Sustainable development in codes of conduct for suppliers

Master thesis at the University of Borås
Swedish School of Textiles
Master Programme in Textile Management
with Specialization in Textile Value Chain Management

Written by
Kajsa Rydehed
and
Berit Kehler

Report no. 2014.16.04

June 2014

Examiner: Håkan Torstensson
Supervisor: Heikki Mattila
Acknowledgement

We are studying the second year towards a master’s degree in Applied Textile Management at the Swedish School of Textiles in Borås. This study is the result of our Master thesis in the Applied Textile Management Programme with specialization in value chain management. The interest of the topic sustainable development awoke when we did a field study research and in a course of Art of Business.

We would like to thank our supervisor Heikki Mattila for encouraging supervision and guidance. Moreover, we like to express our gratitude to the respondents from the selected companies who agreed to participate in this study and thereby contributed with interesting inputs and knowledge in our empirical material.

Borås, May of 2014

__________________________________________
Kajsa Rydehed

__________________________________________
Berit Kehler
Abstract

The concept sustainable development is defined as meeting the needs of the existing global population without compromising the opportunities for future generations to also meet their needs. Therefore, in order to work towards sustainable development, active sustainable choices need to be made in a company’s business activities. This thesis has a qualitative approach that aims to study five different Swedish textile companies and how they work towards sustainable development in their code of conduct for suppliers. Theories are collected from literature, articles and web sources, which include sustainable development, social, environmental and economic sustainability and codes of conduct. The main target is to identify different sustainable approaches towards sustainable development in the code of conduct for suppliers focusing on the social, environmental and economic sustainability. The empirical data is collected from five personal interviews with representatives in charge of sustainable activities from the selected companies. The result of the study confirms that all companies to different extents are working towards sustainable development in their code of conduct for suppliers. Sustainable approaches in these codes are agreements with suppliers including following the country’s laws and regulations of the suppliers. The companies also collaborate with third-party industrial research institutes to reduce water and chemical supply in the production. Moreover, the study shows that the concept sustainable development seems to be less embedded in the code of conduct for suppliers. Companies rather work with sustainable activities in forms of running projects and establishing agreements beyond having a code of conduct.

Keywords: Sustainable development, Social, environmental and economic sustainability, Code of conduct
Table of Contents

1. Introduction .................................................................................................................. 1
   1.1 Background ............................................................................................................ 1
   1.2 Problematization ................................................................................................... 3
   1.3 Research Question ............................................................................................... 4
   1.4 Purpose .................................................................................................................. 5
   1.5 Delimitation .......................................................................................................... 5
   1.6 Key Words ............................................................................................................ 5
2. Theoretical Framework ................................................................................................. 6
   2.1 Sustainable development ....................................................................................... 6
      2.1.1 The birth of the concept sustainable development ......................................... 6
      2.1.2 Social, environmental and economic sustainability ........................................ 9
   2.2 Code of conduct .................................................................................................... 11
      2.2.1 The birth of a code of conduct ....................................................................... 11
      2.2.2 Definitions of codes of conduct .................................................................... 13
      2.2.3 Different codes of conduct in the textile industry ............................................ 13
3. Methodological Framework ......................................................................................... 17
   3.1 Research design .................................................................................................... 17
   3.2 Data collection methods ....................................................................................... 17
      3.2.1 Literature review ............................................................................................ 18
      3.2.2 Preparation of the interview guide ................................................................. 19
      3.2.3 Interviewing techniques ................................................................................ 19
   3.3 Sampling methods of textile companies ............................................................... 20
   3.4 Research gap ......................................................................................................... 21
   3.5 Data analysis method and motivation ................................................................. 22
   3.6 Relevance ............................................................................................................. 22
      3.6.1 Validity ........................................................................................................... 22
      3.6.2 Reliability ...................................................................................................... 23
4. Empirical Findings ...................................................................................................... 25
   4.1 Presentation of the respondents ............................................................................ 25
   4.2 Sustainable development ...................................................................................... 27
   4.3 Social, environmental and economic sustainability .......................................... 27
      4.3.1 Social sustainability ........................................................................................ 27
      4.3.2 Environmental sustainability ......................................................................... 29
      4.3.3 Economic sustainability ................................................................................ 30
   4.4 Code of conduct .................................................................................................... 31
   4.5 Sustainable development in the code of conduct for suppliers ....................... 33
      4.5.1 Sustainable approaches towards sustainable development ............................ 33
      4.5.2 Future sustainable approaches towards Sustainable development .............. 34
5. Analysis ........................................................................................................................ 35
   5.1 Sustainable development ...................................................................................... 35
   5.2 Social sustainability .............................................................................................. 36
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3 Environmental sustainability</td>
<td>38</td>
</tr>
<tr>
<td>5.4 Economic sustainability</td>
<td>39</td>
</tr>
<tr>
<td>5.5 Code of conduct</td>
<td>40</td>
</tr>
<tr>
<td>5.6 Sustainable development in the code of conduct</td>
<td>42</td>
</tr>
<tr>
<td><strong>6. Conclusion</strong></td>
<td><strong>44</strong></td>
</tr>
<tr>
<td>6.1 Future Research</td>
<td>47</td>
</tr>
<tr>
<td><strong>References</strong></td>
<td><strong>48</strong></td>
</tr>
<tr>
<td><strong>Appendix - Interview guide</strong></td>
<td><strong>54</strong></td>
</tr>
</tbody>
</table>
### List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSCI</td>
<td>Business Social Compliance Initiative</td>
</tr>
<tr>
<td>CCC</td>
<td>Clean Clothes Campaign</td>
</tr>
<tr>
<td>CSO</td>
<td>Chief Sustainability Officer</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>FTA</td>
<td>Fair Trade Association</td>
</tr>
<tr>
<td>FWF</td>
<td>Fair Wear Foundation</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labor Organization</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PVC</td>
<td>Polyvinyl chloride</td>
</tr>
<tr>
<td>SCC</td>
<td>Supplier Code of Conduct</td>
</tr>
<tr>
<td>SGS</td>
<td>Société Générale de Surveillance</td>
</tr>
<tr>
<td>SIDA</td>
<td>Swedish International Development Cooperation Agency</td>
</tr>
<tr>
<td>UL</td>
<td>Underwriters Laboratories Inc.</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNICEF</td>
<td>United Nations Children's Fund</td>
</tr>
<tr>
<td>WCED</td>
<td>World Commission on Environment and Development</td>
</tr>
<tr>
<td>WWF</td>
<td>World Wildlife Fund</td>
</tr>
</tbody>
</table>
1. Introduction

In this study we are going to research how different Swedish textile companies work towards sustainable development in their code of conduct for suppliers. In the following chapter we will start by introducing the concept sustainable development, social, environmental and economic sustainability and the code of conduct. Later we will problematize identified possibilities and opportunities.

1.1 Background

Hopwood, Mellor & O’Brien (2005) describe the concept sustainable development as broad with many different meanings. According to Björneloo (2007) the concept has circulated in the political agenda since the 1980’s and definitions have since then been many. The definition of the concept that has been the most groundbreaking and has had the most attention is taken from the report *Our Common Future* composed by the commission of the former Norwegian prime minister Gro Harlem Brundtland, published in 1987. Sustainable development is here defined as meeting the needs of the existing global population without compromising the opportunities for future generations to also meet their needs. World Commission on Environment and Development (1987) states, that the concept of sustainable development is a framework for integrating environmental policies with development strategies. The word development usually refers to the processes of economic and social change in the Third World. However it is a requirement to integrate the environment and development in both rich and poor countries. Björneloo (2007) mentions a further definition of the concept which expresses sustainable development as meeting the fundamental human needs without harming the planet's life support system which includes the atmosphere, water cycles, soil and the biodiversity. Moreover, Hopwood et al. (2005) understand sustainable development as being issues of environmental problems that threaten planetary boundaries including well-being in multiple dimensions such as social, health, and culture. Madeley (2007) describes sustainable development as increasing well-being and helping people out of poverty in such ways as empowering poor people by increasing assets base and its productivity; this in a long-term perspective. Corell & Söderberg (2005) explain that the concept represents a goal for better living standards that individuals should aim to reach however it does not truly express how this could be done.

SOU (2004) describes the initial interest for environmental issues started in the 1960’s and was later presented in the international community’s agenda at the UN’s conference in Stockholm in 1972. The concept sustainable development was not yet established as an international concept but was at its starting point of the emergence of the concept. In 1983 the UN formed a group with the official name World Commission for Environment and Development with the assignment to
analyze environmental and development questions. The report presented by the commission in 1987 included three intertwined aspects of sustainable development and was to be named the Brundtland report after the Norwegian prime minister and chairman of the committee Gro Harlem Brundtland. Bratt, Larsson & Sandahl (2011) mention contents from the report which entail that growth in an environmentally friendly economy is necessary for the global population to expect a sturdy materialized welfare development. A condition for this to occur is to protect and preserve the global ecosystem. The report further points out that growth and environmental improvements go hand in hand and according to Roetman and Daniels (2011) the report also states that poverty is the main issue that causes pollution and environmental damages which can only be addressed by a steady economic growth.

According to Björneloo (2007) the concept sustainable development is a holistic approach to meet humans and the society’s needs problems and conditions. The three dimensions for achieving sustainable development are social, environmental and economic. The humans are dependent on the nature and nature’s cycle, both for living conditions and finding resources, which make it a necessity that the ecosystem does not fail in any scenario. The social aspect represents all human beings and their need for having their basic needs met as well as the right to a dignified life. The economic aspect represents funds in making sure that the social and environmental aspects for sustainable development are possible. Elliott (2012) explains different models for sustainable development where one model is represented as three pillars; social, environmental and economic and in case the pillars in the “building” remain upright the development is sustainable. Further she describes another model which makes up of two spheres of economy and society nested together while being embedded by a bigger circle represented as ecology. This signifies an understanding that ecological limits are setting the boundaries in which a sustainable economy and society is needed to be obtained.

Rajashekharaiah (2012) explains that because of the society’s pressure, many companies turn to introduce a code of conduct which states that good practices are required along the entire supply chain. According to Prieto-Carrón (2008) a code of conduct is a voluntary policy tool which includes environmental and social standards for enterprises practicing global supply chain operations. These codes of conduct include sections of forced labor, child labor, health and safety and discrimination. Lim & Phillips (2008) present an example of a code of conduct provided by a western company to its foreign business partner that states that the subcontractor should be obliged to local laws with regulated wages and working conditions. Moreover, the code states that environmentally safe practices should be used and no discrimination should occur. Yu (2008) describes further that a corporate code includes human rights, labor and environmental requirements for their suppliers. Most codes of conduct are found in the industries of textile, clothing and footwear. Many of these codes vary to different extents but the core
agreements made by those companies base themselves on the International Labor Organization (ILO) which includes amongst many, ban of child labor, treatment of women, wages and hours and protection of health and safety.

1.2 Problematization

Before pursuing this study we got inspired by an earlier research of Reljanovic & Ångeby (2013), which has its basis in industrial production and highlights companies’ usage of a code of conduct with their suppliers and by this achieving sustainable development. In our study we tend to target Swedish textile companies, focusing on sustainable approaches in their work towards sustainable development in their code of conduct for suppliers.

Corell & Söderberg (2005) explain that the modern human being’s consumption and lifestyle patterns consume the planets resources and by this affect the ecosystem negatively. A global understanding has emerged regarding different conditions for industrialized countries and developing countries in terms of environmental issues. For the expense of industrialized countries’ economic growth and development, the situation in developing countries has worsened. Elliott (2012) describes that the major cause and effect on global environmental problems is poverty. In this way poverty and inequality are long-standing concerns of sustainable development. To obtain sustainable development in these poorer groups it requires greater commitment concerning health, gender, housing and sanitation.

According to Persson & Persson (2011) the current global trading systems with its global supply chains, transport goods and products across the globe. This contributes to lack of responsibility for the environment wherein the product is produced or consumed. Democratic laws, human will and their lifestyles run the work towards sustainable development. The goal to achieve sustainable development is social justice and to influence the distribution of power both in the local and global community no matter what gender or ethnicity one belongs to. When working towards sustainable development cooperation between countries and engagement from all society groups including especially women and children is of importance. Moreover, engagement from local authorities and unions to progressively switch to environmentally friendly technology needs to be accomplished for sustainable development. The key for sustainable development is to achieve social and economic development within planetary boundaries.

SOU (2004) explains that the world’s countries are dependent on one another, now more than ever. The lifestyles of humans are affecting and are affected by others. This is why countries such as Sweden need to take responsibility for their actions and contribute to a fairer and more sustainable world. Nevertheless, according to Sweden (2014) today more Swedish people see sustainability as a
way of living. Furthermore, Swedish companies are at the forefront in implementing sustainable approaches in their business operations and daily management, which include environmental protection, guidelines to respect human rights and improvement on working environments as well as fighting corruption. SOU (2004) states that sustainable development occurs when taking care of the environment and contributing to improvements in the economy. However, on the other hand if economic growth is based on production that harms the environment or is creating bad working conditions, the development is unsustainable.

Thiry (2011) explains that the textile industry together with the rest of the world, is quickly heading towards an environmental, social and political catastrophe. In relations to the textile industry’s scale of production and employment, its impact is significant, because it is one of the largest industries in the world. The textile industry has a great responsibility for its actions, as one can see a dramatic reduction of the availability of oil and a growing shortage of fresh water within the next few years, especially with the great volumes of good fresh water required to dye textile fabrics. Nevertheless, Rajashekharaiah (2012) describes that companies are becoming increasingly attentive towards the social and environmental areas of production because they have the responsibility for how their productions affect the environment. The companies operating these days need to be both good corporate citizens and profitable organizations. By enforcing a code of conduct is a way of establishing a contract between the company and the supplier with the intention to provide protection for people and the environment. Although, according to Locke & Romis (2007) hazardous working conditions, poor wages and child labor are continuing issues in the factories of developing countries.

We have identified a lack of knowledge and research on sustainable approaches towards sustainable development in Swedish textile companies’ codes of conduct for suppliers. In this way we found it interesting to establish a research in the area of sustainable development and codes of conduct. We chose to break down the concept sustainable development and look at three different aspects of sustainability. We consider these three aspects, which are social, environmental and economic sustainability, to be the foundation to work towards sustainable development in the code of conduct for suppliers.

1.3 Research Question

By assembling the background information and the problematization we have formulated the following research question.

*How do Swedish textile companies work towards sustainable development in their code of conduct for suppliers?*
1.4 Purpose

The purpose of our thesis is to study five different Swedish textile companies and how they work towards sustainable development in their code of conduct for suppliers. We tend to study their sustainable approaches towards sustainable development, which includes social-, environmental-, and economic aspects of sustainability.

1.5 Delimitation

We have chosen to research private Swedish textile companies with more than 40 employees. These companies have current sustainable activities and a code of conduct in their business operations. We are going to target individuals who are CSR representatives or managers of these chosen companies. In this way we obtain the company’s sustainable activities and policies as well as information regarding their code of conduct.

1.6 Key Words

Sustainable development

“Sustainable development seeks to meet the needs and aspirations of the present without compromising the ability to meet those of the future” (World Commission on Environment and Development, 1987).

Social, environmental and economic sustainability

The balance of the three aspects of sustainability is equally important in achieving sustainable development. Environmental sustainability refers to that humans are dependent on the nature and nature’s cycle both for living conditions and finding resources, which makes it a necessity that the eco-system does not fail in any scenario. Social sustainability represents all human beings and their need for having their basic needs met as well as the right to a dignified life. Lastly economic sustainability is represented as funds of making sure that social and environmental sustainability for sustainable development are possible to achieve (Björneloo, 2007).

Code of conduct

A code of conduct is a voluntary policy tool, which includes environmental and social standards for enterprises practicing global supply chain operations. These codes of conduct include sections of forced labor, child labor, health and safety and discrimination (Prieto-Carrón, 2008).
2. Theoretical Framework

The following chapter will present theory that originates from the key words sustainable development, social, environmental and economic sustainability and code of conduct. The first section describes the history of the concept sustainable development and the definitions of the concept, which includes social, environmental and economic aspects of sustainability. The purpose of this research is to study companies’ sustainable approaches towards sustainable development in Swedish textile companies’ codes of conduct. Therefore the final section will thoroughly describe origins and definitions of the code of conduct and different codes of conduct in the textile industry.

2.1 Sustainable development

In the following section a closer look at the concept sustainable development’s history of origins will be presented as well as social, environmental and economic sustainability.

2.1.1 The birth of the concept sustainable development

Hallin, Hultman & Wärneryd (2002) explain that with an ongoing growth of the global population a constant increase of demand for groceries and other products will occur. People tend to enrich their lives with luxury products and services such as nature and culture experiences. The industrial countries have increased their travelling habits even though these countries have an aging population. In the meantime the developing countries’ welfare has become better, however still one billion people survive with less than or the existential minimum. The content of these global changes has led to faster consumption of natural resources and cultural heritage. Due to that, the lifestyles of the modern industrial human beings have been questioned and creation of new ethical organization has emerged to put pressure on industrial countries to redistribute resources and global living conditions. In order to search for causes and solutions in the global supply and deposition crisis, the concept sustainable development has been constantly present.

Merle (1996) argues that ever since the publication of the report Our Common Future by the World Commission on Environment and Development, also known as the Brundtland report, the concept sustainable development has been on the political agenda for environmental issues globally. According to Hallin et al. (2002) the interest for environmental issues approached the political debate scene in the 1960’s. This decade came to be called the awakening period. The following decade in the 1970’s was the debate for survival, the existential phase in the 1980’s and lastly along with the Brundtland report came the period of ecological
modernization.

The period of awakening contributed visibility to environmental issues, especially with the groundbreaking book *Silent Spring* that showcased pathways for toxins in food chains. The book highlighted awareness of the growing concern for environmental damages that the industrial society had caused on the environment. Moreover, the oil crisis in the beginning of the 1970’s confirmed the veracity that mankind and the society cannot thrive on finite resources (Hallin et al., 2002).

Bratt et al. (2011) describe that in the late 1960’s the UN started to consider a prosper environment as being necessary for a healthy economic and social development. Moreover, the UN believed that the global environmental crisis should be taken care of before future life on the planet was to be threatened. Subjects that were on the UN’s agenda were concerns for growth of the global population, environmentally harmful production methods and species extinction. A political process started to research for finding solutions to handle environmental issues as well as social injustice globally. A new hope awakened when introducing new technology and industrial development to create abilities for developing countries to strengthen their standards of living without harming the environment and causing damages that the industrial countries had made on their way to welfare.

SOU (2004) explains that in the UN’s conference of 1972 in Stockholm, a breakthrough of environmental issues took place in forms of an international collaboration of these environmental issues. The concept sustainable development was not yet established as an international concept but was at its starting point. Hallin et al. (2002) describe that in the era of the existential phase environmental parties worked towards expanding the environmental debate scene to cover global economic justice, equality between sexes and peace on earth. This political climate from this point in time set the fundamental aspects of acceptance towards alternative ecological visions for the society, which the Brundtland report is based upon.

SOU (2004) explains that in the year of 1983 the UN formed a group that would analyze the critical environmental and development issues. Moreover, Bratt et al. (2011) state that the official name for the group was World Commission on Environment and Development (WCED), but the group was soon to be called the Brundtland commission after its Norwegian chairman Gro Harlem Brundtland. The task of the commission was to present how sustainable development could be achieved until the year of 2000. In 1987 the group published the report *Our Common Future*, which covers the concept and the initial definition for sustainable development. World Commission on Environment and Development (1987) states that, the concept sustainable development is a process where changes are needed to be made with directions of investments, exploitation of
resources and within technological development. Moreover Björneloo (2007) defines the concept sustainable development taken from the Brundtland report as meeting the needs of the existing global population without compromising the opportunities for future generations to also meet their needs.

Bratt et al. (2011) describe highlights from the Brundtland report; by continuing to expect a steady material welfare development there is a need for environmentally friendly economic growth. In order to achieve this goal the global ecosystem should be protected and conserved. Furthermore, the report states political decisions such as in order to achieve qualitative economic growth fairer distribution of global income is needed, as well as keeping a sustainable level of the population and attending to fundamental needs such as food, water, shelter, healthcare and employment. Moreover, the global ecosystem with its air, water, soil and other natural resources should be conserved and strengthened. The Brundtland report gives attention to mankind’s welfare and that the ecosystem should continue to supply humans with goods and services. The solution for environmental damages is ecological modernization, which is supporting technical development that leads to a more efficient resources utilization and treatment of waste and pollution. Moreover, Hallin et al. (2002) describe that in ecological modernization environmental issues should not only be something negative instead it could be important incitements for innovation and entrepreneurship. The responsibilities on mankind have shifted to organizations, which use ecological modernization in their product development and marketing strategy.

Bratt et al. (2011) point out that after the release of the Brundtland report a takeoff of many future conferences regarding sustainable development were to come. SOU (2004) mentions in 1992 the UN gathered the leaders of the world for a conference concerning the environment and development in Rio de Janeiro. The conference was set around Agenda 21, which was a thorough action plan for sustainable development. According to Persson & Persson (2011) Agenda 21 pointed out how each town, school and organization should work towards sustainable development in the 21st century. The environmental issues was not only pollution from factories instead it was shown that the society creates environmental damages in transport, consumption and disposal of waste. The key was to choose environmentally friendly goods, ways of transport and decreasing energy consumption or switch to more environmentally friendly energy.

Bratt et al. (2011) explain that several years later in 2002 the UN met again in Johannesburg to discuss in what way the practical work and implementation of sustainable development should get started. According to SOU (2004) the conference recognized that all developments must be sustainable and that social, environmental and economic aspects must be integrated. Sustainable consumption and production patterns, combating poverty as well as conservation of natural
resources were a necessity to achieve economic and social development and required to achieve sustainable development. Moreover, new goals were recognized such as sanitation and a decrease in chemicals that may affect health and the environment. Bratt et al. (2011) describe that in 2009 at a UN conference in Copenhagen, it was done further improved agreements towards sustainable development to reduce climate change. Moreover, in 2010 in Cancun the countries of the world were united in the issues of the rise of the planets temperature and the goal was not to allow an increase above two degrees.

According to Persson & Persson (2011) many aid organizations work towards sustainable development by being against oppression and poverty. These organizations operate by supporting democratic development and social and economic justice in all areas of the planet. The Swedish organization SIDA has been given the task from the Swedish government to work towards sustainable development in the six following fields; economic growth, economic and political independence, economic and social equality, a democratic development in the societies, sustainable use of natural resources and equality between men and women.

2.1.2 Social, environmental and economic sustainability

The work towards sustainable development is a process without a final solution. This entails a holistic view, a dialogue and critical thinking around social, environmental and economic aspects. The first aim towards sustainable development is to limit the flow of resources and apply the principle of the nature’s cycle. This means striving for that as much material as possible can be reused and not be set out in the environment as pollution or waste (Persson & Persson, 2011). The nature cycle contains oxygen, carbon and other plant nutrients, which goes round in a cycle. In order to produce goods, humans have extracted minerals and metals from the earth’s crust, which then have created unwanted substances that end up as waste or emission into the environment (Corell & Söderberg, 2005).

According to Bratt et al. (2011) sustainable development includes social justice and globally tolerable living standards at present time and the future ahead. Moreover, Madeley (2007) describes sustainable development as increasing well-being and helping people out of poverty in such ways as empowering poor people by increasing assets base and its productivity; this in a long-term perspective. Hugé, Waas, Dauhoud-Guebas, Koedam & Block, (2013) mention further that issues of environmental problems that threaten planetary boundaries including well-being in multiple dimensions such as social, health, and culture is included in the concept sustainable development. Bratt et al. (2007) explain that through more efficient energy consumption and new technology the global income could increase and by this achieving sustainable development within planetary
boundaries. However, when discussing the concept sustainability, global social justice is still the main focus but the opportunity that the chance of new technology could continue providing humans with new products is not as optimistic. Sustainability refers to that one should preserve the nature’s resources instead of consuming it. Moreover, according to Duden (2013) sustainability can be defined as a principle that not more should be consumed, other than the amount that correspondingly can regrow, be regenerated or can be provided in the future.

According to Björneloo (2007) the dimensions that entail the concept sustainable development are social, environmental and economic sustainability. These aspects are integrated with one another and are each other’s support and conditions in working towards sustainable development. Social sustainability represents all human beings and their need for having their basic needs met as well as the right to a dignified life. Environmental sustainability refers to that humans are dependent on the nature and nature’s cycle both for living conditions and finding resources, which makes it a necessity that the eco-system does not fail in any scenario. Lastly economic sustainability is represented as funds of making sure that social and environmental sustainability for sustainable development are possible to achieve. The balance of these three dimensions is equally important in achieving sustainable development. Individuell Människohjälp (2012) presents a further explanation of sustainable development where the environmental aspect takes the planet’s resources into consideration, the economic aspect refers to being economically independent and the ability to support oneself and lastly the social aspect represents the need for humans to be and feel a part of the society.

Giddings, Hopwood & O’Brien (2002) express sustainable development as intersected spheres between environment, society and economy, which are intertwined with another, but work as separate entities. Moreover, they explain that the economy is dependent on the society and the environment, while human beings and the society are dependent on and within the environment.
According to Frischknecht, Hansmann & Mieg (2012) the three aspects of sustainability need careful development regarding the natural, human and economic capital, in other words taking care of the planet, people and profits. If the natural, human and economic capital decline over time, one cannot achieve sustainable development. According to Bratt et al. (2011) the natural capital represents the environment, which produces physical resources. The environment might be able to receive residues to some extent, which means that pollution could be set into the environment in small dozes and the nature will heal itself. The natural capital entails non-renewable resources such as oil, renewable resources such as water and the natural eco-system. The human capital represents skills, knowledge and technology, which represent the humans’ contribution in achieving sustainable development. Lastly the economic capital includes machinery, computers and roads. The better the transportation system is the easier one could distribute goods.

Persson & Persson (2011) explain that if a country or a region in a developing country is not able to support its population, the country is overpopulated. Overpopulation exists when a country uses more resources than what is ecologically sustainable, which can lead to pollution and a decrease in opportunities for the future. Nevertheless, industrial countries are also overpopulated, and in order for the society to be more sustainable in the long-run, there is a need that the waste of resources decreases and that the society adapts to the cycle of nature. A big contribution to waste of resources is commerce and shopping, when the consumers can choose between sustainable goods or fast fashion. Moreover, industrial countries have been able to increase population and wealth through collecting resources from poor countries. Many of these poor countries do not even have basic water purifier industries and the water waste runs directly into the lakes and oceans from industries and households. This can contribute to health issues and pollution of water. Clean water is a necessity for sustainable development. Elliott (2012) describes that the major cause and effect on global environmental problems is poverty. To obtain sustainable development in these groups it requires greater commitment concerning health, gender, housing and sanitation that affects these poorer groups. Poverty and inequality are long-standing concerns of sustainable development.

2.2 Code of conduct

The following section showcases the origins of the code of conduct, gives definitions and lastly mentions different codes of conduct that apply for the textile industry.

2.2.1 The birth of a code of conduct

Rosen, Jaffe & Perez- Lopez (1996) explain that there is an increasing number of
companies and organizations that adopt codes of conduct and the companies have several different reasons for doing so. Since media reports and exposure of child labor has become more frequent and labor rights and working conditions are not maintained, concerns from consumers and consequently companies have become more frequent regarding conditions under which garments are manufactured. The reason why companies adopt a code of conduct is to allay their own and consumers’ concerns. However, it is also often the case that codes of conduct are used to show a positive image and protect their brand name or quality reputation.

Sajhau (2000) describes that in the early 1970s, criticism against multinational enterprises and their actions in developing countries increased. National and international trade unions as well as a couple of host countries blamed multinational enterprises for thuggery behavior and not considering the harmonious, social and economic development in their production countries. Due to increased criticism about this behavior drafts for a code of conduct arose by government international organizations such as the UN. Rosen et al. (1996) explain that in response of the demands in developing countries and human rights organizations, many international organizations created ethical guidelines, which addressed the conducts of the multinational enterprises. For example there were the ILO Tripartite Declaration on Principles, UN’s Code of Conduct for multinational enterprises and the OECD Guidelines for multinational enterprises and all of them covered the behaviors on a series of topics such as labor standards. Even though the codes had certain guidelines to report abuses and problems; no one really enforced those due to the fact that the codes were only voluntary and not legally binding. Sajhau (2000) explains further that these actions of social policy by the ILO and codes created by governmental organizations can be seen as forerunners of the codes of conduct we use today.

Neef (2004) explains that the ILO is one of the most significant groups in the area of codes of conduct being an organization of the UN and a strong advocate of labor standards and principles worldwide. The organization was first established to help to manage the disaster of labor rights in 1919 and became the first specialized agency of the UN in 1946. Several decades later in 1998, the ILO adopted the Declaration of Fundamental Principles and Rights at work, which today sets the base for employment rights throughout the world. The principles and recommendations of the ILO cover a wide range of labor related issues such as the right to organize, freedom of association, equality of opportunity, and worker health and safety rights, together with elimination of forced or compulsory labor and ending of child labor.

According to Sajhau (2000) the United States can been seen as pioneers in the field of developing codes of conduct since Levi Strauss adopted a code called ‘Business Partner Terms of engagement and guidelines for country selection’ in 1992, which many companies followed in the textile clothing and footwear
industry. It took a bit longer for companies in Europe to follow this trend. However, most of the bigger companies adopted a code of conduct or code of ‘good practice’. Leipziger (2007) explains that in the beginning of 1990s, companies became more aware of the working conditions in their supply chains and began to implement codes of conduct. In the 1990s codes of conduct such as the SA 8000 and ETI Base Code were developed for multi-stakeholders. Moreover, within the last two decades several codes for activities and suppliers have been established in different areas including the toy and electronic goods sector and the non-governmental organizations.

2.2.2 Definitions of codes of conduct

A code of conduct is according to Leipziger (2007) a set of rules that guides and orients behavior within an organization or sector in order to promote social, environmental and/or ethical behavior. It is in other words, a voluntary tool for enterprises practicing global supply chain operations as Prieto-Carrón (2008) explains it. According to Czarniawska & Joerges (1996) codes of conduct are often considered to be key aspects of companies’ ethics programs or seen as expressions of corporate social responsibility, a formal translation of the idea of responsibility in the corporate context. Sajhau (2000) mentions that mainly multinational enterprises adopt codes of conduct which include a variable number of principles that define those ethical standards of the enterprise. Moreover, there are general principles such as the concept of non-discrimination or detailed descriptions of the social practices which enterprises wishes to see respected in the production, sale of the goods and services which it markets. Hence, these codes of conduct include sections of forced labor, child labor, health and safety as well as discrimination.

Lim & Phillips (2008) present an example of a code of conduct provided by a western company to its foreign business partner who states that the subcontractor should be obliged to local laws with regulated wages and working conditions. Moreover, the code states that environmentally safe practices should be used and no discrimination should occur. According to Yu (2008) a corporate code of conduct includes human rights, labor and environmental requirements for their suppliers.

2.2.3 Different codes of conduct in the textile industry

Yu (2008) explains that a big share of codes of conduct is found in the textile, clothing and footwear industry. These codes can vary within their content but the core agreements made by companies are based on the ILO. According to the ILO (2014) the eight fundamental conventions are: Freedom of Association and Protection of the Right to Organize Convention, Right to Organize and Collective Bargaining Convention, Forced Labor Convention, Abolition of Forced Labor...
Convention, Minimum Age Convention, Worst Forms of Child Labor Convention, Equal Remuneration Convention, Discrimination (Employment and Occupation) Convention.

Rosen et al. (1996) describe that the textile industry is a very complex system implied by apparel manufacturers, apparel merchandisers, buying agents and retailers. Often western countries like the U.S source hundreds or thousands of buying agents, contractors or subcontractors from overseas. The textile manufacturers are sometimes contractors or subcontractors, vertically integrated and producing the textiles which are then processed to garments. Moreover, they operate as retail outlets. The textile merchandisers usually contract the production to manufactures and the buying agents usually qualify and inspect new suppliers and producers of the textile, clothing and footwear field. Furthermore, the buying agents negotiate and monitor production. Due to those stakeholders and actors within this business, it becomes more and more important to have certain guidelines and rules to assure the compliance of them.

Rosen et al. (1996) state that when looking at the evolution of the codes of conduct in the textile industry it is of importance to see the various changes that have happened in the recent decades. In the U.S. and other industrialized countries the textile and clothing industry has shifted its production to lower production cost countries to becoming a global industry, which permanently changes its geographical distribution. The U.S. has implemented further strategies and other industrialized countries to relocate some of the labor-intensive actions, such as the assembling of the garments to lower labor cost countries through direct investments or outsourcing. Moreover, Ascloy, Dent & De Haan (2004) explain that according to this development and under the pressure from civil society organizations, the textile and clothing industry has become a trendsetting sector in terms of corporate responsibility. Labor standards are the most addressed issues in codes of conduct for the textile and clothing industry and it can also be found initiatives on environmental standards in the production chain.

According to Leipziger (2007) codes of conduct are used by organizations to raise awareness about social responsibility within the organization, to assist them to set strategies and objectives or with implementation. Codes should further help to encourage communications between companies and the main key-stakeholders as well as improving the unity and identity within the organization or between organizations. Therefore according to BSCI (2014), when dealing with different ethical issues and working conditions within the supply chain and making sure certain standards and rules are kept, many companies and associations have created codes of conduct and monitoring systems. But due to all those individual codes and tools to audit and to monitor the behaviors, duplications in audit happen within the same factory which leads to confusion about provisions, lack of transparency and rising expenses for companies and suppliers in their countries.
As a result the Business Social Compliance Initiative (BSCI) was established in 2003 by an initiative of the Foreign Trade Association (FTA). The BSCI’s code of conduct is based on three fundamental pillars: monitoring, capacity building and stakeholder engagement. Following an increasing growth of BSCI since their establishment, the FTA decided in 2011 to include sustainability as one of its pillars. The code has been reinforced 2014 with ‘No Precarious Employment’ and ‘Ethical Business Behaviour’.

According to Stigson (2007) the SA8000 is an auditable certification standard based on international workplace norms of the ILO conventions, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. The SA8000 code contains the following elements: child labor, forced labor, health and safety, freedom of association and right to collective bargaining, discrimination, and discipline, working hours, compensation and management systems.

A Supplier Code of Conduct (SCC) is according to Bodwell, Graves & Waddock (2002) and Roberts (2003) a popular tool where buyers manage and monitor their suppliers’ ethical and socially responsible practices. Jiang (2009) explains that as other codes of conduct alike the SCC requires apart from other operational issues that the guidelines are met such as safe working environment, no child labor and fair salaries for the workers. But it is not only enough to just agree to those guidelines of the SCC, it is necessary to govern and audit these by buyers.

The Code of Labour Practice for the apparel industry including sportswear, aims
to improve the working conditions in the global garment industry and was created by Netherlands-based non-governmental organization Clean Clothes Campaign (CCC), which is a worldwide network of organizations. This code has been published in the end of the 1990s and is seen as one of the strictest and toughest towards labor conditions with a special focus on child labor in developing countries (Malan, 2007). Furthermore according to CCC (2014), the CCC is an association of organizations which is found in 16 European countries and their members are among others trade unions and non-governmental organizations which cover a wide variety of issues like women’s rights, consumer advocacy and poverty reduction. Their network consists of more than 200 organizations and unions in the garment production sector. They are working since 1989 towards an enhancement of basic rights and respect for workers.

The Fair Wear Foundation’s (FWF), the Code of Labour Practice as well as the CCC’s code is counted as labor codes in the garment and textile industry (Ascloy et al., 2004). The Code of Labour Practice is according to the FWF (2014) based on the conventions of the ILO and the Universal Declaration on Human Rights. Hence the code comprises; employment is freely chosen, there is no discrimination in employment, no exploitation of child labor, freedom of association and the right to collective bargaining, payment of a living wage, no excessive working hours, safe and healthy working conditions and legally-binding employment relationship. Moreover, the FWF is an independent and non-profit organization that works towards the improvement of labor conditions for garment workers together with the companies and factories. Today it has 80 member companies and is based in seven European countries and active in 15 production countries in Asia, Europe and Africa. The main focus is to monitor improvements made by companies it works with. Furthermore, due to sharing of knowledge, social communication and growth of industrial relations, the effectiveness in efforts made by these companies will increase.
3. Methodological Framework

The following chapter will present the course of actions and the implementation of the study as well as how we have collected information to be able to answer the research question. We will showcase our choice of methods, interviewing techniques and the study’s reliability and validity.

3.1 Research design

The qualitative study is attempted when there is little knowledge about a subject. Researchers tend to use a qualitative approach when the aim of the study is to gather plenty of describing knowledge about a subject within a specific area (Jacobsen, 2002). Moreover, Johannessen & Tufte (2003) explain that a qualitative approach is useful when there has been done little research in the chosen field of study.

We chose a qualitative study with a case study design because we as researchers in this way could achieve closeness to the Swedish textile industry and get deep knowledge of a few specific entities from the representatives of the textile companies. Carlsson (1991) discusses that important characteristics of a qualitative study is the closeness to the subject of research and that the study is made from the respondent’s point of view. Moreover, Bryman (2012) explains that a case study design is an intensive examination of a setting which can incorporate for example an organization, an event or a family. Disadvantages of case studies are the lack of generalizability and if the case study researchers do not extract the correct theory out of the empirical findings. In this study we conducted five personal interviews with representatives from either CSR departments or managers of the chosen Swedish textile companies in order to retrieve our empirical data on sustainable approaches towards sustainable development in the companies’ code of conduct for suppliers.

3.2 Data collection methods

Maxwell (2005) explains that the strength of the qualitative research originates mainly from its inductive approach, where the focus is on specific situations or people and its emphasis is on words rather than numbers. Moreover, Bryman (2012) discusses that the qualitative research uses an inductive approach which means that the theoretical framework derives from empirical data. However, before we began seeking our empirical findings we briefly studied some information about the theoretical framework. When working with an inductive approach we developed theories and concepts from our empirical data. Nevertheless, we later transition to an iterative strategy, which gave us according to Bryman (2012), the ability as researchers to go back and forth between data and
theory to collect and work with further empirical findings in order to match the theoretical framework. The subject of this study was chosen after doing a field study of our choice and from a course in Art of Business provided by the Swedish School of Textiles. A genuine interest of the subject sustainable development was awakened after one of us did an internship at a Fair trade company in Sweden and the other made a qualitative study of consumer’s perception of sustainability. Prior to establish a new study we searched the internet for inspiration to find other theses which covered similar topics. We came across an earlier study of Reljanovic & Ängeby (2013), which has its basis in industrial production and highlights companies’ usage of a code of conduct with their suppliers and by this achieving sustainable development. With this idea in mind we decided to elaborate on the subject sustainable development and instead target Swedish textile companies and how they work towards sustainable development in their code of conduct for suppliers.

In this study we gathered secondary data extracted from literature and articles which according to Jacobsen (2002) is described as different types of data from earlier research. Moreover we conducted interviews from the selected companies to collect the primary data of this study. Jacobsen (2002) describes primary data as a method to bring out the respondents understanding, knowledge and thoughts of a subject.

3.2.1 Literature review

In order to retrieve an understanding and knowledge of the concept sustainable development including social, environmental and economic sustainability and codes of conduct, we chose to search for literature and research within the different subjects. According to Bryman (2012) literature review represents the element of the study where a critical examination of the existing literature is done on what is already known about the topic. Moreover, Backman (1998) explains literature review as identifying flaws and research gaps in prior researches and from this information the researcher derives and creates relevant research questions.

Seeing as the concept sustainable development is a relatively new concept, we chose to describe the birth of the concept in the first section of the study to get background information on sustainable development. Secondly in order to retrieve a thorough understanding of the aspects that includes sustainable development, social, environmental and economic sustainability were explained. Literature was collected, which provided information on sustainable development and the social, environmental and economic sustainability and lastly a connection was made to articles and literature on the topic code of conduct. We researched literature from the libraries of Kristianstad University and Halmstad University and from the University of Borås. Moreover, we used the University of Borås database,
SUMMON in order to search and retrieve articles. We used keywords such as sustainable development, sustainability, three pillars of sustainability, sustainable development and textile industry, code of conduct, supplier’s code of conduct and corporate code of conduct. Through the literature review we found little literature and articles on the combined keywords of sustainable development and the code of conduct in the textile industry, which is why we split the keywords apart and started to research deeper into sustainable development and code of conduct. In this way we retrieved great knowledge of the separate concepts, which we then applied to the textile industry.

3.2.2 Preparation of the interview guide

In order to prepare the interview guide for the personal interviews we searched through the briefly gathered theoretical material including sustainable development, social, environmental and economic sustainability and codes of conduct. The knowledge we had prior to conducting our interviews made it easier to prepare the interview guide, and after the interviews to answer the research question. Since we later on in the study transitioned to an iterative strategy, it allowed us to go back and forth between empirical data and theory and we could in this way better match the empirical findings to our theory. Bryman (2012) highlights the importance of preparing a qualitative interview guide is to make sure that the research question can be answered. In order to do so the researcher should get an appreciation of what the interviewee sees as significant in relevance to the specific topics presented. In the preparation of the questions in the interview guide we followed Wärneryd (1990) guidelines, which encourage open-ended questions and avoidance of yes- and no questions because they do not generate comprehensive answers. Moreover, Bryman (2012) explains that one should not ask leading questions. When preparing the interview guide we were aware of that some information could be sensitive and therefore we offered anonymity. Bryman (2012) says that when dealing with sensitive issues the researcher should listen attentively and be empathetic towards the interviewee.

3.2.3 Interviewing techniques

In order to retrieve our empirical data from the interviews in the chosen companies we used the method of semi-structured interviewing. According to Bryman (2012) this approach is used when the researcher prior to the interview has made a list of research questions, called the interview guide. This guide gives the interviewee the opportunity to answer flexibly in their response. Moreover, questions in the interview guide may alter freely and further questions could be asked by the researcher outside the interviewee guide while conducting the interview. In the qualitative interview there is much interest in the interviewee’s point of view and it is often encouraged that the interviewee goes off topic, which gives insight what the respondent sees as relevant.
When conducting interviews we took the physical environment into account which according to Carlsson (1991) refers to that the researcher may ask general and harmless questions in order to set a friendly mood. Therefore when opening the interviews we as researchers asked a few questions about the interviewees’ background. Moreover, Bryman (2012) highlights that background information is of importance when putting the respondents’ answers in context. When conducting interviews, we tried to conduct the interviews in a familiar environment for the interviewees. However, one of the interviews we had to conduct via SKYPE because of the interviewee being abroad at the time of the interview. According to SKYPE (2014), SKYPE is a program for computers or mobile devices that enables people to call anyone who has the same program for free with video via internet. Bryman (2012) explains that when conducting interviews the researcher should make sure that the setting is familiar and to be where the interviewee works or lives. This in order to help the researcher to understand that the interview is on the interviewee’s own terms. Moreover, the chosen setting should be where there is as little noise as possible and with privacy so that the interviewee cannot be overheard.

In order to avoid missing important information from the interviewees, we chose to record the interviews with a recording device and a recording app on a cellphone. Jacobsen (2002) explains that eye contact is of importance in order to establish a good conversation. Bryman (2012) agrees and explains that a qualitative researcher is not only interested in what the respondents say, but how they say it. Therefore recording the interview gave ease and we did not have to worry about constantly writing notes and in this way focused more on the interviewee. Moreover Jacobsen (2012) highlights an advantage of recording interviews which is the ability to quote the interviewee and thereby gives the study depth.

### 3.3 Sampling methods of textile companies

Jacobsen (2002) describes that qualitative interviews have the goal to research uniqueness and can therefore not be generalized. We chose a sample of respondents, which gave a broad set of information from within the textile industry. However we do not tend to generalize our represented sample of respondents from the different Swedish textile companies to an entire population. Bryman (2012) discusses that a qualitative research revolves around the view of purposive sampling which means that the research questions should be the center of attention and give an indication of which units that are needed to be sampled when considering choosing the sample for the research. In this case units are people, organization or documents. Our research question indicates that we chose people from the textile industry working closely with codes of conduct and sustainable approaches.
Bryman (2012) explains that purposive sampling is a non-probability form of sampling, which means that the researcher does not seek respondents randomly. Prior to searching for companies and respondents in our research we had decided to aim to pursue five different CSR representatives and CSR department managers. Gender of our chosen sample was not of importance because the study does not aim to look at differences in gender instead the goal was to look at the different Swedish textile companies’ sustainable approaches towards sustainable development in their code of conduct for suppliers. Before setting up interviews we searched for textile companies in Borås, Gothenburg and Stockholm. However, we searched first and foremost in Borås and Gothenburg because there the ability to get personal interviews could increase because of the widely recognized Swedish School of Textiles. The outcome of our final sample came to be CSR representatives and CSR department managers of companies in Borås, Gothenburg and Stockholm. The selected companies do all have sustainable approaches of some sort and a code of conduct for their suppliers. Moreover we chose companies with more than 40 employees because we came across that many textile companies with more than 40 employees showcase their sustainability agenda and code of conduct on their website. This was a priority of ours in order to collect the factual primary data from conducted interviews.

3.4 Research gap

A research is done for reasons to explore, describe and explain a phenomenon. In other words a research purpose is to fill a gap of an unknown topic or unexplored field to be able to achieve information and receive broad knowledge (Babbie, 2007).

There are a number of companies in the textile sector which work towards sustainable development; some to a bigger extent than others. Most of these companies also use a code of conduct as guidance for the ethical behavior for their suppliers. However, there have been no studies done to which degree Swedish textile companies include sustainable development into their code of conduct and how they work towards it. There have been done a few valuable researches of companies working towards sustainable development, using different kinds of codes of conduct as we came across a study of Reljanovic & Ångeby (2013) which is based in industrial production, and highlights companies’ usage of a code of conduct with their suppliers and by this achieving sustainable development. However, no studies about how they work towards sustainable development in the textile industry were found. With our theoretical knowledge gathered from secondary data extracted from literature and articles and our empirical findings from primary data we gained from interviews, we analyzed this and gave an outlook about current activities in this field.
3.5 Data analysis method and motivation

After conducting five interviews we chose to compile the primary data to texts through transcribing the recorded material from the interviews. Bryman (2012) explains that the first step of analyzing the raw data is to manage it, which means the data has to be checked for any faults. The method of audio-recording interviews is chosen when the researcher is required to transcribe the conversation whilst being alert to potential hearing mistakes which could affect the meaning of the respondent’s answers. He further states that in case of transcribing the empirical data to a computer, it is possible to introduce the transcripts to a computer software and then do a thematic analysis, which means that the data can be examined in main topics. Moreover, coding each transcript will do the base element for the identification of the specific themes. Coding is a process that splits the data into their component parts and then labels it. In our study the coding was done by dividing the different question segments, interpreting them and related them to the correspondent theory. Bryman (2012) explains that the data analysis process is about managing data i.e. by coding them to interpret them easier. Later with the gained data, the researcher tries to link the information to the research question which gives the starting point, including literature and as well as the theoretical framework which the researcher built up.

3.6 Relevance

The literature review undertaken showed that little has been studied and documented in terms of sustainable approaches and the work towards sustainable development in Swedish textile companies’ codes of conduct for suppliers. Therefore the empirical study which we conducted with five different Swedish textile companies will provide new information and findings about this topic. The data collected for this report gives a picture of how Swedish textiles companies work towards sustainable development in their code of conduct for suppliers and what sustainable activities each company does beyond their code of conduct. The study was done with five different Swedish textile companies and therefore the results can only give indication on the current situation and outlook of the targeted companies and cannot be generalized which agrees with Jacobsen (2002) who describes that qualitative interviews have the goal to research uniqueness and can therefore not be generalized.

3.6.1 Validity

According to Babbie (2007) validity is the degree of how an empirical measure sufficiently reflects the real meaning of the concept under consideration. Moreover Jacobsen (2002) says that validity refers to the study’s truthfulness and relevance. Grømo (2006) explains that if the validity is high the result from the empirical data is relevant to the research questions.
Bryman (2012) highlights three types of validity, which are internal validity, external validity and ecological validity. Internal validity seems to be an asset in qualitative research since the ongoing involvement in social life of a specific group over a long time span gives the researcher the possibility to ensure the conformity between the concepts and study. Jacobsen (2002) states when a qualitative research internal validity is high, it is because of the researcher’s quest for interviews which provides the research with the respondents’ own interpretation about a phenomenon. In our study we conducted personal interviews with CSR representatives or CSR managers and asked about their knowledge and interpretation of sustainable development and codes of conduct, which increases our study’s internal validity. According to Carlsson (1991) the researcher in a qualitative study forms the role as a measuring instrument and interpreter. In this research we studied sustainable development and code of conduct and we as researchers were the ones that made conclusions and interpreted the situation, which could have affected the internal validity of this study.

Bryman (2012) explains that the external validity shows to what extend the observations can be generalized towards social settings. In a qualitative research external validity is describes as a problem due to the fact that qualitative approach uses case studies and small samples. Since we chose a qualitative case-study design the purpose was not to generalize our study, therefore it has low external validity. Bryman (2012) describes that the ecological validity, deals with the question whether the social scientific findings are valid to our daily life, opinions, values, attitudes and knowledge as we study it in its natural environment. Most of the interviews were conducted in the office of the respondents, i.e. the home environment, where the core of the subject is achieved and worked on, which in this way affected the ecological validity positively.

3.6.2 Reliability

The reliability shows to what extend a measure of a concept is stable (Bryman, 2012). Babbie (2007) discusses that the reliability is a matter of whether a particular technique, applied repeatedly to the same object, yields the same result each time. Given (2008) explains that the reliability is widely described as the steadiness, stability or repeatability of research’s data collection, analysis or investigation. Further he says that reliability is towards other concepts in qualitative research best tackled on a case-by-case basis. Since we chose five different companies in the Swedish textile sector, every company has had a different approach, preferences and outcome of sustainable development in their code of conduct for suppliers. Hence, the amount of interviewed companies and the diversity of them made it difficult to generalize the results of our study and repeat it in order to achieve an identical result.
Grønmo (2006) explains that the reliability depends on how the collection of data has been made and in what way this collected data is connected to the existing data. Moreover he explains that reliability of the study depends on that the study should be based on actual circumstances and not the researcher subjective view on empirical findings. A qualitative study is mostly based on researchers own view and therefore this lowers the reliability of this aspect. In this study we chose Swedish textile companies that already have a code of conduct and sustainable approaches which could affect our study in a certain direction where companies work towards this notion, and not see the other side of the coin.
4. Empirical Findings

The following chapter will present the empirical findings. A shorter introduction of the selected companies is showcased in which each will be assigned with a different letter to give ease to the reader in the empirical text. The subcategories are questions that we have asked the respondents of the represented companies in our interview guide. The empirical findings are collected through four personal interviews and one interview via SKYPE. These interviews showcase each respondent’s view and knowledge on their company’s approaches on sustainable development, social, environmental and economic sustainability and code of conduct. In order to create clarity quotations from the respondents will be used.

4.1 Presentation of the respondents

Respondent A - Aiko Bode, Chief Sustainability Officer at Fenix Outdoor since March 2012 and in the central positions of the department for sustainable activities (personal communication, March 27, 2014).

Fenix Outdoor AB is a Swedish company with a total staff number of 766 in 2013 and an annual turnover of 1.865,7 MM SEK (Fenix, 2014). The company entails two divisions, retail and brands. The brand division develops, manufactures, markets and sells gear for outdoor life and leisure through its own brands Fjällräven, Tierra, Primus, Hanwag and Brunton. The retail division consists of Naturkompaniet AB and Partioaitta OY, which offer outdoor, leisure and travel products (Markets, 2014). The retail chains are found in the Nordic countries and the brands have mainly global reputation. Furthermore, the company has CSR and sustainability in their corporate strategy and follows the United Nations Global Compact. The focus of the company is high quality and durable outdoor equipment and its goal is to become a global player in developing and selling gear and clothing for outdoor activities. The main activity is wholesale sale of products that are primarily based on their own brand Fjällräven (Fenix, 2014).

Respondent B - Elin Sandrén, Product quality developer for textiles and toys at Åhléns in the sustainability department since 2011. The department has four employees, two Product quality developers, one CSR coordinator and one Sustainability manager (personal communication, March 28, 2014).

Åhléns is a Swedish family business and part of the retail group Axstores with around 3000 employees and sales of 4.8 BN SEK in 2013. Today Åhléns has 77 stores in Sweden and 32 in Norway and their goal is to make their customer’s daily life easier, better and brighter. Åhléns offers a broad assortment of affordable products in fashion, interior for homes, entertainment and beauty (Åhléns, 2014).
Respondent C - Jonas Berg, Product manager at Didriksons AB. The department has one person in charge for sustainable activities (personal communication, April 1, 2014).

Didriksons AB is a Swedish company and market leader for functional and waterproof sport and fashion clothing in Scandinavia. The products of the company are described as high functional with good design. The company has 45 employees and sales of 450 MM SEK in 2013 with a steady international growth. Didriksons AB has also their own distribution in Sweden, Norway and UK and is represented in 19 countries (Didriksons, 2014).

Respondent D - Eva Kindgren, Manager CSR Production of the buying department at KappAhl and in charge for sustainable issues that refer to the product and process (personal communication April 1, 2014).

KappAhl is one of Sweden’s leading fashion brands with almost 400 stores in Sweden, Norway, Finland and Poland. The company has about 4500 employees and had a turnover of 4.8 BN SEK in 2012/2013. KappAhl focuses on women’s wear, but also offers affordable fashion for men and children (KappAhl, 2014).

Respondent E - Sandya Lang, CSR Manager at Nudie Jeans Co. and in charge of the company’s social and environmental activities which focuses mainly on the supply chain (personal communication, April 2, 2014).

Nudie Jeans Co. is a Swedish denim brand with retail stores in 30 countries around the world. Their core product is jeans for men and women and has sustainability as one of their core values (Nudiejeans, 2014). Nudie Jeans Co. has about 50 employees and a turnover of about 50 MM EUR in 2013 (Henrik Lindholm, personal communication, May 10, 2014).

<table>
<thead>
<tr>
<th>Respondent A (Fenix Outdoor)</th>
<th>Respondent B (Åhléns)</th>
<th>Respondent C (Didriksons)</th>
<th>Respondent D (KappAhl)</th>
<th>Respondent E (Nudie Jeans Co.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>766</td>
<td>3000</td>
<td>45</td>
<td>4500</td>
</tr>
<tr>
<td>Turnover</td>
<td>1.865,7 MM SEK in 2013</td>
<td>4,8 BN SEK in 2013</td>
<td>450 MM SEK in 2013</td>
<td>4,8 BN SEK in 2012/2013</td>
</tr>
<tr>
<td>Countries</td>
<td>Retails Nordic countries, Brands, global</td>
<td>Stores in Sweden (77) Norway (32)</td>
<td>Represented in 19 countries</td>
<td>Stores (400) in Sweden, Norway, Finland, Poland</td>
</tr>
</tbody>
</table>

*Summary of companies’ facts*
4.2 Sustainable development

All respondents explain that the concept sustainable development has some meaning and stand for something in each of the selected companies. Three of the respondents A, B and D have a written agenda where sustainable activities are included. Respondent A describes that as the Fenix Way, which is a philosophical foundation of sustainability activities where the Brundtland conditions are being followed. He explains the concept of sustainability as to resource efficiency and effectiveness and having the awareness that future generations may need similar resources, which one has to take care of. The company wants to have the least possible negative impact on the environment and as he explains, to “leave the base camp better than we found it.” Respondent B describes the Green Thread as being integrated sustainable principles in thinking behavior and actions run through the whole organization, from the suppliers to the customers. She further explains that the company should be honest and transparent sharing their success but also admitting their challenges. Respondent D describes that to be able to communicate sustainable practices they divide their work into three F’s, Fashion, Future and Friendly. Fashion is the merchandising and clothes, and includes fiber and design. Friendly is the relationship between colleagues and the relationship with the company’s suppliers and includes policies, standards, rules and regulations. Future is where environmental issues such as water and chemicals are discussed.

On the contrary respondent E mentions that the company has not defined what sustainable development stands for in writing, but she explains that sustainable development for them is to make a product that is good in all aspects both material wise and socially. Respondent E says: “We try to take responsibility from the start of the product and along the whole chain to the end user stage.” Moreover, she explains that the company takes big responsibility for the consuming use and the repairs. Respondent C explains that the company always aims to do it better, more environmentally friendly and to continuously work to question what they do in terms of sustainable approaches. However, the company is aware of that they are in business and they cannot always aim for a better world, they also need to take the financial part into consideration.

4.3 Social, environmental and economic sustainability

4.3.1 Social sustainability

All respondents describe that their companies to different extents work towards the social principle of sustainability. Respondent A explains that they have a tool called the Fenix Way Management Compass, which is a trade manuscript that managers and staff members have to observe when doing business. The goal of
this compass is to integrate holistic thinking into daily business. The compass has four dimensions North, East, South and West where N is nature, E is economy, and S is society and social and lastly W is wellbeing. He explains that “in the social side we take care of our suppliers, we take care of our staff members and we take care of the society we are operating in.” Moreover it means that they have a code of conduct for suppliers and a code of conduct for their staff members. The company also has outdoor activities where they try to engage the society, and have CSR related projects on a charity level.

Respondent D explains that because of a terrible accident in a factory in Bangladesh more than hundred companies have come together in a project regarding issues of health and safety in the factories. Moreover, the company has a teaching facility in Bangladesh where they during three months teach women, who do not have any education, to be educated in learning how to read, in rights, about health and security and in sewing. The women will automatically get work afterwards where they receive a little salary, get food and health care. Respondent E says that her company works towards social sustainability in their production guide. There they list all their suppliers and subcontractors. The company also tries to make check-ups and audits on all levels of the supply chain to improve the conditions in the factories. Furthermore, they also work with the Fair Wear Foundation.

Respondents A, B, C and E work together with different organizations, that put emphasis on the social spectra of sustainable development. Respondent A has a partnership with the Fair Labor Association to improve the living and working conditions for their suppliers. The Fair Labor Association moves away from traditional audits to instead train and educate suppliers and help companies to find the cause of the problem found at audits. Respondent B says that the company is a member of the international organization BSCI to secure the working conditions for their suppliers. She further explains that:

“We also have partnerships with two charity organizations in Sweden, Stadsmissionen and Myrorna, and all our unsold goods are given to them so they don’t go to waste”.

The company has fundraising in their department stores through Bröstcancerfonden and UNICEF. Moreover, respondent B explains that they have an internal channel for their customers called BRA VAL where one of the categories is Fair trade. Respondent C says that according to the company’s code of conduct, they demand that in the agreement with suppliers each country’s legislations and laws should be followed. The company works together with an organization called SWEREA, which is a chemical lab that proactively works for the textile industry. He explains further that SWEREA “gives us guidelines how to
approach our manufacturers, what to point out and so on. By joining those organizations and using their knowledge we can affect the social.”

4.3.2 Environmental sustainability

All respondents explain that their companies work in different ways towards reducing chemicals in the production of garments. According to respondent A, this means to look into the usage of organic cotton versus conventional cotton or recycled polyester rather than virgin polyester. He further explains that the company uses beeswax to achieve durable water or dirt repellency instead of using polypropylene carbon. Respondent B explains that her company tries to choose materials that have little or no negative impact on humans and the environment as she says:

“We have an ethical requirement in our products including animal welfare and environmental issues, for example we try to phase out PVC in our products and we also not allow endangered species in our products.”

Respondent B also explains that they sponsor environmental organizations such as Naturskyddsföreningen and WWF. Moreover they have a lot of organic materials in their production. Respondent C describes that the company uses a spin dye technique, which reduces the usage of water and chemicals in the production. They also say no to down, fur and leather. He explains, when processing leather it demands a lot of chemicals to fixate the color as he says, “it is very hard to control and therefore as long as the leather is not up to our environmental standard we say no.” Moreover, the company wants to be proactive when it comes to the usage of chemicals. One example is the chemical fluorocarbon, which is used in the outdoor industry and still legal in Europe. When this chemical is released out in the daily water into the nature it contaminates animals and fish and eventually ends up in human bodies. The company has since 2012 taken away this chemical from the kids’ collection and by 2015 the whole company will be 100 percent fluorocarbon free. Their substitute environmentally friendly solution is a bit more expensive but he states “we think in the long-run it is a way for us showing how to contribute with development.”

Respondent D explains that they have a program regarding chemicals called NO RISK where they do random checks so the supplier follows the rules that the company has put up for them. They also have a cleaner production program, both in Bangladesh and India, where they want their suppliers to be efficient regarding the resources for water, chemicals and energy. Moreover 80 percent of all silk have an eco-label. Respondent E adds that since 2012 all the denim products, which the company produces, are made of 100 percent organic cotton.
The companies of respondents A, B, D and E are engaging in recycled, recyclable and renewable materials or repairing their materials. Respondent A states that when designing a product the company wants to use as little resources as possible and try to consider the product’s end of life already in the beginning. If the material can’t be recycled they try to use as much leftover material as possible when producing something else. He explains further that Naturkompaniet is in the works of starting up a take-back-system for all outdoor products, which means that everything bought in the store can be returned and the customer in return will receive a voucher. Moreover, the company has come up with a cradle to cradle product made of 100 percent recycled polyester which can be 100 percent recycled, and he explains “once you are done with your jacket, you return it to us. We will make sure that another jacket or trouser is made out of that again.” Respondent B highlights that the resources and materials they use are safe, healthy and ethical. The materials should preferably be recyclable, recycled or renewable. Respondent D says that using recycled polyester in their garments also saves a lot of money. According to respondent E their focus lies on the repairing of seams in their denim wear, and she explains that all is centered on the repairs and how they can extend the life of their products.

Respondents A, C and D say that transportation and packing is taken into consideration when working towards the environmental principle of sustainability. According to respondent A, efficiency in transportation and shipment logistics are issues that they will work on this year. Respondent D explains that her company tries to transport goods in the best way possible and also thinks about packing more efficiently. Respondent C explains that at the head quarter in Borås they reverse their cars when parking in the parking lot facing the backside of the car out. This saves one centiliter of gasoline per car a day when starting up a cold engine. He explains:

“By being over 25 years in the industry, this company is very aware about the environmental questions in general. Our general awareness is high but we have limited resources because of the size of the company.”

4.3.3 Economic sustainability

In the quest for economic sustainability respondent A says that the company needs to be profitable. To achieve profitability the company’s employees need to have the right kind of mindset and be innovative. Further he explains that “we expect people to be entrepreneurial, to take responsibility, to think beyond the own area of activity and go a little bit further.” Respondent B describes that her company instructs their suppliers of a product quality certification, which is a minimum of quality standard in products. This certification aims to bring out the best quality, minimize customer complaints and save money. The company also has a key performance index in their department stores to keep track of energy
consumption, and by this saving energy and money. Furthermore the company is involved in an organization called Better Cotton Initiative as she explains:

“We are educating hundred farmers in India to grow cotton in a more sustainable way by using less chemicals and water more efficiently and we can already see that the farmers save a lot of money by doing this.”

Respondent C explains that new processes and different techniques cost money. The company is consumer oriented and they develop products based on price. However, he explains that they are not only thinking about consuming instead they are trying to do long lasting products “that are as high value for money as possible.” He gives an example of an overall for kids that is designed with extended seams and gives the customer the opportunity to wear the garment for a longer period of time. Respondent D explains that her company saves a lot of money on how they improve packing on to containers and trains by using the space more efficient. According to respondent E, economic sustainability means that the company needs a stable finance in order to do the things it wants to do. The sales of the company have increased each year and she says it is a difficulty to know if “we are selling more jeans because they are organic or if we are selling more jeans because they are good looking only or it’s a combination.”

4.4 Code of conduct

All respondents do have a code of conduct but to different extents according to their business strive, size and company’s values. Different than respondents B, C, D and E, respondent A says that the company has two codes of conduct, one for the staff members and one for their suppliers, which is as he says “a gear towards all kinds of businesses”. Furthermore, the company has a different code of conduct for their textile business since doing purchases mainly in developing countries which then follows a different concept. Hence, as respondent A says, the company tries to adjust its code of conduct to the type of business and goals which are shown in the Fenix Way. He further explains that the code of conduct shall show what the company stands for and includes traditional and legally driven aspects, but it is still adjusted on brand level for their suppliers. Respondent B states that the company uses the BSCI’s code of conduct and the Åhléns General Agreement, which includes requirements regarding CSR and environmental issues. Respondent C says that his company has a very traditional code of conduct, which is shown in their Dry Book – an agreement that includes all terms and conditions of the company for their manufacturers. Respondent D explains that the company used to have the BSCI code of conduct for several years, but due to the desire to “follow up their suppliers better”, the company created an own code of conduct. Respondent E says that the company uses the Code of Labor Practice since they are member of the Fair Wear Foundation, but additionally to that they have an own code that “is a combination of own ideas
and the Fair Wear Foundation’s Code of Labor Practice” which they mainly
direct towards the management of the company.

Respondent A explains that the company’s codes of conduct refer to legal
compliances issues, ethical behavior and values that the company is committed to
“such as the UN Global Compact, the ILO Norms, UN Convention on the Rights
of the Child, environmental protection and so on.” Respondent C and D also
explain that their companies’ codes of conduct are based on the ILO convention
of working conditions and rights at work. Respondent A says that his company
has chosen these codes of conduct because they reflect the company’s core values
and the way in which they want to run their business. The company hopes with
their chosen code of conduct it will establish a long-term relationship with their
business partners and he further states:

“We strive for a buy-in because only then things will improve sustainability. “

Respondent B explains that the company has chosen the BSCI code of conduct
because “it is a big global organization and they can really make a difference. “
The company further argues that the BSCI can help them in sustainability work
and the code does not only involve textile suppliers since the company has a
broad assortment of products. Respondent B gives as example for the BSCI code
of conduct’s content which is the prohibition “of child labor, no discrimination
practice, no forced labor”, further it also includes working conditions. Respondent C explains that his company’s code of conduct is based on the ILO
conventions and UN Convention of the Rights of the Child because they need an
agreement that they are able to follow, that means they are only requesting things,
which the company can stand behind. Though, from time to time, those contracts
are going to be changed, improved and resigned by the manufactures to steadily
improve conditions. Respondent D argues that “to follow up their suppliers
better”, the company had to create its own code of conduct. Hence, the company
also does its own inspections to create communication with suppliers rather than
“just many of inspections”. Respondent E says that since the company is a
member of the Fair Wear Foundation it requires to have the Code of Labor
Practice for their suppliers. This means that the company’s own code of conduct
entails the 8 principles of Fair Wear Foundation’s Code of Labor Practice and
some environmental and transparency aspects added by the company.

All respondents say that their companies control their suppliers, either by
themselves or through a third-party that the code of conduct is followed through.
Respondent A says that the company uses a “threelfold approach” which means
that the company informs and discusses the code with their business partner and
staff and delivers training or informational pieces as appropriate. Further the
company has its own auditing/inspection team and the SGS, an international
testing institute, is asked to regularly conduct third-party audits. Moreover, the
company is a member of the Fair Labor Association which also visits and inspects selected suppliers. After all inspections, reports are generated with a Corrective Action Plan (CAP) and measures are taken according to the findings. According to respondent B the BSCI cares that the code is followed through as a third-party. Moreover, the company has production offices in Hong Kong, India, Bangladesh and Shanghai where they have CSR auditors who also do private audits. Respondent C explains that his company uses a third-party company called UL. Additionally to the UL, the company has a quality control office in China with four and a half employees who do random tests at its production factories. Furthermore, respondent D says that her company makes its own inspections and often has an own representative from their company in the factories. Respondent E explains that according to Fair Wear Foundation the company uses independent consultants in Europe to make sure that the code of conduct is maintained.

4.5 Sustainable development in the code of conduct for suppliers

4.5.1 Sustainable approaches towards sustainable development

All respondents say that they have sustainable approaches towards sustainable development in their code of conduct for suppliers. Respondent A explains that sustainable development is the core of their Sustainability Compass, but the company’s code of conduct also includes a more global sustainability concept which is the UN Global Compact’s ten principles. Respondent B mentions that her company constantly updates their General Agreements so that it covers requirements such as the recent issue of Angora. Respondent C explains that his company sees sustainability in a long-term perspective and they do everything from extended seams in overalls to less water and chemical consumption in dyeing processes. They are also with the help of a third-party institute SWEREA, checking metal contents in buttons so that they do not contain lead or any harmful substances. Respondent D says that in today’s textile environment it is taken for granted that every company has a code of conduct. Now mostly chemicals are in focus and her company works towards reducing chemicals in garments that could harm people’s health. She also states that the trend in what people are asking for, regarding sustainable development differs as she says:

“You have to be a part of everything at the same time. You can’t say that I am taking very good care of the water but I cannot take care of the child labors.”

Respondent E explains that their code of conduct is directed towards working with sustainable development and she gives an example of one point in the Code of Labor Practice where the company has done development in India with their suppliers.
4.5.2 Future sustainable approaches towards Sustainable development

All respondents explain that their companies have future plans to work towards sustainable development. Respondent A says that sustainability is a core element of their corporate strategy 2020 and that it is a goal to integrate sustainable development in all business activities. Moreover a new position of a Chief Sustainability Officer has been established which is extraordinary for the outdoor industry. Respondent B responds that there are of course challenges when working towards sustainable development and they can be traceable in the supply chain, water usage at the suppliers and how in a more systematic way they can secure the environment at their suppliers. In order to take care of the challenge of water usage the company is a member of the Swedish organization called STWI-Swedish Textile Water Initiative. This organization as she explains is “looking only at textile suppliers and their water management and we are members there, so hopefully we can secure our suppliers.”

Respondent C explains that they have a lot of projects in the works and one of them is looking into their processes, especially the spin dye process where they want to extend the spin dye process to all their mills. In this way they can save millions of liters of water every day. Respondent D says that one challenge in their company is cotton because she believes the demand of buying cotton is going to increase the more the earth’s population grows. Therefore the company is working on a project trying to educate small-scale farmers to produce in a more sustainable way. In freight she explains that there is still more to improve with packing by using every square meter better. They can also advance in using as much fabric as possible when designing garments and getting up to using 96% of the fabric. Further they “can be better on in how we communicate with our suppliers sending samples back and forward.” This year they have the quest to educate their colleagues on being more sustainable but their biggest challenge is to reach and educate their customers and on that note respondent D says:

“I think we have the job to make them understand why we do the work we do.”

Respondent E explains that in this year the company is going to increase their sustainability work and focuses on the environmental side such as chemicals in the supply chain. They are also going to increase their transparency by showing all the suppliers in the production guide.
5. Analysis

The following chapter will showcase the analysis of the theoretical framework and the empirical findings. The collected empirical findings overlap the selected themes, and therefore it has been chosen in the analysis to rearrange the empirical answers to which theme they belong to. In this way the analysis does not constantly follow the order of the empirical answers.

5.1 Sustainable development

All respondents explain that the concept sustainable development have some meaning and stand for something in each of the selected companies. Respondent A describes that his company’s written agenda, the Fenix Way, is based on sustainable activities where the Brundtland conditions are being followed. He further explains that the company in this way has awareness that the future generation may need similar resources as existing today. This notion agrees with Björneloo (2007) description of the definition of sustainable development which is presented in the Brundtland report, as meeting the needs of the existing global population without compromising the opportunities for future generations to also meet their needs. Moreover Merle (1996) argues that ever since the publication of the report Our Common Future by the World Commission on Environment and Development, also known as the Brundtland report, the concept sustainable development has been on the political agenda for environmental issues globally.

Respondent A explains that his company wants to have the least possible negative impact on the environment and the company’s motto is to leave the base camp better than they found it. Respondent C mentions that his company always aims to be more environmentally friendly. The company is also aware of that they are in business and they cannot always aim for a better world, they also need to take the financial part into consideration. This agrees with Bratt et al. (2011) arguments taken from the Brundtland report which, states that in order to continue to expect a steady material welfare development there is a need for an environmentally friendly economic growth and to achieve this goal the global ecosystem should be protected and conserved.

Respondent B describes the Green Thread as being integrated sustainable principles in thinking behavior and actions run through the whole organization, from the suppliers to the customers. She further explains that her company should be honest and transparent sharing their success but also admitting their challenges. Hallin et al. (2002) explain that in the ecological modernization, environmental issues should not only be something negative instead it could be important incitements for innovation and entrepreneurship. The responsibilities on mankind
have shifted to organizations which use ecological modernization in their product development and marketing strategy.

Respondent D describes that to be able to communicate sustainable practices they divide their work into three F’s, Fashion, Future and Friendly. Fashion is the merchandising and clothes, and includes fiber and design. Friendly is the relationship between colleagues and the relationship with the company’s suppliers and includes policies, standards, rules and regulations. Future is where environmental issues such as water and chemicals are discussed. SOU (2004) explains that in a conference held by the United Nations in 2002 it was recognized that all developments must be sustainable and that the social, environmental and economic aspects must be integrated. Sustainable consumption and production patterns, combating poverty as well as conservation of natural resources were a necessity, and new goals were set such as decreasing chemicals that may affect health and environment.

Respondent E mentions that sustainable development according to her company is to make a product that is good in all aspects, both material wise and socially. Further, the company also takes huge responsibility for the consumer use and the repairs. This agrees with Bratt et al. (2011) that in order to achieve sustainable development and qualitative economic growth, the global ecosystem with its air, water, soil and other natural resources should be conserved and strengthened. Moreover attention should be given to mankind’s welfare and that the ecosystem should continue to supply humans with goods and services. The solution for environmental damages is ecological modernization, which is supporting technical development that leads to a more efficient resources utilization and treatment of waste and pollution.

5.2 Social sustainability

According to Persson & Persson (2011) the work towards sustainable development is a process without a final solution. This entails a holistic view, a dialogue and critical thinking around social, environmental and economic aspects of sustainability. All respondents describe that their companies to different extents work towards the social principle of sustainability. Respondent A explains that they have a tool called the Fenix Way Management Compass. The goal for this compass is to integrate holistic thinking into daily business. The compass has four dimensions North, East, South and West where N is nature, E is economy, and S is society and social and lastly W is wellbeing. On the social side the company takes care of the society, staff and suppliers. Björneloo (2007) explains that the concept sustainable development includes social, environmental and economic sustainability. These dimensions are integrated with one another and are each other’s support and conditions in working towards sustainable development. The
balance of these three aspects is equally important in achieving sustainable development.

Respondent E describes that her company lists all their suppliers and subcontractors and tries to make check-ups and audits on all levels of the supply chain to improve the conditions in the factories. Further, respondent A explains that his company has a partnership with the Fair Labor Association to improve the living and working conditions for their suppliers. Fair Labor Association moves away from traditional audits to instead train and educate suppliers and to help companies to find the cause of the problem found at audits. According to Bratt et al. (2011) sustainable development includes social justice and tolerable living standards globally at present time and the future ahead. Respondent D explains that because of a terrible accident in a factory in Bangladesh more than hundred companies have come together in a project regarding issues of health and safety in the factories. This agrees with Elliott (2012) notion that in order to achieve sustainable development in these countries; it requires greater commitment concerning health, gender, housing and sanitation.

Waas et al. (2012) mention that issues of environmental problems that threaten planetary boundaries including well-being in multiple dimensions such as social, health, and culture is included in the concept sustainable development. Respondent D explains that her company has a teaching facility in Bangladesh where they during three months teach women who do not have any education to be educated in learning how to read, in rights, about health and security and sowing. The women will automatically get work where they receive a little salary, get food and health care. This agrees with Björneloo (2007) arguments that social sustainability represents all human beings and their need for having their basic needs met as well as the right to a dignified life. Moreover, Individuell Människohjälp (2012) states that the social aspect of sustainability represents the need for humans to be and feel part of the society.

Respondent B says that her company has partnerships with two charity organizations in Sweden, Stadsmissionen and Myrorna. All unsold goods are given to these organizations so that the products don’t go to waste. The company also has fundraising in their department stores through Bröstcancerfonden and UNICEF. Moreover, she explains that they have an internal channel for their customers called BRA VAL where one of the categories is Fair trade. According to Persson & Persson (2011) many aid organizations work towards sustainable development by being against oppression and poverty. These organizations operate by supporting democratic development and social and economic justice in all areas of the planet.

Respondent C describes that his company works together with an organization called SWEREA, which is a chemical lab that proactively work for the textile
industry. He explains that SWEREA gives his company guidelines how to approach their manufacturers and in this way affect the social part of sustainability, which agrees with Bratt et al. (2011) notion that the human capital represents skills, knowledge and technology which represent the humans’ contribution in achieving sustainable development.

5.3 Environmental sustainability

All respondents explain that their companies work in different ways towards environmental sustainability; one example is by reducing chemicals in the production of garments. According to Björneloo (2007) environmental sustainability refers to that humans are dependent on the nature and nature’s cycle, both for living conditions and finding resources which make it a necessity that the eco-system does not fail in any scenario. Moreover Persson & Persson (2011) explain that there is a need of a decrease in wasting resources and that the society adapts to the cycle of nature. A big contribution to waste of resources is commerce and shopping where the consumers can choose between sustainable goods or fast fashion. Respondent A explains that his company uses beeswax to achieve durable water or dirt repellency instead of using polypropylene carbon and according to respondent B, her company to chooses materials that have little or no negative impact on humans and the environment. Moreover they try to phase out PVC in the products, have ethical requirement such as animal welfare and not allowing endangered species in the products. Respondent C describes that his company uses a spin dye technique which reduces the usage of water and chemicals in the production. They also say no to down, fur and leather, which demands a lot of chemicals to fixate the color. Moreover the company wants to be proactive when it comes to the usage of chemicals. One example is the chemical fluorocarbon, when this chemical is released out in the daily water into the nature it contaminates animals and fish and eventually winds up in human bodies. Respondent D explains that they have a program regarding chemicals called NO RISK, where they do random checks so the supplier follows the rules that the company has put up for them. According to Bratt et.al (2011) the natural capital represents the environment which produces physical resources. The environment may be able to receive residues to some extent, which means that pollution could be set into the environment in small dozes and the nature will heal itself. The natural capital entails non-renewable resources such as oil, renewable resources such as water and the natural eco-system.

Respondent A, B, D and E choose to a different extent to use organic materials in their production. Respondent D mentions that her company has a cleaner production program, both in Bangladesh and India where they want their suppliers to be efficient regarding the resources for water, chemicals and energy. This agrees with Individuell Människohjälp (2012) argument that the environmental aspect of sustainability takes the planet’s resources into consideration.
The companies of respondent A, B, D and E are engaging in either recycled, recyclable and renewable materials or repairing their materials. Persson & Persson (2011) explain that the first aim towards sustainable development is to limit the flow of resources and apply the principle of the nature’s cycle. This means striving for that as much material as possible can be reused and not be set out in the environment as pollution or waste. Respondent A states that when designing a product, the company wants to use as little resources as possible and tries to consider the product’s end of life already in the beginning. Moreover the company has come up with a cradle to cradle product made of 100 percent recycled polyester which can be 100 percent recycled. Respondent D says that they are using recycled polyester in their garments. According to respondent E, their focus lies on the repair of seams in their denim wear to be able to extend the products life cycle. This agrees with Duden (2013) explanation that sustainability can be defined as a principle that not more should be consumed, other than the amount that correspondingly can regrow, be regenerated or can be provided in the future.

Respondent A, C and D say that transportation and packing is taken into consideration when working towards the environmental principle of sustainability. According to respondent A efficiency in transportation and shipment logistics are issues that they will work on this year. Respondent D explains that her company tries to transport goods in the best way possible and also thinking about packing more efficiently, which agrees with Corell & Söderberg (2005) explanation of the nature cycle that contains oxygen, carbon and other plant nutrients which goes round in a cycle. In order to produce goods, humans have extracted minerals and metals from the earth’s crust which then have created unwanted substances that end up as waste or emission into the environment. Respondent C explains that his company’s general awareness of environmental issues is high but they have limited resources because of the size of the company.

### 5.4 Economic sustainability

Björneloo (2007) explains that economic sustainability is represented as funds of making sure that social and environmental sustainability for sustainable development is possible to achieve. According to respondent E economic sustainability means that the company needs a stable finance state in order to do the things it wants to do. Respondent C says that new processes and different techniques cost money and that his company is consumer oriented and they develop products based on price. However, he explains that they are not only thinking about consuming; instead they are trying to do long lasting products with an example of extended seams in overalls for kids. Respondent D explains that her company saves a lot of money on how they improve packing onto containers and trains by using the space more effectively. According to Frischknecht et al. (2012) the three aspects of sustainability need careful development regarding the natural, human and economic capital, in other words taking care of the planet,
people and profits. If the natural, human and economical capital decline over time one cannot achieve sustainable development. Furthermore Bratt et al. (2011) explain that the economical capital includes machinery, computers and roads. The better the transportation system is the easier one could distribute goods.

In the quest for economic sustainability respondent A says that his company needs to be profitable. In order to achieve profitability the company’s employees need to be innovative and entrepreneurial. Furthermore respondent B explains that her company has a key performance index in their department stores to keep track of energy consumption, and thereby save energy and money. This agrees with Bratt et al. (2007) description that through new technology and more efficient energy consumption the global income could increase and by this achieving sustainable development within planetary boundaries. The company of respondent B is also involved in an organization called Better Cotton Initiative where they are educating farmers in India to grow cotton in a more sustainable way by using less chemicals and water more efficiently which contributes that the farmers save a lot of money. This agrees with Individuell Människohjälp (2012) notion that the economical aspect refers to being economically independent and the ability to support oneself. Moreover Madeley (2007) describes sustainable development as increasing well-being and helping people out of poverty in such ways as empowering poor people by increasing assets base and its productivity; this in a long-term perspective.

5.5 Code of conduct

Rosen et al. (1996) explain that there are an increasing number of companies and organizations that adopt codes of conduct and the companies have several different reasons for doing so. Czarniawska & Joerges (1996) also explain that codes of conduct are often considered to be key aspects of companies’ ethics programs or seen as expressions of corporate social responsibility (CSR), a formal translation of the idea of responsibility in the corporate context. All respondents state that they have a code of conduct for their suppliers. Respondent A says that his company tries to adjust its code of conduct to the type of business and its goals, which are shown in the Fenix Way. Moreover the code of conduct for the staff members and for the suppliers refers to legal compliance issues, ethical behavior and values that the company is committed to. Respondent C explains that his company uses a traditional code of conduct whereas respondent D describes that her company has created their own. Moreover, respondent A, C and D say that their code of conduct is based on the ILO. This agrees with Yu (2008) explanation that a big share of codes of conduct, which are found in the textile, clothing and footwear industry, can vary within their content but the core agreements made by companies’ base themselves on the ILO. Respondent E explains that since the company is member of the Fair Wear Foundation, they
consequently have the FWF’ Code of Labor Practice which is based on the conventions of the ILO as well as the Universal Declaration on Human Rights. The company also added environmental aspects and transparency to their code of conduct. According to FWF (2014) the Fair Wear Foundation’s Code of Labour Practice includes the following; employment is freely chosen, there is no discrimination in employment, no exploitation of child labor, freedom of association and the right to collective bargaining, payment of a living wage, no excessive working hours, safe and healthy working conditions and legally-binding employment relationship.

Respondent B states that her company uses the BSCI code of conduct since the Business Social Compliance Initiative is a big global organization and they can therefore really make a difference. According to the BSCI (2014) the Foreign Trade Association (FTA) decided in 2011 to include sustainability as one of the fundamental pillars in the BSCI code of conduct and reinforced it in 2014 with ‘No Precarious Employment’ and ‘Ethical Business Behaviour’. Moreover the BSCI code of conduct entails the rights of freedom association and collective bargaining, no discrimination, fair remuneration, decent working hours, occupational health and safety, no child labor, protection of young workers, no precarious employment, no bonded labor, protection of the environment and ethical business behavior. Respondent D explains that her company used to have the BSCI code too, but since it was lacking in some parts the company created their own code of conduct which is based on the eight principles of the ILO. The ILO (2014) describes the eight fundamental principles which are Freedom of Association and Protection of the Right to Organize Convention, Right to Organize and Collective Bargaining Convention, Forced Labor Convention, Abolition of Forced Labor Convention, Minimum Age Convention, Worst Forms of Child Labor Convention, Equal Remuneration Convention, Discrimination (Employment and Occupation) Convention. Moreover Respondent C says that his company has chosen a code of conduct which is based on UN Convention on the Rights of the Child and the ILO convention of working condition and rights at work. Moreover, according to Neef (2004) the ILO is one of the most significant groups in the area of codes of conduct, being an organization of the United Nations and a strong advocate of labor standards and principles worldwide.

Ascloy et al. (2004) explain that the textile and clothing industry has become a trendsetting sector in terms of corporate responsibility. Moreover labor standards are the most addressed issues in codes of conduct for the textile and clothing industry, and it can also be found initiatives on environmental standards in the production chain. Respondent A says that his company has chosen their code of conduct because it reflects on their core values and the way in which they want to do business. According to respondent B her company feels that the BSCI can help
them and the code is not only directed to textile suppliers, as the company has a broad assortment of products. Respondent C says that the company uses a traditional code of conduct, which means as he explains the company uses the most important parts, but not everything, because they need to be able to stand behind the code. This agrees with Rosen et al. (1996) notion that having a code of conduct can also make a company more vulnerable regarding the fact that if conditions are not hold they can be blamed. For respondent D, the reason to create their own code of conduct was that the company wanted to be in charge for everything by itself and not only through a third party. Respondent E explains that the company has chosen their code of conduct for the simple reason that they are member of the FWF, which requires its code of conduct.

5.6 Sustainable development in the code of conduct

Hallin et al. (2002) explain that with an ongoing growth of the global population a constant increase of demand for groceries and other products occur which will lead to faster consumption of natural resources. New ethical organizations have emerged to put pressure on industrial countries to redistribute resources and global living conditions. In order to search for causes and solutions in the global supply and deposition crisis, the concept sustainable development has been constantly present. All respondents say that their companies have sustainable approaches towards sustainable development in their code of conduct for suppliers. Respondent A explains that his company has both, a code of conduct for suppliers and a code of conduct for their staff members. This code of conduct includes the Fenix Way Sustainability Compass and the UN Global Compact’s ten principles. Respondent C says that in his company’s code of conduct they demand that the agreement with suppliers each country’s legislations and laws should be followed. The company’s sustainable approaches are everything from extended seams in overalls to less water and chemical consumption in dyeing processes. They also collaborate with a third-party institute SWEREA, checking metal contents in buttons. Respondent B mentions that her company constantly updates their General Agreements so that it covers requirements such as the recent issue of Angora. Furthermore, respondent D says that having a code of conduct is nowadays taken for granted and that her company currently focuses on the issue of reducing chemicals in garments that do harm to people’s health. Respondent E explains that their code of conduct is directed towards working with sustainable development and she gives an example of one point in the Code of Labor Practice where the company has done development in India with their suppliers.

All respondents explain that their companies have future plans to work towards sustainable development. Respondent A says that sustainability is a core element of their corporate strategy 2020 and that it is a goal to integrate sustainable development in all business activities. Respondent C explains that they have a lot
of projects in the works and one of them is looking into their processes, especially
the spin dye process where they want to extend the spin dye process to all their
mills. In this way they can save millions of liter of water every day. Respondent B
responds that there can be challenges in working towards sustainable
development, which are water usage at the suppliers and how in a more
systematic way they can secure the environment at their suppliers. In order to take
care of the water usage they are a member of the Swedish organization called
STWI- Swedish Textile Water Initiative which is an organization who
concentrates on textile suppliers and their water management. Persson & Persson
(2001) explain that many of the developing countries do not even have basic
water purifier industries and the water waste runs directly into the lakes and
oceans from industries and households. This can contribute health issues and
pollution of water. Clean water is a necessity for sustainable development.

Respondent D says that her company is working on a project trying to educate
small-scale farmers to produce cotton in a more sustainable way. Moreover they
can also advance in using as much fabric as possible when designing garments
and getting up to using 96% of the fabric. Respondent E explains that this year,
the company is going to increase their sustainable work and focus on the
environmental side such as chemicals in the supply chain. They are also going to
increase their transparency by showing all the suppliers in the production guide.
Bratt et al. (2011) explain that new hope has awakened when introducing new
technologies and industrial development to create abilities for developing
countries to strengthen their standards of living without harming the environment
and causing damages that the industrial countries had made on their way to
welfare.
6. Conclusion

In the following chapter we account for the result of the study and discuss the answer of the study’s research question. Moreover implications and suggestions for future research will be presented.

The purpose of the study has been to study five different Swedish textile companies and how they work towards sustainable development in their code of conduct for suppliers. Moreover we studied their overall sustainable approaches which include social, environmental and economic sustainability. The study’s research question is as follows: How do Swedish textile companies work towards sustainable development in their code of conduct for suppliers?

We chose to break down the concept sustainable development and look at three different aspects of sustainability in the quest to retrieve the companies’ answers in how they work towards sustainable development. We consider these three aspects, which are social, environmental and economic sustainability, to be the foundation to better understand how the selected companies work towards sustainable development in their code of conduct for suppliers. We discovered that all companies have sustainable approaches and that the concept sustainable development has some meaning and stand for something in each of the companies. Three out of five respondents mention that their companies have written agendas where their companies state their sustainable approaches. All respondents work towards the social principle of sustainability in such ways as taking care of and improving working conditions in factories. One respondent says that her company works with Fair Trade and another respondent’s company collaborates with the Fair Labor Association. In the environmental aspect of sustainability all companies have different ways in how they work towards sustainable development. Reducing chemicals in the production at the different suppliers is a major duty of all companies. One company has a program with their suppliers regarding chemicals where the company does random checks so rules are followed through. Two companies aim to reduce water usage and one out of these companies has a cleaner production program in Bangladesh and India where the task is to be efficient regarding the resources for water, chemicals and energy at their suppliers. Two companies have included ethical requirements, and one of these companies does not allow endangered species in the products, and the other company says no to down, fur and leather. The usage of recycled and recyclable materials and repairing the materials in their garments is of importance according to four of the companies. One company has come up with a cradle to cradle product made of 100 percent recycled polyester which can be 100 percent recycled. In the transportation and packing area three companies work towards reducing ineffective transportation and to pack more efficiently. Moreover, four of the companies use organic materials in their garments. In the quest to achieve
economic sustainability one company understands that profitability derives from
that the company’s employees are needed to be innovative and entrepreneurial.
Moreover one company tries to not only think of consuming instead they do long
lasting products with an example of extended seams in overalls for kids. Two
companies state that in order to achieve economic sustainability they save money
on different business activities. One company educates farmers to grow cotton
with less chemicals and water, which contributes that the farmers save a lot of
money. Another company packs more effectively by using up all the space in
containers and trains.

In the search for sustainable approaches in the selected companies’ codes of
conduct for suppliers we found that all companies have chosen different codes of
conduct for their suppliers. One company has chosen a traditional code of conduct
since they only want to have things included in the code that they can promise to
follow. Another company chose the BSCI code of conduct since the company
believes that this organization has the most power to change things. Moreover one
company is a member of the Fair Wear Foundation and thereby uses the Fair
Wear Foundation’s code of conduct and in addition has added some adjustments
according to the company’s values. Even though all companies have different
codes of conduct they are all based on international laws and regulations, follow
the principles of the ILO and some are based on the UN conventions as well.
These codes cover, even though they are different, all basic conditions such as
human rights, avoiding child labor and to regulate working conditions.

We found that all companies to different extents are working towards sustainable
development in their code of conduct for suppliers. The codes of conduct
implemented in the different companies entail agreements with suppliers
including following the country’s laws and regulations of the suppliers,
collaboration with third-party industrial research institutes, development with
suppliers and different sustainability activities that the company has on their
agenda. One company constantly updates their General Agreements so that it
covers current issues, and two other companies regard reducing chemical
consumption in the dyeing process as a sustainable approach in their code of
conduct. One company incorporates the UN Global Compact’s ten principles and
their own sustainability compass in their code of conduct. For future endeavors all
of the companies have further plans for working towards sustainable development
in their code of conduct for suppliers and to integrate sustainable approaches in
their business activities. Two companies see overconsumption of water as a
challenge. To tackle this issue one company wants to extend their spin dye
process to all their mills and another company currently secures the water
management at their suppliers in being a member of a Swedish textile
organization that focuses on textile suppliers and their water management.
Moreover two of the companies are in the works in reducing chemicals in the
supply chain and in one of the companies they educate farmers to produce cotton in a more sustainable way.

The study highlights a positive spin on sustainable approaches and how Swedish textile companies actively work towards sustainable development in their code of conduct for suppliers. It has come to our knowledge that the concept sustainable development seems to be less embedded in the code of conduct for suppliers and that companies instead work with sustainable approaches beyond having a code of conduct. As the respondents reflect, the companies have different projects running and have agreements with their suppliers, associations and organizations regarding sustainable activities, but these are done more besides the code of conduct rather than having it included within their code of conduct. The chosen companies for this study differ in number of employees, yearly turnover and in countries they sell their products. The smallest company has 45 employees and a turnover of 450 MM SEK in 2013 and the biggest company has around 3000 employees with a turnover of 4.8 BN SEK in 2013. Looking at the different companies’ turnover, size and sustainable activities we have found more extended work towards sustainable development in the code of conduct for suppliers in the larger selected companies. The possible reason for this result is that we limited ourselves to primary data collected from conducted interviews. Moreover, one respondent says that his company wants to do more regarding sustainable approaches but they are limited due to financial reasons. We are also aware that working towards sustainable development in the code of conduct for suppliers, is a continuous process and that it may be time consuming to change the code of conduct’s content and conditions with every project and new agreement that arises.

The limitations of this study are the amount of companies interviewed and the exact knowledge and familiarity of the topic answered by the responsible people in charge in these companies. Therefore we believe that the result of this study would change to some extent if we chose to study different companies in the Swedish textile industry. Because of this notion the result of this study cannot be generalized. Nevertheless the purpose of this study was not to generalize the results, rather achieving a deep inside view of how the selected companies work towards sustainable development in their code of conduct for suppliers. However, we are aware that the study focuses on what the selected companies actively do in working towards sustainable development and not focusing if the companies are lacking in sustainable activities.

The study will contribute with knowledge and an insight view in how the chosen companies work with sustainable approaches within and beyond their code of conduct for suppliers. The study’s practical implications are that the selected companies can keep track on their current sustainable activities and how they contribute to sustainable development when working with their suppliers.
Moreover, the companies can confirm the reason why they are setting up rules and regulation in their code of conduct for suppliers and that the guidelines and sustainable approaches might contribute to a more sustainable textile industry. The companies also become more transparent in what they do and may in this way showcase their efforts more effectively.

6.1 Future Research

Suggestions for future research are to look at sustainable development combined with financial efforts. In this way to research whether there is a connection with becoming a more financially strong Swedish textile company and increasing the number of sustainable activities in the company. Our study has shown that the textile companies are more likely to have agreements and run projects beyond the code of conduct. We therefore suggest that looking for reasons why Swedish textile companies do not incorporate sustainable development to a bigger extent into their codes of conduct for suppliers would be an interesting future research.
References

Printed literature


**Electronic sources**


CCC (Clean Clothes Campaign), (2014). Who we are. [website] Available at: http://www.cleanclothes.org/about/who-we-are [Accessed 7 March 2014].


K. Rydehed, B. Kehler


Appendix - Interview guide

Sustainable development and code of conduct for suppliers

General questions:

- Is it ok if we record the interview?
- What is your position in the company?
- Does the company have a department for sustainable activities?
- If so how long has this department been running?
- How many employees in the department?
- Do you want to be anonymous?

Sustainable development:

- What does the concept sustainable development stand for in the company?
- What are the company’s policies of sustainable development?
- How does the company work towards the social principle of sustainability?
- How does the company work towards the environmental principle of sustainability?
- How does the company work towards the economical principle of sustainability?

Code of conduct:

- What type of code of conduct does your company have for your suppliers?
- What does this code of conduct entail?
- Why did you choose this type of code of conduct?
- How did you decide to choose this type of code of conduct? (in regards to your aims for sustainable approaches being social, environmental, economic)
- How does your company control that the code of conduct is followed through?

Sustainable development and code of conduct:

- Does the company actively work with sustainable approaches towards sustainable development in their code of conduct?
- Does the company plan to do more regarding sustainable approaches towards sustainable development in the future?
- If so, what does the company plan to do?

Thanks for your time and information.