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H&M's Global Supply Chain Management Sustainability: Factories and Fast Fashion

Helena Helmersson, head of sustainability at Hennes & Mauritz (H&M), was startled awake by a phone call at 5 a.m. A factory had collapsed in Savar, a suburb of Dhaka, the capital of Bangladesh. The building was Rana Plaza, owned by wealthy Mohammad Sohel Rana.¹ Helmersson's informant assured her that H&M did not directly contract clothing manufacturing from the factories in Rana Plaza. However, given the complicated supply chains of the apparel industry, there was no guarantee that H&M garment manufacturing had not been indirectly subcontracted to the Rana Plaza factories.

Even if no H&M clothes were found in the ashes of the collapsed factory, Helmersson sensed that H&M would be put under a spotlight by consumers and labor rights groups as H&M was the largest exporter of clothing from Bangladesh.² There would certainly be a flood of media coverage on labor conditions in Bangladesh. While Helmersson felt confident that H&M was an industry leader in sustainability, she was concerned that the media would conflate the egregious working conditions of some Bangladeshi factories with the H&M brand.

At 7 a.m., she would meet with Karl-Johan Persson, CEO of H&M, to devise a response to the factory collapse. Fortunately, H&M already had a good track record of engaging with the Bangladeshi government, factories, and workers. In 2012, Persson had met with Sheikh Hasina, the prime minister of Bangladesh, to advocate for higher minimum wages, regular wage adjustments, and fire safety in the garment industry.³ Additionally, H&M partnered with 18 other brands to provide 3 million workers in Bangladesh with additional fire safety training.⁴ Yet beyond these facts, Helmersson still had some troubling issues to contend with: How should H&M respond to this catastrophe? Should the company be on the front lines in dealing with the aftermath of the factory collapse, or should it step to the side and let those companies implicated by the disaster deal with the situation? How should she advise Persson to respond to the media? How could H&M prove that the company took social and environmental issues seriously?

The Rise of Fast Fashion

Fast fashion, an operations strategy where fashion retailers quickly move designs from runway to stores, rose to prominence in the mid-2000s in companies such as Zara, H&M and Forever 21. By democratizing couture and bringing trendy, affordable items to the masses, fast fashion created an era where designs

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