that the total weight/volume of materials used to produce and package the organisation's primary products and services should be reported and broken down into non-renewable and renewable materials, the percentage of recycled input should be reported along with the percentage of reclaimed products.

For LVMH the first thing to note is that packaging is treated separately in their reporting and hence overall materials figures are difficult to pin down. Packaging receives a lot of attention in LVMH reports overall and there is more frequent reference to packaging than there is to materials generally. LVMH reports on packaging activities from specific brands as evidenced in the two semantic category examples relating to packaging:

> *For Parfums Givenchy, 2005 was the year to reduce packaging…..The plastic "shrink wrap" film was reduced, even eliminated, along with the polystyrene blocks.*
>
> *This year, Louis Vuitton plans to save another 100 tons of paper and cardboard by eliminating double packaging…. Until now, the leather goods were shipped to the stores in rough "packaging" to protect them, which was then thrown out.*

Both examples reflect a reasonable, albeit relatively superficial representation of overall performance by acknowledging unsustainable behaviours (negatives), and reporting on improvements (positives), in line with the GRI principle of balance. However, because these examples are brand, not group level it is clear that there is no overall group strategy and it is not certain how widespread these examples are.

With regards to other materials LVMH reports a range of rare or natural raw materials it uses such as flowers, precious stones etc. LVMH has been subject to significant attention for its use of exotic leathers, poor animal welfare and conditions in their crocodile farms so this reporting may be a reaction to this. From 2011 LVMH starts reporting their strategies for sourcing these types of products noting, for example, it's links to Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) suggesting that this reports in substantive rather than symbolic management. Traceability of these types of materials is then included in the LIFE initiatives with stricter monitoring of suppliers (for example tanneries) by 2020. However, the majority of the reporting of materials, is done at brand level with specific case studies of initiatives included. For packing there is reporting at group level but the majority of example cases are included at brand level.

Kering, unlike LVMH, includes the whole supply chain in it's reporting and in it's EP&L methodology. As it does this there is a significant focus on raw materials (including processing and production) in all of their reports and these are a central focus of many of their initiatives. The evolution of the reports shows a move from understanding supply chains and measuring their impact and EP&L and then using this information to develop strategies to minimise their impact. This is a process that is mirrored in many areas of the reports. Initiatives in the areas of materials include their Materials Innovation Lab (est. 2013), smart sourcing strategies, replacing materials with recycled alternatives, examining and comparing the location of production (esp. for leather and cotton). However, while Kering shows in detail it's analysis of supply chains and the improvements it has made in sourcing and processing raw materials (esp. leather) it does not meet the GRI guidelines fully. In a number of reports the amount (in tonnes) of packaging and raw materials is reported but this is secondary to their communication as euros as part of the EP&L. Additionally, the amount of recycled and reclaimed materials is not detailed in quantity (although this process is reported as taking place). Comparing with LVMH, packaging is less of a central concern for Kering. This however is because they focus on and include their supply chain, which as they detail has greater environmental impact. For LVMH which does not include this element, packaging is a much more significant part of their impact.

4.2.2 Energy

The GRI principles for energy state that energy consumption reporting should be of inside and outside the organisation, energy intensity, reduction of energy consumption and reduction in energy requirements of products and services.

LVMH acknowledges the global energy challenges and states that it is taking significant steps to reduce fossil fuel consumption and increase the consumption of renewable energies, reflected in a semantic category relating to energy:

> *Burning fossil fuels in boilers, engines, for heating, light or transport entails extracting resources that are becoming rarer, causes local pollution, and emits greenhouse gases that threaten the climate balance of the planet. LVMH group has integrated these challenges into a total program to streamline energy use on its production sites.*

LVMH actively reports energy consumption and reduction but does not report on energy intensity and the energy requirements of its products and services. Energy consumption is reported by group, by business group and by source in most of the reports. Although as the scope of reporting changes year by year it is not straightforward to compare these, falling short of the principle of comparability.

The reduction of energy consumption is detailed for specific initiatives, rather than at group level making it difficult to compare year to year and between parts of the conglomerate. For example, initiatives about LED lighting and solar panels differ by business group and by individual brand, as do increases in the use of renewable energy broadly. Renewable energy is regularly reported increasing from 1% in 2000 to 27% in 2018 with an aim of 30% by 2020.

Energy is included in the Kering EP&L Methodology but again, not meeting the GRI principles is reported in euros rather than in MWh, although this is reported in one environmental indicator report. As with materials one of the main foci for Kering is raw materials and it states, quite vaguely how it aims to improve water and energy efficiency in the processing of these. In stores there is an introduction of smart metering technology, LED lighting and a sustainable store guide. Electricity from renewable sources is also discussed in a 2014 report but overall there is very little focus or specifics (except inclusion in EP&L calculations) in reporting. This does not there meet the GRI principles for energy or more broadly in terms of completeness.

4.2.3 Water and effluents

The GRI principles for water and effluents state that organisations should report on interactions with water as a shared resource, management of water related discharge impact, water withdrawal, water discharge and water consumption.

LVMH acknowledges that it faces a water conservation challenge given how fundamental it is to the wine and spirits production process, which are additionally often situated in areas of high water stress. The report acknowledges the need for safeguarding but cite the ‘purity’ and ‘quality’ demanded in producing ‘perfection’ to mitigate their weaker sustainability actions:

> *Indeed, to obtain optimum quality for champagne or cognac, the presses and vats must be regularly cleaned thoroughly. A perfect product must be pure.*

Additionally, they discuss this in very strong terms such conflict, survival and solidarity signalling the challenge aspects of this process and suggesting they are ‘fighting hard’, but offering scant progress.

The majority of reporting in this area relates to water consumption and figures are given in most reports of amount of water used for agricultural purposes (e.g. vineyard irrigation) and process needs (as with other aspects this is difficult to compare year on year due to the changing scope of reporting and the use of estimates in figures – meaning that the principles of comparability and accuracy are not met). In 2014 protecting water resources was included as one of the LIFE objectives. LVMH does acknowledge that discharges of water may promote eutrophication, and it measures these substances by Chemical Oxygen Demand (COD) a measurement that is included regularly in reporting. LVMH focuses their attention on a few of its brands for water conservation examples and while it provides overall figures for the conglomerate it is not clear if these practices are widespread.

As with all other aspects Kering include water in its EP&L methodology and includes its supply chain within this. In the example below of a semantic category on suppliers, Kering briefly sets out recommendations for suppliers and their environmental impact with regards water:

> *As the first step to reducing environmental impacts is identifying and understanding them, suppliers and sub-suppliers should measure their environmental impacts…..energy use, water use and water discharge.*

Throughout Kering's reporting they provide example supply chains for a range of products, for instance a leather handbag, gold watch etc, and through this examine the water impact during processing. In some environmental indicator reports, Kering communicates water consumption as m^3 but largely, as with other aspects it is given a financial value as part of the EP&L. Objectives for reducing water consumption (and also for energy and materials) are often given as percentages. Like materials and energy, water does not meet the GRI principles for completeness or clarity.

4.2.4 Biodiversity

The GRI principles for biodiversity state that organisations should report operational sites which are protected or of high biodiversity, significant impacts on biodiversity, habitats protected or restored and any conservation list species which are affected.

LVMH's reporting concentrates on the Perfumes & Cosmetics and Wines & Spirits business groups. In Perfumes it highlights that protected, rare and threatened plants are not harvested and notes that it has set up ethnobotanical networks in different countries for protection and research. In Wines, viticulture is the focus, highlighting integrated grape growing practices and a reduction in pesticides. Biodiversity is included as one of the LIFE principles and from here bees, python skins and animal welfare are more central in reporting (perhaps due to media attention in this area). In earlier reports LVMH also note the restoration of biodiversity. For example, they note the work of Domaine Chandon Australia and their restoration of flora in the marshy zone of the Yarra River.

Using an example from the semantic category of biodiversity, LVMH outlines the external organisations it is working with to ensure that it is sustainable across the supply chain with regards biodiversity:

> *LVMH adheres to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the EU Timber Regulation (EUTR). Under the international regulations stemming from the 1992 Convention on Biological Diversity, a number of projects are being discussed or examined in further depth for the Perfumes &; Cosmetics, Fashion &; Leather Goods, and Watches &; Jewelry business groups. These include conducting audits of supply chains aimed at assessing compliance of our practices with the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (ABS), and developing new fair and responsible supply chains in categories such as gold and cashmere.*

This signals a certain level of credibility as LVMH is working with accreditation organisations and experts on specific aspects of sustainability. Further, this contributes to the transparency of LVMH and it signals that substantive management is being adopted across the business.

Kering acknowledges the impact of its operations on biodiversity, with land use representing almost a quarter of the groups total environmental impacts, and as for other elements includes this within it's EP&L methodology. A number of reports highlight the use of global experts to better track and understand impacts on biodiversity and ecosystems. This fulfils the criteria of balance as Kering highlights the negative impacts it is having alongside initiatives to be more environmentally positive. Specifically, when analysing the semantic category of farming and horticulture, Kering refers to overall initiatives that concern biodiversity risks such as the use of exotic leathers:

> *The "Assessment of Python Breeding Farms Supplying the International High-end Leather" is a study evaluating the economic feasibility and viability of captive breeding of pythons as a part of an approach to sustainable use and conservation of the species.*

Kering's strategy is also highlighted within the semantic category of "living creatures; animals, birds" with links to, for example the Madagascar Crocodile Conservation &; Sustainable Use Programme (MCCSUP). Kering also forbids the use of leather from farms involved in any form of deforestation in the Amazon biome since July 2006, or farms included in IBAMAs embargo list. This example shows how Kering uses a natural, rare and (sometimes) endangered resource, while attempting to present a sustainable strategy. In doing so Kering reports on both positive and negative sustainability practices again complying with GRI principles of balance, and showing substantive management.

Kering's focus on the supply chain is again evident with suppliers being required to provide documentation of traceability including stakeholders in this journey and meeting the GRI criteria of stakeholder inclusiveness. As with other categories Kering does not report actual amounts but reports in financial value.

4.2.5 Emissions

The GRI principles state that direct and indirect emissions (Scopes 1-3), GHG (greenhouse gas) emissions intensity, reduction of GHG emissions and other significant emissions should be reported.

Direct and indirect emissions are reported in the majority of LVMH reports. While overall figures are given the level of detail required to fully meet GRI guidelines, it is not always available. In earlier reports the focus is often on transport of goods which a shift to shipping rather than air a key principle. Carbon footprints of stores, and initiatives to reduce local transport impacts etc are included in later reports but the scope of reporting constantly changes between reports and estimates are again used. Reducing CO_2 emission is also included as one of the LIFE principles. GHG intensity is not reported and reduction of GHG was internally motivated by introducing an internal carbon price in 2015.

The LVMH reports provide good examples of the 'cause and effect' semantic category, especially in the area of emissions. LVMH signal sustainable practices by starting from a particular business activity, and then show the problem and its impact. This example shows how LVMH are working to solve or reduce environmental impact.

> *Problem/impact – 'Only with this type of proactive attitude will businesses be able to reduce environmental impacts, anticipate changes, and solve any ecological problems.'*

> *LVMH solution – 'In addition to CO2 emissions, LVMH actively monitors and seeks to reduce another kind of emission relating to its business activities that has an impact on air quality, namely volatile organic compounds (VOCs).'*

By studying the co-text and contextualized instances where cause and effect appeared in the reports, the GRI category of stakeholder inclusiveness is signalled since it would be an expectation of stakeholders such as governmental organizations that organizations to monitor and reduce CO2 emissions. The contextualization of 'cause and effect' uncovered a broader picture of LVMH sustainability reporting, contributing to the principle of sustainability context. However, as above the problem /impact is often only described in vague turns ("solve any ecological problems") it fails to live up to GRI completeness expectations.

Kering, as with other elements, reports emissions as part of it's EP&L methodology. However, exact amounts are rarely discussed, with financial values given most of the time. Exceptions are in the Environmental Indicators reports, the 2014 EP&L group results and Clean by Design report where GHG emissions are reported in tonnes. For example, GHG from mills are discussed alongside reductions achieved by percentage. As in other areas, Kering's focus in on the supply chain noting the heavy impact of materials, in particular leather, on it's GHG emissions. As with LVMH, transport is also discussed, especially relating to optimisation of deliveries to stores. Although Kering does note that although it reports transport it does not always have control over these emissions:

> '…include CO2 emissions originating from the upstream fuel phase (i.e. during production and transport of fuels), even if the Group doesn't have direct control over such emissions…'

Overall for Kering it is clear that they measure and seek reductions in emissions. However, they do not fulfil GRI requirements as they do not regularly report detailed amounts or intensity.

4.2.6 Effluents and waste

The GRI principles note that water discharge (and water bodies affected by these), waste, significant spills and hazardous waste should be reported. Overall LVMH shows that it recognises the importance of waste management:

> The principle of reducing waste at the source has since been extended to many other products, with priority given to three elements: making lighter packages, using recycled materials, and designing refillable bottles.

In every report LVMH reports waste by type and disposal method. These figures are given across the group with examples from its brands. LVMH does not report significant spills, but from 2008 amounts of hazardous waste are included. LVMH does acknowledge that certain business practices in their sector continue to produce high levels of waste. For example:

> In cognac distillation, the equivalent of 90% of the volume of the distilled wine is thrown out in the form of vinasses, an organically rich substance that represents a significant pollution risk.

Reporting this complies with the balance principle, as the report reflects positive and negative aspects of sustainability performance. LVMH carefully applies this principle and highlights how its specific products are the results of this inevitable waste, but as yet there is little signalling of how they tackle the challenges, nor measurement of success, improvement or failure.

As with other elements of Kering's reporting exact amounts for each of these elements are often lacking as they report using financial value through the EP&L methodology. Waste amounts are reported in the Environmental Indicators reports, but these are separated only into hazardous and non-hazardous waste and not categorized by type. However, Kering does acknowledge the importance of waste reduction:

> Actions including material efficiency, recycling and waste minimisation are just some examples that will reduce negative impacts throughout the supply chain.

In their earliest Sustainability report Kering also highlights the importance of chemical management and are:

> …..taking proactive action to meet our 2020 Target with the Kering Group recently joining the Zero Discharge of Hazardous Chemicals Group (ZDHC)….

As with other categories, it is clear that Kering is doing work in the area of waste but it is hard to extract detailed amounts and targets from their reporting suggesting that they do not meet the GRI principles.

4.2.7 Environmental compliance

The GRI guidelines note that the reporting organisation should show how they are environmentally compliant and disclose significant fines and sanctions for non-compliance with environmental laws or regulations.

The LVMH reports increasingly include details of environmental compliance. Key certifications success such as ISO14001 (Effective environmental management system), ISO 22000 (food safety management), the HEQ initiative in France, LEED in the United States, Bream in the United Kingdom, France's National Strategy for Biodiversity amongst many others are reported. In some cases, they state that they are making progress towards these accreditations but fines and sanctions are not included. This may be because LVMH has not been sanctioned or because many of these accreditations are optional.

Kering's reports do not consistently report environmental compliance but in their first sustainability report they do note compliance with a range of initiatives including the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) diamond sourcing and certification by the Kimberley Process (KPCS) and it appears that these are included within their EP&L methodology and in their supplier expectations. Details of fines or sanctions are not included but, as with LVMH these may be because they have not been sanctioned or because many of these accreditations are optional.

4.2.8 Supplier environmental assessment

The GRI guidelines state that details of supplier screening and negative environmental impacts in the supply chain and actions taken should be reported.

In 2002 LVMH released a supplier tool to screen suppliers, in 2008 adopted a Supplier Code of Conduct and in 2014 highlighted increasing responsibility of suppliers as part of the LIFE programme. LVMH asks its suppliers to comply with their recommendations and audits them to ensure compliance. However, much of the responsibility appears to be cascaded down to suppliers who are asked to comply. In 2018, 877 suppliers were the subject of 1092 audits by LVMH. LVMH notes that through these processes it identifies non-conformity, highlights areas for improvement and can launch corrective action but few examples are given of when this has taken place. In 2018, 20% of suppliers audited did not meet requirements but further details or actions taken are not discussed. Thus, the spirit of GRI is met, but not the substance, as there is no mention of any sanctions or compliance failures to ensure balance.

Throughout its environmental strategy and reporting suppliers are a key focus for Kering and they note a need for a collaborative relationship with its suppliers. By including the full supply chain in their EP&L methodology there is significant motivation for them to work with suppliers to improve their overall environmental impact. Impacts from the supply chain are recognised in almost all their reports and their supplier expectations culminate in a 145 suppliers document on standards for raw materials and manufacturing processes. Designed for use by suppliers, although not a contractual document, it outlines the minimum requirements for suppliers, notes the role of announced/unannounced audits, and that suppliers are expected to develop sustainable management, reporting and tracking systems to ensure compliance. Actions resulting from non-compliance are also detailed including termination of contract for a number of zero tolerance elements. Although no actions taken with specific suppliers are noted arguably Kering meets the GRI guidelines in this area.

5. Discussion

Overall for LVMH, reporting has increased in sophistication and detail with a turning point in 2012 to more comprehensive reporting. However, it is often very challenging to extract key figures as the reports are often crowded with examples from brands rather than for the group as a whole. Additionally, the scope changes between reports making comparability very difficult and estimates are often used rather than accurate figures. Interviews and quotations from staff are a distraction and make the results present more like a magazine than a serious business report. Due perhaps to the nature of the luxury industry there is a significant focus on packaging and eco design and these are dealt with separately from other aspects, and for this industry GRI guidelines could be adapted to allow detailed reporting for these specific areas. LVMH reports in most years it's environmental expenditure and awareness and training of employees. However, these are reported as inputs (e.g. hours provided in training) not the positive (or negative) outcomes of these initiatives and whether they have actually made an environmental difference. While in later reports objectives further than one year ahead are included there is no detail over how these targets were decided.

Overall for Kering, the reporting is quite sporadic with different reports being used at different times consisting of different styles, meaning it is difficult to compare between and across years in some cases (not meeting the GRI principle of timeliness). As the EP&L methodology and reporting dominates their documentation it is often hard to extract details for some areas (especially actual amounts) and this means that it often does not meet the GRI principles. This is not to say that the methodology lacks comprehensiveness and detail. The reports are straightforward and show the many areas in which Kering is involved, but nonetheless it is not possible for it to be compared to reporting from other organisations (not meeting the GRI principles of comparability), although it is possible to compare with other Kering documentation. The detail and methodology discussion do however show a good level of completeness, accuracy and clarity meeting a number of the report quality elements of the GRI principles. Unlike LVMH there is a great deal of focus on the supply chain, which is fully integrated into reporting and initiatives take place at the group, not brand level. Kering reports also show a lack of detail on stakeholders. While some are mentioned in passing these are not systematically reported, and so not meeting GRI principles.

6. Conclusions

The key aim of this study was to examine whether the reporting practices of LVMH and Kering were legitimate. That is, were they in accordance with established rules, principles or standards. In this case, the study compared their reporting against the widely accepted GRI standards. Reporting styles were inconsistent, with LVMH loosely following the GRI principles, and Kering developing its own approach (the EP&L methodology). As the conglomerates have considerable discretion on what to report it was very difficult to conclude which was in fact performing better in terms of sustainability, as has been noted in other industries (Sherman 2009).

The analysis shows that the two conglomerates are in some cases working well within the GRI guidelines and in other cases are not. Examining the two reports side by side highlights the failings and good practice in each reporting style. For example, Kering's complete inclusion of all supply chain elements highlights that LVMH does not include this, and hence may be considerably underreporting it's impacts. This suggests elements of selective reporting and symbolic management which is likely to undermine the legitimacy of the organisation in the eyes of stakeholders (Ashforth and Gibbs 1990). These could also be perceived as calculated greenwashing (Okereke 2007), especially given that the reports are often unbalanced, selectively reporting positive impacts rather than negative ones. Reporting potentially benign impacts damages the legitimacy of the sustainability initiatives and the conglomerates as a whole. Supply chains are a key element of the luxury industry that has received substantial, often negative, media reporting. By including the supply chain, Kering acknowledges supply chains by tackling it head on and appear to be responding through substantive management.

This is likely to increase legitimacy in the eyes of stakeholders. However, as Kering's approach does not allow comparability, legitimacy may be damaged from this perspective.

Both conglomerates use the reporting to communicate their core values. As noted, values and norms are themselves flexible and the development of reporting over the review period shows how these organisations have responded to the changing interests, and expectations of stakeholders. One example of this is the use of rare and sometimes endangered leather, for example python, which both conglomerate focus on more in recent reporting. The reporting styles certainly suggest that reputational gains and response to media attention are one reason for sustainability reporting in the luxury setting (Tang and Demeritt 2017).

The sustainability discourse and linguistic styles within the reports demonstrate weak specifics on GRI criteria; largely they do not provide measurable, tangible evidence regarding the claimed sustainability success or failures of LVMH and Kering. Unsurprisingly the analysis reveals imagery that pervades luxury reporting rather than critical analysis of the Groups' sustainability performance. This is especially the case for LVMH whose reporting has a more decorative approach, and magazine feel. The evidenced 'gliding over' of both the positive and negative attributes of sustainable performance is concerning, since with limited detail, depth and evidence being provided in luxury sustainability reporting, the opportunities for greenwashing, and the potential to inflate or obscure unsubstantiated ethical claims (Delmas and Burbano 2011) remains unfettered. Nor will such lack of transparency and elided evidence defuse stakeholder cynicism and scrutiny (Jahdi and Acikdilli 2009).

Overall, whether the reports meet the GRI principles of report quality is questionable in places. Balance is sometimes met, but often negative figures are glossed over or blamed on scope changes. Comparability is not possible between conglomerates, although comparability is occasionally met within each conglomerate. Timeliness is largely met as a GRI principle due to the broadly regular reporting schedule from the two conglomerates, although the more haphazard reporting schedule of Kering is problematic. Accessibility is questionable, as not all stakeholders would have the relevant background knowledge to read the environmental signals and technical details being sent. Finally, it is uncertain as to whether the reliability GRI criteria is met as it is often impossible to follow the evidence trail of the reports and to verify the statements made. Overall by not meeting these principles the conglomerates risk damage to their legitimacy and stakeholders cast doubt over their claims.

In conclusion, the study has made the following contributions. Firstly, it addresses the aforementioned research gap by furthering our understanding of sustainability and the luxury industry in the context of environmental sustainability reporting. Secondly, the study has applied legitimacy theory to the context of luxury reporting to ascertain to what extend the reporting can be seen as legitimate and indicative of substantive management practice. Finally, the study makes a novel methodological contribution, utilising a mixture of discourse and corpus-assisted discourse analysis to draw upon linguistics to examine the sustainability reports.

6.1 Implications

The study is of interest to both of the conglomerates under investigation, competitors and practitioners working in the luxury sector, but also policy makers to facilitate the incorporation of robust sustainability reporting practices. First, the luxury industry needs to ensure consistency regardless of reporting style, which will enable comparisons (including longitudinal) to be made within the organisations and with competitors. While following guidelines such as the GRI standards can help this, there is no reason why an alternative approach cannot be taken, but it must allow comparability. If it is impossible to compare and contrast, there is a significant risk of organisations damaging their legitimacy in the eyes of stakeholders.

Second, where conglomerates are reporting it is key that there is clarity regarding group and brand level reporting. Only clear differentiation and transparency can protect organisational legitimacy. Third, as noted above the supply chain is a key element of the luxury industry that has faced significant scrutiny in recent times. Without tackling the substantial impacts here sustainability reporting feels superficial and could be construed as greenwashing. Openness and balance are key GRI principles and organisations must embrace these to ensure stakeholders perceived them rightly to be legitimate.

6.2 Limitations and directions for future research

A key limitation is that the data set only analyses the two luxury conglomerates, albeit the main industry players, and does not consider the sustainability reporting practices of other luxury conglomerates or independent luxury brands which might reveal different practices. Future research could examine the online sustainability reports of other conglomerates and smaller brands in order to gain a broader perspective such as Starwood Preferred Group and Cie Financière Richemont.

Further research could also study the sustainability reports of luxury brands individually, rather than at the group level. However, in the case of LVMH and Kering, brand level reports, to the knowledge of the researchers are unavailable online. There is also scepticism as to whether small, independent luxury organisations are willing to share their sustainability reports.

Another limitation of the study is associated with the analysis and the criticisms surrounding the GRI reporting framework. In particular the framework has been criticized for not considering distinctive characteristics of different industries (Fernandez-Feijoo et al. 2014). Furthermore, the vast majority of brands owned by LVMH operate in the fashion sector, with Kering solely focusing on fashion. However, the luxury industry is widespread, compromising of automobiles, hospitality, gastronomy, alcohol, and fine art (D'Arpizio et al. 2017; Wiedmann and Hennigs 2013). Additionally, while this study focused on the environmental elements of the GRI principles, future research should also examine the economic and social aspects, such as modern slavery (Gold et al. 2015).

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Table One. Principles of Global Reporting Initiative (Source: GRI, www.globalreporting.org)

Principles for defining report content	
Principle	***Description***
Stakeholder inclusiveness	The organization should identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.
Sustainability Context	The report should present the organization's performance in the wider context of sustainability.
Materiality	The report should cover aspects that: 1- reflect the organization's significant economic, environmental and social impacts; or 2- substantively influence the assessments and decision of stakeholders.
Completeness	The report should include coverage of material aspects and their boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to access the organization's performance in the report period.
Principles for defining report quality	
Principle	***Details***
Balance	The report should reflect positive and negative aspects of the organization's performance to enable a reasoned assessment of overall performance.
Comparability	The organization should select, compile and report information consistently. The reported information should be presented in a manner that enables stakeholders to analyse changes in the organization's performance over time, and that could support analysis relative to other organizations.
Accuracy	The reported information should be sufficiently accurate and detailed for stakeholders to assess the organization's performance.
Timeliness	The organization should report on a regular schedule so that information is available in time for stakeholders to make informed decisions.
Clarity	The organization should make information available in a manner that is understandable and accessible to stakeholders using the report.
Reliability	The organization should gather, record, compile, analyze and disclose information and processes used in the preparation of a report in a way that they can be subject to examination and that establishes the quality and materiality of the information.

Table Two. Data Source Details*

Organisation	**Document**	**Year of Publication**
LVMH	Environmental Data Report	2000 - 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018
	Annual Shareholder Meeting	2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017
	Social Responsibility Report	2014, 2015, 2016, 2017
Kering	Sustainability Report	2012 - 2016, 2018
	Environmental Indicators	2012, 2013, 2015
	Statement on Transparency in Supply Chains Act	2017
	Integrated Report	2017
	Environmental Profit and Loss (EP & L) Group Results	2014, 2015, 2016, 2017

	Environmental Profit and Loss (EP & L) Methodology and Group Results	2013
	An Expert Review of the Environmental Profit and Loss (EP & L) Account	2012
	Python Conservation Partnership	2014
	Clean by Design in Italia	2016
	Code of Ethics	2019
	Standards for raw materials and manufacturing processes	2019

* Please note that reports often reports on the previous year's achievements and are therefore not published until the year afterwards. For example, the 2018 LVMH reports were not published until September 2019.

Table Three. Data Analysis Strategy

Discourse Analysis Stage		**Description**	**Outcome**
1	Genre	Layout of the sustainability reports, and organization of the text and images	Aims to identify patterns and layout relating to the generic report structure Aims to understand the contribution of photographs and graphs in the creation of meanings
2	Semantic Fields	Grouping words by specific categories set by the Wmatrix 3.0.	Examines the meanings of sentences by studying importance of and emphasis of words.
3	Word Frequency List and Concordances[2]	Frequency of the words and context and co-text (surrounding words) of the words	Examines how frequently words acts as indicators of language style and the intention of the text extracts in relation to subject matter.

Figure One. GRI Specific Disclosures: Categories and Aspects (source: https://www.globalreporting.org/resourcelibrary/)

[2] A concordance line is a unit of meaning. Corpus linguistics software generates a series of concordance lines to show the use of a specific word within a text to understand its collocation, in other words the co-text and context (Sinclair, 1991).

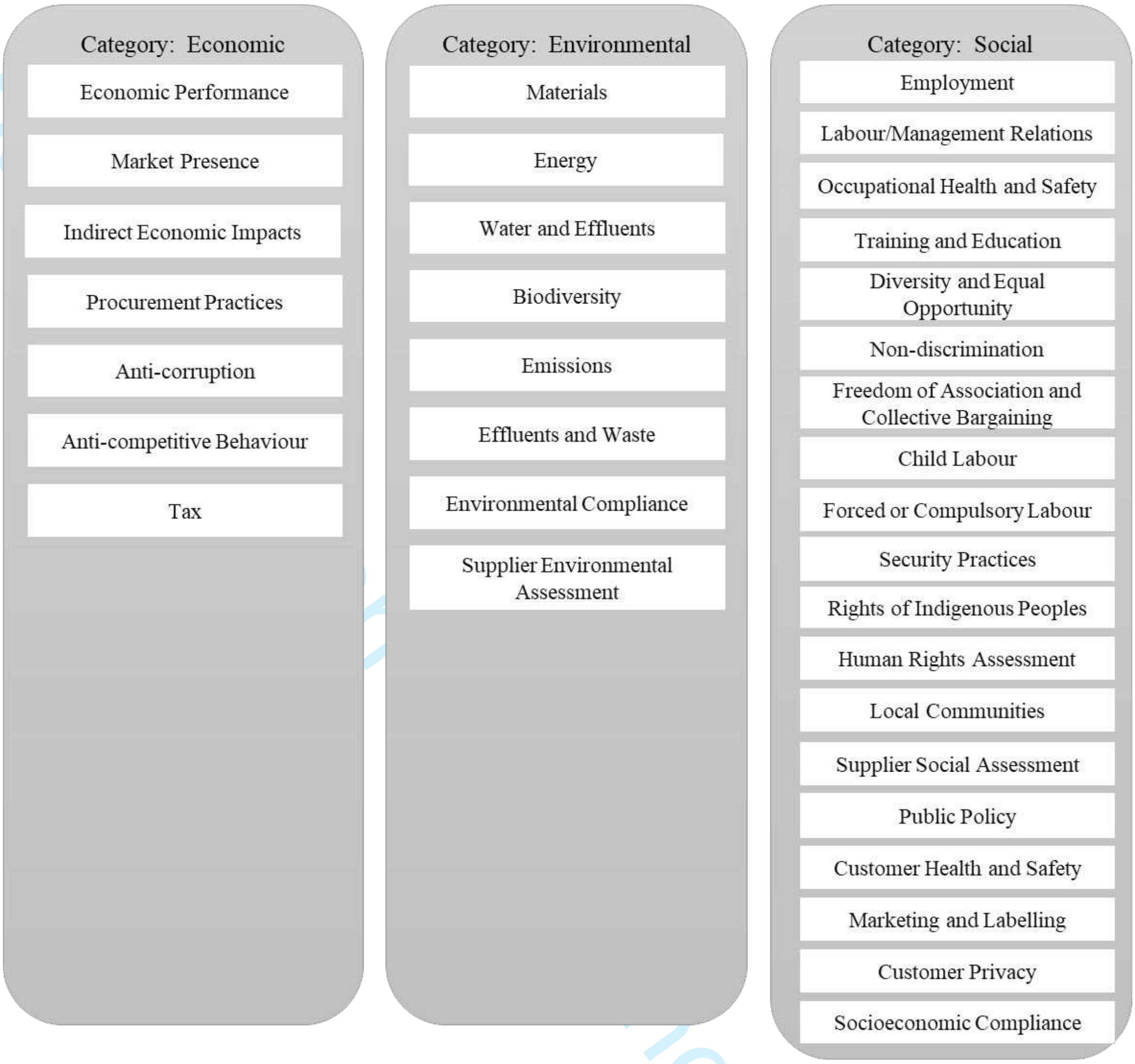
Category: Economic
Economic Performance
Market Presence
Indirect Economic Impacts
Procurement Practices
Anti-corruption
Anti-competitive Behaviour
Tax
Category: Environmental
Materials
Energy
Water and Effluents
Biodiversity
Emissions
Effluents and Waste
Environmental Compliance
Supplier Environmental Assessment
Category: Social
Employment
Labour/Management Relations
Occupational Health and Safety
Training and Education
Diversity and Equal Opportunity
Non-discrimination
Freedom of Association and Collective Bargaining
Child Labour
Forced or Compulsory Labour
Security Practices
Rights of Indigenous Peoples
Human Rights Assessment
Local Communities
Supplier Social Assessment
Public Policy
Customer Health and Safety
Marketing and Labelling
Customer Privacy
Socioeconomic Compliance

Figure Two. Key Domain Cloud for LVMH

Figure Three. Key Domain Cloud for Kering

Figure Four. Key Word Cloud for LVMH

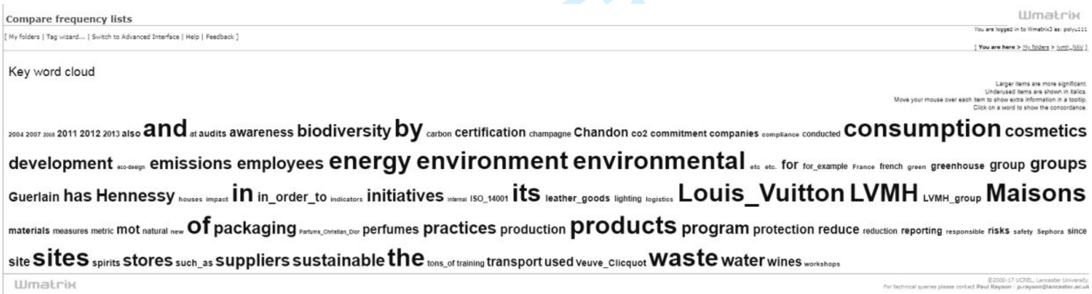

Figure Five. Key Word Cloud for Kering