



**UNIVERSITY OF GOTHENBURG  
SCHOOL OF BUSINESS, ECONOMICS AND LAW**

Master's Degree in International Business and Trade

**The influence of social sustainability criteria on the process of  
selecting international suppliers**

- A multiple case study on the Swedish fashion industry -

Graduate School

Master Degree Project 2020

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## Abstract

Prior research has emphasised the selection of international suppliers as one of the most crucial tasks in global supply chain management since companies are said to only be as performant as their suppliers. Therefore, putting high pressure on companies regarding the importance of selecting their suppliers. More recently, sustainability issues have gained significantly more attention as a result of, for example, the SDGs, showing a normative step towards setting international priorities for promoting sustainable development. Accordingly, more research on sustainable supplier selection has emerged, however, with a greater emphasis on environmental issues, compared to social. To address this literature gap, a multiple case study was conducted on nine Swedish companies from the fashion industry to shed light on the influence of social sustainability criteria on a company's process of selecting international suppliers. This study's findings show that social sustainability criteria are mostly applied as qualification criteria, more specifically, as *internal* social sustainability criteria. In the case of also applying social sustainability criteria as evaluation criteria, both *internal* and *external* are used. *Location* was identified as an additional important qualification criterion since it will influence how the company works with social sustainability with their suppliers. Furthermore, *establishment of the relationship with the suppliers* should come at an earlier step in the supplier selection process because the complex nature of social sustainability makes companies more reliant on their relationship with the suppliers. Lastly, *check with network for recommendation* is added as a step in the process as a means to find potential suppliers that will meet their sustainability criteria. This study contributes to the literature on Sustainable Supply Chain Management and International Business by combining social sustainability criteria to the selection of international suppliers from a company's perspective.

**Keywords:** Supplier selection process, Social sustainability, Sustainable supply chain management, International suppliers, Swedish fashion industry.

## Acknowledgement

We would like to address our innermost gratitude to the companies who agreed to participate in our thesis and more specifically to the interviewees who took their time to answer our questions during this particular period affected by the spread of the COVID-19. We would like to thank Ingrid Porss from Lindex AB, Erik Vismer from Swedish Eco, Johan Graffner from Dedicated Brand AB, Henrik Lindholm from Sandqvist Bags and Items AB, Sandya Lang from Nudie Jeans AB, Saskia Bloch from Fenix Outdoor International AG, Mona Lindskog from Indiska AB and two additional interviewees from two companies who asked to remain anonymous. We would also like to thank Dorothee Sarah Spehar who helped us, at the beginning of this study, to enhance our knowledge of our thesis' topic by giving us concrete examples from a professional perspective. Without being able to interview all these people, this study would not have been possible.

Furthermore, we would like to express our great appreciation to our supervisor Mikael Hilmersson who provided us with valuable feedback and guidance during the time of this study.

Gothenburg, 5<sup>th</sup> of June 2020

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## **List of abbreviations**

COVID-19 - Coronavirus disease 2019

CSR - Corporate Social Responsibility

EU - European Union

FWF - Fair Wear Foundation

GOTS - Global Organic Textile Standard

GVC - Global Value Chain

IB - International Business

ILO - International Labour Organisation

SEK - Swedish Krona

SDG - Sustainable Development Goal

SSCM - Sustainable Supply Chain Management

UN - United Nations

WCED -World Commission on Environment and Development.

WEF - World Economic Forum

## Glossary

*Code of Conduct:* A document including the social and environmental criteria and norms that suppliers are required to meet (Andersen & Skjoett-Larsen, 2009).

*CSR:* Corporate Social Responsibility (CSR) aims at describing the entrepreneurial behaviour of sustainability and represent the company's operations seeking to restrain the environmental and social impacts while growing economically (Roobeek et al., 2018).

*Just-in-Time:* Manufacturing and delivering finished and partially finished goods only when they are needed and, in the amount needed (Gorse et al., 2020).

*Social sustainability:* The human and social factors of sustainability including human rights, health and safety, child labour and forced labour, "involved in meeting the needs of the present without compromising the ability of future generations to meet their own needs" (Anisul Huq et al., 2014; Dyllick et al., 2002; WCED, 1987).

*Suppliers:* "A firm or individual that provides the resources needed by a company and its competitors to produce goods and services" (Law, 2016). Tier 1 suppliers are manufacturing the final products, tier 2 transform raw materials into fabric and tier 3 cultivate and harvest raw materials such as cotton (Dicken, 2015).

*Supplier selection:* "A process by which suppliers are reviewed, evaluated, and chosen to become part of the company's supply chain" (Rezaei, 2019:140).

*Sustainability:* "The strategic, transparent integration and achievement of an organisation's social, environmental, and economic goals" to "meet the needs of the present without compromising the ability of future generations to meet their own needs" (Carter & Rogers, 2008; WCED, 1987).

*Sustainable development:* The "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987).

*Sustainable supply chain management:* "The strategic, transparent integration and achievement of an organisation's social, environmental, and economic goals in the systemic coordination of key inter-organisational business processes for improving the long-term economic performance of the individual company and its supply chains" (Carter & Rogers, 2008).

*Sustainable supplier selection:* "The process of identification, evaluation, and selection of the most suitable supplier(s), considering the suppliers' capability and willingness to cooperate, the characteristics of the supply and other contextual factors in view of the three dimensions of sustainability, that is economic, environmental and social" (Rezaei, 2019: 141).

*Triple bottom line:* The triple bottom line is a framework merging three aspects, i.e. *profit*, *people*, and *planet* (Elkington, 1997). Namely, the economic, social, and environmental aspects of sustainability are combined and must be taken into account together for a company to be considered sustainable (Meade & Presley, 2019).



# 1. Introduction

*Chapter 1 provides an introduction to the thesis starting with a background on the topics, followed by a section presenting extant knowledge of supplier selection process and sustainability. Thereafter, the problem discussion highlights the identified gap in the literature. Following, the problem discussion, research question, purpose and delimitations of the study are presented along with the outline of the thesis.*

## 1.1 Background

As a result of globalization, many companies today have their value chain spread across the world (Dicken, 2015; Frederick, 2010) resulting in a global value chain (GVC) where different functions of the business such as IT, sales, marketing, R&D or manufacturing, are located in different parts of the world where it proves most beneficial for the company (ibid). Nonetheless, this phenomenon is not new, especially in regard to manufacturing, as companies have chosen to offshore manufacturing to low-cost countries, such as China or India, throughout the 20th century (Bryson, 2007; Frederick, 2010). By doing so, it allows companies to take advantage of better prices and comparative advantages abroad, especially as unions and policies in more developed countries make production there expensive (ibid). Many companies have also taken advantage of not owning the whole production chain and, with that, not having to take responsibility for the conditions in the factories and for the workers there (Ählström, 2017; Bryson, 2007). When responsibility is neglected, it commonly leads to human rights violations, which can result in child labour, forced labour or even deaths due to health and safety violation (Ählström, 2017; Thornton et al., 2013).

The fashion industry is particularly concerned with neglecting social sustainability issues (Choi & Cheng, 2015). One known example is Rana Plaza in Dhaka, Bangladesh when a garment factory collapsed in 2013 as a result of safety violations, and over a thousand factory workers died (Ählström, 2017). Not only does this harm and limit the development of factory workers' living conditions in the countries where these suppliers are located, but it can also harm the business' brand when scandals concerning these issues occur, making companies vulnerable to the effects of neglecting sustainability (ibid). Some of the main reasons as to why the manufacturing part of the fashion industry GVC faces sustainability concerns are the location of suppliers, mostly located in countries where labour rights are not respected, wages are particularly low, the use of raw materials is intensive and the product life cycle of goods is short (de Brito et al., 2008). Therefore, the fashion industry is facing major challenges as

businesses need to maintain high competitiveness while incorporating sustainability within their operations (Chan & Chan, 2010). When alleviating unsustainable social aspects, one of the most strategic decisions made in the GVC is the selection of sustainable suppliers since a company is said to only be as sustainable as its suppliers (Choi & Cheng, 2015; Goebel, et al., 2012, Krause et al., 2009).

In 2015, the Sustainable Development Goals (SDGs) were introduced by the United Nations (UN), showing a consensus vision as well as a normative step forward by most nations toward setting international priorities for promoting sustainable development (Weiss et al., 2018). The 17 SDGs do not only tackle climate change or improve the infrastructure, but also challenge governance issues and, predominantly, define sustainable development as a universal challenge (ibid). Moreover, during the last decades, academic research within the business area has been increasingly focused on sustainability (Kolk, 2016; Roobeek et al., 2018). However, most of this research has been concentrated on the economic and environmental aspects of sustainability, neglecting the social aspect (Bai & Sarkis, 2010; Genovese et al., 2013; Thornton et al., 2013).

Sustainability is often referred to as a buzzword due to its extensive application in numerous areas of research and practice, hence, has been defined in many ways (Anisul Huq et al., 2014; Carter & Easton, 2011). This study combines Carter and Roger's (2008) definition deriving from sustainable supply chain management (SSCM), which is within the scope of this study, and adds the widespread definition of sustainable development presented by the World Commission on Environmental and Development (WCED) (1987). Consequently, this study defines sustainability as *“the strategic, transparent integration and achievement of an organisation's social, environmental, and economic goals”* to *“meet the needs of the present without compromising the ability of future generations to meet their own needs”* (Carter & Rogers, 2008; WCED, 1987). Since this study focuses on the social aspect of sustainability, social sustainability is defined as *the human and social factors of sustainability including human rights, health and safety practices, child labour and forced labour, involved in meeting “the needs of the present without compromising the ability of future generations to meet their own needs”* (Anisul Huq et al., 2014; Dyllick et al., 2002; WCED, 1987).

Implementing a sustainable strategy within the process of selecting international suppliers has inherently become an important aspect of a firm's supply chain management (Carter & Easton, 2011; Rezaei, 2019) not only because the effects of not implementing one are harmful to the

workers within the supply chain but also to the company (Ählström, 2017; Thornton et al., 2013). With that, an overview of the supplier selection process and sustainability follows.

## 1.2 Extant knowledge of supplier selection process and sustainability

### 1.2.1 The supplier selection process

Supplier selection has gain attention in research for over 50 years and is something that has been given emphasised value among business managers in recent times (Rezaei et al., 2014; Viswanadham & Samvedi, 2013). Selecting international suppliers in a GVC has many challenges due to the increasing complexity as a result of the multiple-tier layers, the dependency on and the risk associated with suppliers (Guo et al., 2016; Luo et al., 2009; Soundararajan & Brammer, 2018). One of these risks associated is that of a pandemic (WEF, 2012), which has been evident throughout conducting this thesis due to the spread of the coronavirus disease 2019 (COVID-19) which resulted, for example, in many factories in Asia closing down, creating significant issues within the supply chain (WEF, 2020). As these consequences were ongoing and partially unknown during the time of this study, the impact of the virus on GVC was not the focus. More is written in *Chapter 2* and the limitations in *Chapter 6* concerning how the pandemic impacted this study. Accordingly, the challenges and complexities in combination with the major negative potential effects of not having *good* suppliers, accentuates the pivotal attention needed to be given to the international supplier selection process.

Supplier selection research has mostly focused on the final step of ranking suppliers, neglecting the steps leading up to the final decision (de Boer et al., 2001). However, Igarashi et al. (2013) and Rezaei (2019) have studied the process of selecting suppliers as a whole. Rezaei's (2019) process is characterized by two significant stages, namely the qualification and the evaluation of suppliers, which both are characterized by criteria that suppliers have to meet. On the one hand, the qualification criteria are the basic requirements, or standards, for a supplier to be relevant to a company and enable companies to shorten the list of potential suppliers (Igarashi et al., 2013; Rezaei et al., 2016; Rezaei, 2019). On the other hand, the evaluation criteria are what determine the final selection of supplier by ranking them (ibid). Prior research shows that qualification and evaluation criteria have been mainly concentrated on reducing cost and improving the efficiency of delivery, i.e. *price* and *delivery* (Thornton et al., 2013; Viswanadham & Samvedi, 2013; Vonderembse & Tracey, 1999). Therefore, companies

applying these criteria tend to select suppliers offering low price and lean production as this is what is valued in order to meet the customers' fast-changing demands (ibid). Moreover, since the locations of the suppliers meeting the company's criteria tend to be in low-cost countries, because resources and employment in these countries are cheaper (Bryson, 2007; Viswanadham & Samvedi, 2013), suppliers tend to neglect responsibilities which increases the risks (Guo et al., 2016).

### 1.2.2 The supplier selection process and social sustainability

Sustainability has significantly gained more value among companies and, as a result, their ambition to implement a sustainable strategy in their operations is increasing (Baskaran et al., 2012; Rezaei, 2019). Therefore, some companies are including sustainability related criteria in the supplier selection process (ibid). Sustainability criteria may, therefore, start to take precedence over the more conventional criteria of *price*, *quality*, *delivery*, and *service* in the supplier selection process (ibid). There has been increased attention towards linking the supplier selection process with sustainability and considering all three factors of the triple bottom line, hence not only considering *profit* as this has been the main focus previously, but also the *people*, or social, and *planet*, or environmental, aspects as well (Sarkis & Dhavale, 2015). However, it is clear that the *planet* and *profit* aspects of sustainability are taking precedence over the *people* side in research on sustainable supplier selection (Bai & Sarkis, 2010; Genovese et al., 2013; Rezaei, 2019; Seuring & Müller, 2008).

In relation to the supplier selection process, Genovese et al.'s (2013) research demonstrates that environmental sustainability criteria are considered as qualification criteria but not as evaluation. In other words, companies have certain basic requirements related to environmental sustainability that a supplier must fulfil in order for them to be considered a relevant supplier. However, the final selection of suppliers is based on the conventional criteria as these criteria are still greatly valued by companies when selecting suppliers (ibid). Since the environmental aspect has been considerably investigated in research, compared to the social aspect, some researchers suggest that the terms *sustainability* and *environmental* are being used interchangeably by researchers as well as managers (Carter & Easton, 2011), which can be problematic as it further suggests that the social aspect of sustainability is, to some extent, neglected in both research and business practice.

Moreover, according to the literature review conducted for this study, very limited research from 4\* or 3\* journals from the ABS list of journals has been conducted concerning social

sustainability criteria as qualification or evaluation criteria. Nevertheless, some attention given to the social side of sustainability in supplier selection has emerged recently (Baskaran et al., 2012; Winter & Lasch, 2016). Baskaran et al. (2012) and later Winter and Lasch (2016) suggest criteria that should be taken into account for socially sustainable supplier selection. The social sustainability criteria Winter and Lasch (2016) have found to be the most commonly used (in relation to what Baskaran et al. (2012) found) are: *no child labour, working hours, no forced labour, no discrimination, employment compensation, freedom of association, and health and safety practices* (ibid) and will be the ones applied in this study as these two research has been recently conducted.

### 1.3 Problem discussion

Firstly, sustainability is becoming increasingly significant in research on supplier selection, however, according to the reviewed literature, most research in this area is focused on the economic and environmental aspects of sustainability, and so, the research on the social side is not as developed (Bai & Sarkis, 2010; Genovese et al., 2013; Rezaei, 2019; Seuring & Müller, 2008, Winter & Lasch, 2016). More recently, Rezaei (2019) drew attention to the lack of research investigating the social aspects of sustainability in his chapter of the book “*Handbook on the Sustainable Supply Chain*”. Carter and Easton’s (2011) article “*Sustainable supply chain management: Evolution and future directions*” also concluded the same as Rezaei. For example, this can be seen in Theißen et al.’s (2014) article which focuses solely on the environmental or “green” perspective and many other articles, such as Genovese et al. (2013), Gurel et al. (2015) or Hashemi et al. (2015), also focusing solely on the environmental aspect. It is imperative to lift the attention of social sustainability in supplier selection because it encourages the workers’ rights and wellbeing of the suppliers, which, if neglected, can harm their human rights and the development of living conditions in these countries where the suppliers are located (Ählström, 2017). Additionally, this can be a step towards reaching the vision of the UN’s SDGs, which promote the wellbeing and rights of all humans (UN, n.d.). However, it is also significant because it can harm a business’ brand when scandals concerning these issues occur (Ählström, 2017). With that, there is a necessity for more research on the social aspect of sustainability in supplier selection as sustainability combines the three pillars of the triple bottom line. Therefore, an equal understanding of these three aspects is needed in order to complete research on sustainable supplier selection.

Secondly, contrasting findings in research on sustainability and its influence on the selection of international suppliers have been identified (Genovese et al., 2013; Winter & Lasch, 2016). On the one hand, some research suggests that sustainability criteria are gaining more value among companies as they have shown interest to be socially sustainable and integrated social sustainability into their supplier selection process (Baskaran et al., 2012; Rezaei, 2019, Winter & Lasch, 2016). Consequently, social sustainability criteria can be considered to take precedence over the more conventional criteria of *price, quality, delivery, and service* (ibid). However, on the other hand, other research refutes the above, demonstrating that criteria applied in the process of selecting suppliers still largely fall under conventional (Genovese et al., 2013; Winter & Lasch, 2016). Furthermore, if sustainability criteria are used when selecting international suppliers, they are applied at the qualification but not at the final evaluation of suppliers (Genovese et al., 2013; Winter & Lasch, 2016). Subsequently, this shows an interesting dilemma of how sustainability criteria influence the supplier selection process which could be a result of the lack of studies on the topic.

Moreover, the majority of the research on sustainable supplier selection available is quantitative, focusing on statistical models for selecting the most appropriate supplier (Chan et al., 2008, Chen et al., 2018; Pishchulov et al., 2019). Nonetheless, quantitative research is said to neglect the people perspectives and social institutions from the observed world (Bell et al., 2019). In other words, the majority of the research available neglects the understanding of the company's chain of decisions in the process from qualifying the suppliers to evaluating them (Igarashi et al., 2013; Rezaei et al., 2016; Rezaei, 2019). Therefore, there is a need for more qualitative research to understand the decisions taken within the process of selecting international suppliers and more specifically to identify the influence of social sustainability.

Lastly, an industry that is especially concerned with contributing to global social issues is the fashion industry (Kozlowski et al., 2012). There have been several scandals in connection to large brands, such as Nike or Levi Strauss & Co, for their particularly harmful and controversial social impact among their suppliers (Seuring & Müller, 2008). This is mostly due to the high competitiveness in the fashion industry based on low cost as well as the need to be highly responsive to consumer demand which, as a result, puts significant pressure on suppliers in order to meet the demand and produce at extremely low cost (Muthu, 2015). Therefore, it is assumed that fashion companies should be at the forefront of acknowledging the need to take social issues into account (ibid), which makes this industry particularly significant to study in regard to social sustainability.

With that, more research is needed on the influence of social sustainability criteria on a company's process of selecting international supplier within the fashion industry. More specifically, on the qualification and evaluation criteria through a qualitative research to develop the current theory. Moreover, since the fashion industry is known to neglect social issues, this study focuses on fashion companies.

## 1.4 Research question

Based on the problem discussion above, the following research question has been formulated:

*How do social sustainability criteria influence a company's process of selecting international suppliers in the fashion industry?*

## 1.5 Purpose of the study

The purpose of the study is to gain a deeper understanding of the influence of social sustainability criteria on a company's process of selecting international suppliers, in terms of qualification and evaluation, within the fashion industry.

The authors highlight that the purpose of this study is not to do any form of assessment whether the interviewed companies are socially sustainable or not, merely focusing on the influence of social sustainability criteria on their process.

## 1.6 Delimitations

This thesis is delimited by four factors. Firstly, this study is delimited to Swedish fashion companies. Secondly, the social side of sustainability is the main focus of this research, thus the environmental and economic sides are not discussed. Although the authors want to point out that the aim is not to suggest that companies should only focus on the social side, nonetheless in terms of academic research, more is needed on the social aspect. Thirdly, a company's perspective is taken, meaning that the supplier's point of view is not taken. Lastly, the process of selecting suppliers regards only tier 1 suppliers, hence omitting tier 2 and 3.

## 1.7 Thesis outline

This thesis contains six chapters, followed by a reference list and appendices. A description of each chapter is presented below:

*Introduction* - The introduction chapter includes a background on the topic, extant knowledge of supplier selection process and sustainability, problem discussion, research question, purpose, the delimitations of this study and, finally, the thesis outline.

*Methodology* - The methodology chapter outlines the research approach, research design, data collection and data analytical process, quality of the research and the ethical considerations of this study.

*Theoretical framework* - The theoretical framework chapter gives a review of the existing literature within the two main research areas of this study, i.e. supplier selection and sustainable supplier selection. Following, the conceptual framework is presented.

*Empirical findings* - The empirical findings chapter presents the findings from the interviews, where each company is briefly introduced, followed by an outline of the company's current suppliers, their supplier selection process and the main takeaways from each company interview. The chapter ends with a summary of all companies' supplier selection process, a classification of the companies and the unexpected findings.

*Analysis* - The analysis chapter analyses the empirical findings with reference to the theory and the authors' interpretations. Each sub-section of the analysis produces a theoretical proposition, resulting in a total of five. Finally, these propositions are visualised by developing the conceptual framework.

*Conclusion* - The final chapter of this thesis presents the conclusions derived from the findings in the analysis to answer the research question, followed by the implications for practice, the study's limitations and suggestions for future research.



## 2. Methodology

*The methodology chapter aims to outline and motivate the choice of methodology used in this thesis. Firstly, the authors introduce the reason behind the chosen research approach and design. Then, the multiple case study approach and selection of the case companies are outlined. Additionally, a discussion of the data collection and data analysis process are presented. Finally, the research quality and ethical considerations are set forth.*

### 2.1 Research approach

#### 2.1.1 Qualitative research

The purpose of this thesis is to gain a deeper understanding of the influence of social sustainability criteria on a company's process of selecting international suppliers, making a qualitative research approach deemed to be the most appropriate approach to shed light on this topic. Qualitative research approach is inherently exploratory and aims to explain phenomena poorly discussed by focusing on words gathered either during interviews or observation, compared to quantitative research mainly relying on numbers (Bell et al., 2019). This study's research question starts by *how*, which, according to Eriksson and Kovalainen (2008), suggests that a qualitative approach is usually most appropriate, since the research approach depends on the aim of the study and the type of research question. In order to be able to answer this study's research question, a descriptive analysis on *how* social sustainability criteria influence fashion companies' process of selecting international suppliers is needed through an emphasis on words, rather than on numbers. For these reasons, a qualitative approach was chosen.

Moreover, the current research available on the topic of supplier selection is to a large extent done through a quantitative approach, and although the quantitative research currently available is significant and valuable, quantitative research, in general, tends to neglect the people and social institutions from the observed world (Bell et al., 2019). Since this study's purpose is to gain knowledge of the whole process of selecting international suppliers and not only the final ranking of suppliers, interviewing people working in the management of this process, from a company's perspective, is most suitable. Furthermore, by taking a qualitative approach, we have been able to identify three unexpected findings which would, most likely, not have been noticed with a quantitative approach, as these findings regard social interactions.

### 2.1.2 Abductive research

This study is inspired by an abductive research approach, which is a combination of a deductive and inductive approach (Bell et al., 2019). The aim of this study is not to only test the theory through the empirical findings of this study, but also to use the empirical findings to add new lights to develop potential new theory in relation to the identified literature gap in *section 1.3*. We started by reviewing peer-reviewed literature on *Sustainable Supply Chain Management* (SSCM) and *International Business* (IB), mainly from articles published in journals ranked 4\* and 3\* from the ABS list of journals, and searched for keywords and phrases such as “*selecting international suppliers*”, “*supplier selection process*” and “*socially sustainable supply chain*”. After reviewing the literature, we developed a conceptual framework (*section 3.3*). The conceptual framework was used to critically reflect and analyse the empirical findings from the interviews.

Furthermore, we also found that some companies had *internal* social sustainability criteria while others also had *external* ones, which was not originally underlined in our theoretical chapter. Therefore, it was pertinent to add this distinction between *internal* and *external* social sustainability criteria in our theoretical framework to better understand these criteria. Even though this study is more grounded on a deductive approach, as most of our theoretical chapter is based on the theory we have reviewed when starting this study, we still moved back-and-forth between the empirical findings and the theory, by adding additional theory in light of what the findings showed. Therefore, the research approach was not solely deductive but also had inductive character, making the chosen approach to be inspired by an abductive research approach (Mantere & Ketokivi, 2013).

## 2.2 Research design

### 2.2.1 Multiple case study

This study utilises a multiple case study based on Saunders et al.’s (2016) definition of a case study as a “*research strategy that involves the empirical investigation of a particular contemporary phenomenon within its real-life context, using multiple sources of evidence*” (Sauder et al., 2016: 666). Since this thesis aims to examine *how* social sustainability criteria influence the process of supplier selection, and as Yin (2014) stresses, a case study is especially relevant when the research question is aiming at explaining the *in-depth* contemporary social

phenomena in their real-world context, the case study research design is deemed to be most suitable for this thesis.

The case study research design can either be done by investigating one or multiple cases (Yin, 2014). The reasons for performing a multiple case study are many folds, one being that by looking at not only one but several cases, the authors can find unique patterns, familiarities or differentiations among cases, namely doing a cross-case analysis (Eisenhardt, 1989). Additionally, each supplementary case not only strengthens the findings, but also encourages the authors to further reflect on their findings (ibid). As a result, there is a richer empirical description of the phenomenon that is studied, hence strengthening the quality of the research and maximizing the generalizability (Yin, 2013). In accordance with the above, following a multiple case study methodology is considered to be most appropriate for this study. For that reason, our primary data comes from interviews with employees of nine Swedish companies in the fashion industry. Additional information about the interviewed case companies was taken from secondary data from, for example, the companies' websites and published reports.

One limitation of conducting a case study is that it may tend to limit to descriptions of the observed case (Dubois & Gadde, 2002). Therefore, Dubois and Gadde (2002) propose to have a particular understanding of the theory in order to have an explanatory perspective on the cases and not solely descriptive or being influenced by the subjectivity of the researchers. One additional disadvantage of conducting a multiple case study is that the authors were not able to perform numeric generalisation, or from sample to the population, since larger studies and/or quantitative measurements may be needed to do this (Yin, 2013). However, this is not the purpose of this study, since it is to gain a deeper understanding on the topic and gain new insights, thus making analytical generalisations and creating theoretical propositions most relevant, which is done in this thesis (more about analytical generalisation in *section 2.5.2*).

### 2.2.2 Triangulation

When doing a multiple case study, there is a lower chance of ending with biased findings since the findings are not based on one source of data but several (Yin, 2014). However, as emphasised by Yin (2014) and Saunders et al. (2016) triangulating the data is essential, meaning that the findings rely on more than one data collection procedure (ibid). In this case, the study is largely based on the company's process of supplier selection, which is difficult to triangulate with other sources of data as it is an internal process. One potential way of triangulating our data would be to also study the suppliers' perspective, nonetheless, this was

out of the scope of this study due to the limited time frame. Therefore, in order to triangulate the findings to the best of the authors' abilities considering the scope of this study, we looked at the companies' websites, sustainability reports and the main documents that companies are communicating (documentary secondary data) in order to understand the companies' context, supplier selection process and check if what was said during the interviews (primary data) was congruent with what was presented in these reports. Therefore, using both primary and secondary data. However, some companies share relatively little information, and we are aware that the companies' published content may be biased. As a result, we had to primarily trust what the interviewees said during the interviews.

## 2.3 Data collection process

### 2.3.1 Pre-study interview

To gain deeper insight on the topic of social sustainability and selection of international suppliers in the fashion industry, we conducted a pre-study interview with Dorothee Sarah Spehar, a freelance fashion and sustainability consultant with a degree in Sustainable Supply Chain. She has worked with brands aiming to implement a sustainability strategy into their business such as in their supplier selection. She was responsible for a panel discussion on what the fashion industry can learn from Scandinavian brands about sustainability. Details about the interview are shown in *Table 1*. Since this pre-study interview's aim was to give us an introduction on the topic, this interview was not used in the empirical findings or as a basis for the analysis.

Table 1: Consultant interview.

Name	Position	Location	Date	Type of interview	Interview length
Dorothee Sarah Spehar	Freelance Fashion & Sustainability consultant	Gothenburg - Berlin	05/03/2020	Skype	60 min

### 2.3.2 Selecting the case companies

We have solely focused the multiple case study on Swedish fashion companies. Scandinavian countries have been said to be leaders when it comes to implementing sustainable strategies, whether it is politically, economically but also within corporations and not the least within

Scandinavian fashion companies (Strand et al., 2015; Tillväxtverket, 2016). With that, many Scandinavian fashion brands have implemented a sustainable perspective within their business strategy and are considered role models to brands in other countries (Tillväxtverket, 2016). Therefore, since Scandinavian fashion brands can be assumed to be at the forefront of working actively with sustainability (ibid), it is of particular interest to gain an understanding of how these companies work in terms of socially sustainable supplier selection.

In order to collect the empirical data, the case companies, or units of investigation, had to be selected (Dubois & Gabbe, 2002). When selecting the cases, the sampling technique used was judgement sampling, also referred to as purposive sampling, which entails “*deliberate choice of a participant due to the qualities the participant possesses*” (Etikan et al., 2016: 2). In other words, the companies had to have three characteristics to be relevant for this study. Firstly, the company had to be Swedish, meaning that the company was founded in Sweden and the brand’s HQ remained in Sweden at the time of the interview. Secondly, the company had to work with social sustainability, in order to see how it influences the supplier selection process. Since “*working with social sustainability*” can be considered rather vague and difficult to define, we limited to companies that published sustainability reports or had a dedicated page on their webpage about either *sustainability*, *responsibility* or *CSR*. Thirdly, the companies had to work with selecting suppliers outside of Sweden.

However, purposive sampling, which is a non-random sampling technique, comes with some disadvantages, compared to random sampling techniques, and bias factors may occur (Dubois & Gabbe, 2002). Consequently, non-random sampling cannot be generalised to the same extent as that of random sampling (ibid). Moreover, in non-random sampling techniques, the external validity can be questioned (Bell et al, 2019). Nevertheless, for the nature of this research, purposive sampling was the most suitable as it led the relevant companies to provide the empirics which enabled us to answer the research question. Additionally, it is significant to note that as a result of the COVID-19 pandemic, a number of companies which had expressed interest in taking part of this study declined as they were unable to prioritise this thesis. With that, it was difficult to find companies which could take their place as many were in the same situation.

### 2.3.3 Interview and question design

Since the interview is one of the most appropriate methods when conducting a qualitative research, the primary data for this study have been collected from interviews with employees

working for Swedish fashion companies (Bell et al., 2019). As this research is based on a multiple case study it is preferable to have a structure when conducting the interview as they allowed the researchers to compare the cases (ibid). However, there was also a need for some freedom to ask additional questions not included in the interview guide in order to follow up on what the interview was saying. Therefore, this study followed the method of semi-structured interviews as it allowed us to ask similar questions to all companies to answer this study's research question, but also to have the opportunity to open the discussion to what the interviewees were saying. Hence, learning more about their specific practices and understanding the relationships in the process (Saunders et al., 2016). For example, the three new findings of this study would, potentially, not have been found if the interviews were solely structured.

We have created an interview guide (*Appendix A*) which includes our questions divided into four main sections, i.e. *sustainability, supplier selection, supplier selection process and the influence of social sustainability on their process of selecting suppliers*. All questions in the interview guide aimed to gather answers useful for answering our research question and were all based on the theory we have reviewed in our theoretical framework (*section 3*). Additionally, we included this study's definitions of sustainability as well as social sustainability in order to ensure the interviewees understanding of these two terms accordingly to our study. The purpose of the thesis as well as our research question were also included.

The interview guide was sent to the interviewees a few days prior to the interviews for the participants to ensure they were working with the themes of our questions in order to answer them. In one case, Company A, we noticed during the interview that the interviewee was making assumptions related to some questions. Therefore, in order to ensure that the answers reflected how the company's process was and not based on assumptions, these specific questions were sent to the relevant person who was able to answer them. In this case, the Head of Product answered the questions by email. Even though we ensured all interviewees had knowledge of our main theoretical themes, if this study was to be reconducted, we believe that being able to interview both the sustainability manager and the supply chain managers of all companies, would have been beneficial. This, in order to gather potentially more detailed information about the process of selecting international suppliers and the influence of social sustainability on this process.

After asking for permission to record the interviews, we recorded all interviews and transcribed them. The interviewees were given the opportunity to either read the transcript of the interview or our empirical findings section (*Chapter 4*) in order for them to correct any misunderstandings. Since the latter was preferred by all companies, we sent the empirical findings section related to each company. A few of the companies had minor clarifications such as their exact position title or the number of employees in the company, nonetheless, none had a major influence on the analysis, or the conclusions drawn in this thesis.

The aim was to conduct the interviews face-to-face since it is the most accurate way of gathering information, enabling us to pick up on details, see facial expressions of participants and ask for clarification when needed (Bell et al., 2019). However, as a result of the COVID-19 pandemic that occurred during the time of this thesis, we were unable to conduct face-to-face interviews, except for one (Lindex AB). Most companies decided to limit in-person meetings to take more precautions and, later, we were also asked by our supervisor not to conduct any face-to-face in accordance with the University of Gothenburg's restrictions. Thus, we cancelled our originally planned trip to Stockholm and the planned face-to-face interviews were rescheduled to video call interviews. Moreover, some interviews, such as Sandqvist Bags and Items AB and Indiska AB, were shortened as the interviewees were particularly occupied dealing with the crisis. The interview with Fenix Outdoor sustainability manager was originally planned to be done through video call since the manager was located in Germany and the authors unable to travel outside of Sweden due to time and resource constraints. Evidently, having the originally planned face-to-face interviews would have been more valuable than video call interviews, nevertheless due to the circumstances out of the authors' hands, there was nothing that could have been done. However, as Bell et al. (2019) mention, even though non-face-to-face interviews are less "*naturalistic*", with the increasing use of technology, video call interviews are becoming more normal regarding interacting with participants and, therefore, are commonly used in qualitative research.

#### 2.3.4 Company interviews

*Table 2* below shows the conducted interviews with each company, presenting the person who was interviewed, their position within the company, the location, the date, the type of interview, as well as the length of the interview. It is important to note that even though all companies selected have some content about sustainability either on their website or on their sustainability report, it does not necessarily mean that a company had a dedicated department or person

working solely with social sustainability and the supplier selection process. Since this study centres on the influence of social sustainability criteria on a company's process of selecting international suppliers, the interviews have taken place with people in the companies who knew the supplier selection processes of the company and how they work with social sustainability. The title of the person under whom had the knowledge varies between different companies, which is why there are a variety of positions of the interviewee, i.e. CEO, Sustainability Manager, Social Compliance Manager or Sustainability Project Leader.

Table 2: Company interviews.

<b>Company</b>	<b>Name</b>	<b>Position</b>	<b>Location</b>	<b>Date</b>	<b>Type of interview</b>	<b>Interview length</b>
<b>Lindex AB</b>	Ingrid Porss	Social Compliance Manager	Gothenburg	11/3/2020	Face-to-face	60 min
<b>Swedish Eco</b>	Erik Vismer	CEO	Gothenburg - Stockholm	17/3/2020	Skype	60 min
<b>Company A</b>	Anonymous	Sustainability Project Leader	Gothenburg - Stockholm	17/3/2020	Skype	35 min
<b>Dedicated Brand AB</b>	Johan Graffner	CEO	Gothenburg - Stockholm	17/3/2020	Skype	60 min
<b>Sandqvist Bags and Items AB</b>	Henrik Lindholm	Sustainability Manager	Gothenburg - Stockholm	18/3/2020	Skype	50 min
<b>Nudie Jeans AB</b>	Sandya Lang	Sustainability Manager	Gothenburg	19/3/2020	Skype	60 min
<b>Company B</b>	Anonymous	Sustainability Manager	Gothenburg - Stockholm	24/3/2020	Skype	60 min
<b>Fenix Outdoor International AG</b>	Saskia Bloch	Senior Sustainability Manager Supply Chain, Social Compliance	Gothenburg - Hamburg	24/3/2020	Skype	60 min
<b>Indiska AB</b>	Mona Lindskog	Quality & Sustainability Manager	Gothenburg - Stockholm	26/3/2020	Skype	30 min



### 2.3.5 Sustainability reports and other documentation

The documentary secondary data gathered for this study come from sustainability reports, websites and other published documents of each of the case companies. The secondary data were carefully read in order to enhance our knowledge of the companies and focus our interview questions on our main research topic. This allowed us to know which questions could be asked for more detail and how the interview could be steered. It was of particular interest when the companies published the location of their suppliers, which was the case for Sandqvist Bags and Items AB or Nudie Jeans AB. Additionally, this was used to ensure what the interviewees were saying in the interview was in accordance with what was published as a form of triangulation, as discussed in *section 2.2.2*. Scott (1990) suggest four criteria, namely *authenticity*, *credibility*, *representativeness* and *meaning* to assess the quality of documents. These criteria have been applied to all documents read for this study in order to reduce the bias related to the published documents. However, even if these criteria were met, we were aware that companies' published documents might show a biased positive image of the company since they publish these themselves (which might question the *authenticity* and the *credibility* of the document). Nonetheless, as mentioned, the analysis was not based on these documents, but rather used to check the consistency of the interviews in regard to the published documents.

## 2.4 Data analytical process

The data analytical process started with how the empirical findings of this study were presented as this lays the grounds for the analysis. The empirical findings are presented per each company in three different sections, i.e. an overview of their current suppliers, their supplier selection process and the main takeaways. Each supplier selection process section ends with a summarised table for the specific company that shows what the company has as qualification and evaluation criteria and if these criteria are conventional, social or other. Concerning the four conventional criteria (*price*, *quality*, *delivery* and *service*), we categorised the company's criteria into one of these four depending on the conventional criteria's sub-criteria (*Table 4* in *section 3.1.2*). For example, *willingness to share information* or *management system* are sub-criteria that fall under *service*. In regard to social sustainability criteria, we categorised the company's criteria into the chosen social sustainability criteria definition if they fell under these criteria (*Table 5* and *Table 6* in *section 3.2.3*). For example, *minimum wage* falls under the criteria of *employment compensation*. If the company had additional social sustainability criteria that did not fall under the criteria from *Table 5* and *Table 6*, these were bolded. *Other*

*criteria* are criteria not belonging to the conventional criteria, social sustainability criteria chosen in the conceptual framework, neither environmental sustainability criteria (as environmental is not part of this study's scope). For more detail on this part of the data analytical process, the categorization of all the companies' criteria into the conventional and social sustainability criteria used in this study is presented in *Appendix B*.

The main takeaways for each company are based on comments that stood out to the authors, the interviewee emphasised, seemed to be unique to the company, or unexpected and not suggested by the reviewed theory. These main takeaways are the basis for some of these new insights. At the end of the empirical findings, a summary of the companies supplier selection processes is shown (*Table 17*) to then be able to group the companies (*Table 18*) based on if they have social sustainability as only qualification criteria or as both qualification and evaluation criteria (there were no companies that only had it as evaluation criteria, nor companies that did not have it as either of the two types of criteria). A summary of unexpected findings was also shown at the end of the empirical findings (*Table 19*). By grouping the companies as described above, it allowed us to perform within-case and cross-case analysis on the companies. By conducting within-case analysis we have been able to look at the unique patterns and familiarities in each case conducted, while cross-case analysis has enabled us to find similarities and differences among cases with reference to the theory, the findings and the authors' interpretations.

The analysis is divided into two sections, i.e. qualification and evaluation criteria (*section 5.1*) and *additional findings* (*section 5.2*). Additionally, the qualification and evaluation criteria section is further divided into three sub-sections: conventional criteria (*section 5.1.1*), social sustainability criteria (*section 5.1.2*) and other criterion (*section 5.1.3*), as these are the three types of criteria shown in the empirical findings. It enabled us to do a thorough analysis of how each type of criteria related to the influence of social sustainability on the supplier selection process. Furthermore, the *additional findings* (*section 5.2*) is divided into two sub-sections: establishing the relationship at an earlier stage (*section 5.2.1*) and the role of the network (*section 5.2.2*), as these were two prominent unexpected findings from the empirical findings. It allowed us to perform an analysis of these aspects. Nevertheless, the theory was not used as much in the second part of the analysis since the findings were not inclusive in what the reviewed theory had shown. At the end of each sub-section, we have formulated a theoretical proposition based on the performed analysis, or in other words analytical generalisation (*section 2.5.2*). Thus, we were able to produce five theoretical propositions (*PI*,

$P2, \dots, P5$ ), which were added to the conceptual framework to develop our conceptual framework (section 5). In order to further generalise the presented theoretical propositions, further research, in terms of larger studies and quantitative measurements, is needed. Table 3 below, highlights each step of the data analytical process.

Table 3: Data analytical process.

<ol style="list-style-type: none"> <li>1. Present the empirical findings per company in three sections: current suppliers, supplier selection process and main takeaways.             <ol style="list-style-type: none"> <li>a. At the end of the supplier selection process's section, the authors summarised the companies' qualification and evaluation criteria by categorizing the companies' criteria into conventional, social or other.</li> </ol> </li> </ol>
<ol style="list-style-type: none"> <li>2. End empirical findings with a compiled summary of all companies' criteria, a grouping of the companies based on whether they apply social sustainability as qualification and/or evaluation criteria, and a summary of unexpected findings.</li> </ol>
<ol style="list-style-type: none"> <li>3. Use the company groups as a guide to perform within-case and cross-case analysis to find similarities and differences between the companies.</li> </ol>
<ol style="list-style-type: none"> <li>4. Perform analysis of the three types of qualification and evaluation criteria divided (conventional, social sustainability and other) with reference to the theory, the findings and the authors' interpretations.</li> </ol>
<ol style="list-style-type: none"> <li>5. Perform analysis on the two additional and unexpected findings, mostly based on findings and authors interpretations and partly on theory</li> </ol>
<ol style="list-style-type: none"> <li>6. Create theoretical propositions for each sub-section of the performed analysis based on analytical generalisation.</li> </ol>
<ol style="list-style-type: none"> <li>7. Add the five theoretical propositions to develop the conceptual framework to visualise the propositions in relation to the supplier selection process.</li> </ol>
<ol style="list-style-type: none"> <li>8. Suggest further research, in terms of larger studies and quantitative measurements, with these theoretical propositions as hypotheses, in order to be able to further generalise the presented theoretical propositions.</li> </ol>

## 2.5 Quality of research

There are several criteria for assessing the quality of a research as it is crucial for a research to follow a logic and being of good quality (Bell et al., 2019; Vetenskapsrådet, 2017). As written above, qualitative research is delimited and criticised by several factors such as being influenced by subjective from the researcher and difficult to generalise. In order to have a research of quality, two main factors are imperative to acknowledge, i.e. *reliability* and *validity* (ibid). These two factors are the main criteria used for assessing the trustworthiness and authenticity of this research (ibid).

### 2.5.1 Reliability

Reliability relates to the consistency and the repeatability of the study's procedure, which entails that if other researchers conduct the same research and follow the same procedure, their findings and conclusions should be similar (Yin, 2014). The objective of reliability is to decrease the errors and biases that could occur when conducting research (ibid). In order to conduct this study as reliably as possible, we used the same interview guide for all companies' interviews. By doing so, similarities and differences among companies could easily be pointed out to be able to perform the cross-case analysis. All interviews were recorded with the interviewees' consent in order for us to listen to the interviews as many times as need in order to properly and thoroughly understand what the participants communicated. Yin (2014) emphasised the importance of documenting all steps in the research in order for anyone to follow the same procedure. *Section 2.3* and *2.4* explicitly state all steps in this study's procedure to enhance the reliability of this study.

Even though we have been cautious about not having biases in this study, removing all biases in a study is difficult (Bell et al., 2019). This study's findings and theoretical propositions could be biased by two types of participant bias (Saunders et al., 2016). Firstly, this study assumes that the manager's answers represent the company's perspective. Related to this factor, the manager's personal ethical considerations regarding sustainability might have had an impact on their answers. In other words, if the interviewee has a particular, personal concern toward sustainability, the answers might be biased by their personal concerns. Secondly, some interviewees could also be better at "selling" their sustainability strategy compared to others and also not wanting the company to be perceived as unsustainable since this could harm their brand. We assume that how many years they have been working for the company and the resources invested in marketing the sustainability work of the company may have influenced the interviewees' answers. For example, Ingrid has been working for more than 20 years at Lindex AB, compared to the interviewee from Company B, who started working there five years ago. Therefore, Ingrid might know how to better speak about Lindex's social sustainability ambitions, compared to the interviewee at Company B. With that, this bias may have influenced the answers from the interviewees. However, this was difficult to limit. We offered the interviewees to be anonymous, in case they felt that their answers might harm the company's brand. Furthermore, we took considered this during the analysis by attempting to triangulate the answers, which is described in *section 2.2.2*.

## 2.5.2 Validity

Bell et al. (2019) define validity as being “concerned with the integrity of the conclusions that are generated from a piece of research” (Bell et al., 2019: 42). Yin (2014) pointed out three tests when looking at the validity of a research namely: *construct*, *internal* and *external* validity. The first, *construct validity*, refers to identifying the appropriate measures used in the research and to make sure the most important concepts are defined. One way to overcome this is to have multiple sources of evidence, which has been done for this study by collecting data from nine Swedish fashion companies. The second, *internal validity*, relates to the relationship between what the researchers have observed, and the theory used (Bell et al., 2019). Namely, making sure that causal relationships are clearly explained, and no factors are omitted (Yin, 2014). Bell et al. (2019) stress the importance of conducting respondent validation, which entails that the authors of the study ensure that all interviewees have approved what they have said. This was done by sending the empirical findings section of this thesis, so the interviewees could add any clarification to what was presented in this section. Triangulation is also relevant to strengthen the internal validity which is explained in *section 2.2.2*. Thirdly, *external validity* entails the generalisation of the findings to other situations that were not part of the study (Yin, 2014). One way to increase the chance of being able to generalise the findings is to include as many details as possible to establish *thick description* and also to clearly define the boundaries of the study (Bell et al., 2019). We have included as many details regarding the cases in order to be as relevant as possible. With that, we were able to create five theoretical propositions based on the insights gained from this qualitative multiple case study with reference to Yin’s (2013) perspective on analytical generalisation, as this is most suitable for findings from case studies. The propositions created are not aimed to be numerically generalisable, or from “sample-to-population” (Yin, 2013: 325), as it is not applicable with case studies like the one performed in this study. However, instead are said to be generalisable analytically. In order to make these propositions generalisable for the population, larger studies and quantitative measurements are required, which is recommended for further research in the conclusion (*Chapter 6*).

## 2.6 Ethical considerations

We have conducted the entire study following ethical considerations without being externally influenced or manipulated. This study has not been written for any stakeholders’ or companies’ interest and follows a strictly academic purpose. Since interviews are the most relevant source

of empirical data, the research relies heavily on trust from the people interviewed (Vetenskapsrådet, 2017). We created an interview consent form (*see Appendix C*) with the intended possible uses of the study as well as the risks as proposed by Farquhar (2012). All interviewees were also informed that it was a semi-structured interview so that the interview questions were not written in stone and could be changed, and other questions could be added depending on the nature of the interview. All interviewees participated voluntarily and were given the opportunity to remain anonymous (Eriksson & Kovalainen, 2008; Farquhar, 2012). As written earlier, by sending our empirical findings section (only the part that relates to the concerned company) to all companies in order for them to verify and notify us with any misunderstanding, we ensured that companies agreed with what is written in the empirical findings. By doing so, we ensured we correctly interpreted what participants said and allowed them to comment if needed. We have also made sure that the study was not harming any participants in any way (Farquhar, 2012).

### 3. Theoretical framework

*The theoretical framework gives a review of the existing literature within the two main research areas of this study, i.e. supplier selection and sustainable supplier selection. The section regarding supplier selection introduces the main literature related to the supplier selection. Following, the sustainable supplier selection is narrowed down to focus on social sustainability. Lastly, the conceptual framework is presented.*

#### 3.1 Supplier selection

##### 3.1.1 Background

Previously called *vendor selection* (Dickson, 1966; Weber et al., 1991), supplier selection has been the focus of numerous studies due to its great importance on the overall firms' performance (Ho et al., 2010). Supplier selection is part of supply chain management and is considered as one of the most important tasks since *"a company can only perform as well as it is allowed by its suppliers"* (Rezaei et al., 2014). Therefore, it has a crucial impact on the economic performance of a firm with a long-term effect (Rezaei, 2019). There are several definitions given for the supplier selection. The one taken for this study is one of the most recent, defining supplier selection as a *"process by which suppliers are reviewed, evaluated, and chosen to become part of the company's supply chain"* (Rezaei, 2019: 140).

Luo et al. (2009) stressed out three main reasons explaining the significance of supplier selection for corporations. The first is that firms are increasingly orienting their spending on outsourcing either their goods or services which has a significant impact on the reliance of the supplier's efficiency (ibid). The second relates to the number of suppliers a firm relies on since lately, there has been a tendency from firms to prefer having fewer suppliers in order to reach higher reliability (ibid). This has later been shown by Ho et al. (2010). The third reason regards the importance of the relationship between buyer-suppliers (Luo et al., 2009). Firms prefer to have closer relationships with their suppliers in order to have better control over their supply chain (ibid). The significance of the supplier-buyer relationship has been studied thoroughly especially in regard to determinants of trust (Dyer & Chu, 2010; Xie et al., 2010). Having mutual trust is a significant part of the supplier-buyer relationship and is said to be created through a process of exchange including socialised interaction and having an open information exchange (ibid).

Even though supplier selection is defined as a process by Rezaei (2019), the focus of most studies has been on the final selection of suppliers using different criteria and approaches to rank the suppliers, most of them taking a quantitative approach (de Boer et al., 2001). When it comes to quantitative approaches, two methods have been identified from the literature review, namely *individual* and *integrated* approaches (Ho et al., 2010). After conducting a study on 78 journal articles from 2000 to 2008, Ho et al. (2010) found individual approaches to be more regularly applied compared to integrated, despite the latter considered more accurate to select the most suitable supplier (Govindan et al., 2018; Weber et al. 1991). Individual approaches rely on mathematics, statistics or artificial intelligence. In other words, on a single technique, while integrated approaches rely on multiple techniques (Ho et al., 2010). Since this study follows a qualitative approach to supplier selection, the literature review on quantitative approaches to select suppliers is not further developed. For an extensive literature review on the supplier selection and evaluation regarding quantitative approaches refer to de Boer et al., (2001); Ho et al., (2014) and Weber et al. (1991).

### 3.1.2 Conventional criteria for selecting international suppliers

The criteria applied during the selection of international suppliers have a particular significance in the supplier selection and have been largely studied (e.g. Dickson, 1966; Ho et al., 2010; Verma & Pullman, 1998; Weber et al., 1991). This section focuses on the criteria that are traditionally used in the process of selecting suppliers, which in this study are referred to as *conventional* criteria. The conventional criteria discussed are not dependent on a certain industry.

Dickson (1966) is one of the first researchers to study the criteria applied by companies when selecting suppliers by conducting a survey on purchasing managers. He concluded that 23 criteria are primarily applied, where the three most important were *quality*, *delivery*, and *performance history*, while *price* was ranked six (ibid). Dickson (1966) also emphasised that the kind of product or items sourced by the company from the suppliers will influence the importance of the criteria. Later, Weber et al. (1991) reviewed 74 articles, published between 1967 and 1990, and found that *price* ranked first in most of the reviewed articles, followed by *delivery* and *quality*. Among other studies such as Ho et al. (2010), or Verma and Pullman (1998), Baskaran et al. (2012) have reviewed several articles and found that *price*, *quality*, *delivery* and *service* are the most widely used criteria. *Service* is a more recent criterion that has been less mentioned compared to the other ones (Baskaran et al., 2012). In addition to these



criteria, the *geographical location* criterion has been considered mostly due to the increasing concerns toward Just-in-Time supply chain management (Weber et al., 1991). However, due to globalization facilitating fast delivery worldwide, this criterion is no longer crucial for a company, mostly because it related to having suppliers closer to the warehouse (Rezaei et al., 2016). Due to this reduced significance, the *location* criterion will not be used as a conventional criterion in this study.

Since Baskaran et al. (2012) offer a rather recent literature review covering a multitude of papers concluding that *price*, *quality*, *delivery* and *service* are the most important criteria for companies, in this order of importance, these criteria will be the ones considered in this study as the conventional criteria. However, the importance of *price* over *quality* has been widely discussed and different researchers have come to various conclusions, which highlights the complexity of these criteria, but also the significance for research on them. Hence, Ho et al. (2010) found that *price* is not the utmost important criterion, just as Dickson (1966) had already found, but rather that *quality* is more significant. Thus, this contradicts Baskaran et al.'s (2012) where *price* is the most important criterion.

The four conventional criteria, as well as their sub-criteria, are presented in *Table 4* below, in reference to Chan and Chan (2010) and Ho et al. (2010) most relevant sub-criteria.

Table 4: The four most important conventional criteria.

<b>Criteria</b>	<b>Sub-criteria</b>
<b>Price</b>	Logistics cost, total cost of shipments, value-added cost, competitiveness of cost, material price, product price, manufacturing cost, cost reduction effort.
<b>Quality</b>	Commitment to quality, compliance with the quality expected from the company, continuous improvement or inspection and control, supplier's skills, low defect rate, quality data and reporting, rejection from customers.
<b>Delivery</b>	Accuracy of delivery, lead time, reliability, on-time delivery, delivery conditions, compliance with due date, delivery delays, delivery efficiency, delivery lead time, sample delivery time.
<b>Service</b>	Organisational culture and strategy, financial situation, technology used, supplier's strategic commitment to the buyer, supplier's willingness to share information, transparency, management system such as no sub-contractors.

Source: Baskaran et al. (2012), Chan & Chan (2010), Ho et al. (2010).

### 3.1.3 The process of selecting suppliers

As written above, even though supplier selection is defined as a process, according to, for example, Rezaei (2019), only a few studies (e.g. de Boer et al., 2001; Igarashi et al., 2013) have

considered the supplier selection as a process and rather focused on the final step of selecting international suppliers. Igarashi et al. (2013) combined what previously Cousins et al. (2008), de Boer et al. (2001) and Weele (2010) have considered as the process of selecting suppliers and added their own findings to form a process showing six main steps. The first step entails identifying the needs for a new supplier in relation to the company's strategy (ibid). At the second step, the criteria are formulated by the company in relation to their needs and, in accordance with these first criteria, a call for tenders is sent to potential suppliers. The last three steps regard the qualification, final selection and the evaluation of suppliers which may be done through several rounds (ibid) (see *Appendix D1* for visual). By having six different steps for the supplier selection process, Igarashi et al. (2013) not only show that supplier selection is a series of interrelated decisions but also that there is a pre-selection as well as a final selection that are significant when selecting a supplier. However, the process is only briefly described and the three last steps, i.e. the qualification, final selection and evaluation, are hardly discussed in Igarashi et al.'s (2013) study, meaning that it is unknown more precisely what each step entails and especially what influences each step.

More recently, Rezaei et al. (2016) have also highlighted the importance of looking at the supplier selection as a process combining several steps rather than focusing only on the final selection. By also emphasizing the pre-selection of suppliers, companies reduce the risk to have an unqualified supplier at the final selection and lower the time, energy, and money spent when collecting information regarding suppliers (Rezaei et al., 2016). Rezaei (2019) continued his research on the process of supplier selection by writing a chapter in *The Handbook on the Sustainable Supply Chain*. He outlined eight steps (see *Appendix D2* for visual) that supplement what Igarashi et al. (2013) found previously. The first step consists of reviewing the sourcing strategy of the company, the material or product specification as well as the current suppliers (Rezaei, 2019). At this stage, the company might decide to replace the current suppliers with new ones and, therefore, needs to look at its current suppliers which explains why the last step of the process is connected with the first one (ibid). The next step entails identifying potential suppliers. The list of potential suppliers may be extensive and, therefore, certain criteria referred to as qualification criteria, are applied to shorten the number of potential suppliers which corresponds to the third step in Rezaei's (2019) process. Thereafter, a list of evaluation criteria is made to rank the qualified suppliers and find the most suitable one (ibid). The last two steps regard the relationship between the supplier and the buyer which has been emphasised by Luo et al. (2009) earlier to be one of the three reasons why supplier selection is

crucial for companies. Rezaei (2019) points out the importance of not only having a strong and reliable relationship but also an efficient way to manage the suppliers in the case the company is supplying from several suppliers. de Boer et al. (2001) also made a clear distinction between the pre-selection as being about *sorting* suppliers (which Rezaei refers to as qualification) while the final selection of supplier being about *ranking* them (which Rezaei refers to as evaluation). Therefore, it is clear that an emphasis on the process of selecting suppliers is crucial to better understand supplier selection and that looking only at the evaluation of supplier is not sufficient. More specifically, a distinction between the qualification and the evaluation of suppliers is decisive in knowing about the selection of a certain supplier.

Even though there is limited research on the supplier selection process, Igarashi et al. (2013) and Rezaei (2019) processes are the most profound and are rather similar. These two processes complement each other well and both give relevant contributions, which makes them more relevant combined than individually. Therefore, for the purpose of this study, the authors have combined the two processes. The combination of the processes into one can be seen in *Figure 1*. The first steps of both Igarashi et al. (2013) and Rezaei (2019) have been combined as the first step in this study's supplier selection process. In other words, the company starts by reviewing its sourcing strategy and other requirements to identify their need for a new supplier. Additionally, Igarashi et al.'s (2013) step of *formulation of criteria* and Rezaei's (2019) step of *find a list of evaluation criteria*, have also been reformulated to have two steps of *determine qualification criteria* and *determine evaluation criteria*. Even though Rezaei (2019) does not have a specific step for listing qualification criteria, since he includes a step for listing the evaluation criteria, this suggests that listing the qualification criteria is integrated into the second step, as these criteria must be listed before using them. The other steps are similar to those described above from Rezaei (2019). The two final steps of Rezaei's (2019) process are combined i.e. *establish and manage the relationship with the supplier* is considered as one step. This study takes the structure of Rezaei (2019) by looking at the process as an ongoing one. This can be seen in *Figure 1* below, particularly as there is an arrow going from the final step of the process, *establish & manage relationship with selected supplier*, to the first step of the process, *identify the need for a new supplier*. The reason as to why there is an arrow connecting these two steps is because when a company identifies the need for a new supplier it inherently depends on their current suppliers.

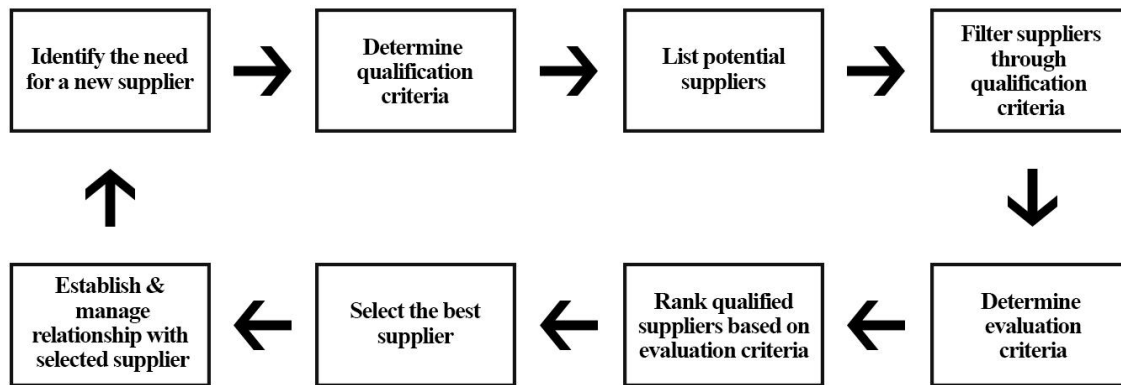


Figure 1: Supplier selection process used for this study.

Source: Combination of Igarashi et al.'s (2013) and Rezaei's (2019) supplier selection processes, compiled by the authors.

## 3.2 Sustainable supplier selection

### 3.2.1 Social sustainability

The most cited definition of sustainable development (SD) has been created by the WCED, where they define it as “*the needs of the present without compromising the ability of future generations to meet their own needs*” (WCED, 1987). For this study, the WCED's definition has been combined with Carter and Rogers's (2008), who focused on SSCM, to formulate a fitting definition of sustainability from a business perspective. Therefore, this study defines sustainability as “*the strategic, transparent integration and achievement of an organisation's social, environmental, and economic goals*” to “*meet the needs of the present without compromising the ability of future generations to meet their own needs*” (Carter & Rogers, 2008; WCED, 1987). The triple bottom line, firstly introduced by Elkington in 1997, is a concept closely related to sustainability. Elkington (1997) explained that sustainability is only applicable when the three pillars - *people, profit* and *planet* - are combined and inter-related. In other words, a corporation should focus on its environmental impact, social impact, as well as the economic performance in order to implement a comprehensive sustainability strategy (ibid). Another term that has been closely related to sustainability is Corporate Social Responsibility (CSR) (Carroll, 2016). CSR has been defined, just as sustainability, several times. Nonetheless, there is a consensus toward aligning CSR to companies' responsibility and describing the entrepreneurial behaviour of sustainability (Roobeek et al., 2018). Carroll (1979, 1991) defined CSR as “*encompassing the economic, legal, ethical, and discretionary*

*(philanthropic) expectations that society has of organisations at a given point in time*". As written above, CSR focuses solely on corporations' responsibility, while sustainability takes a broader perspective by including all stakeholders implicated in the corporation's operations such as international suppliers. Therefore, since this study focuses on the selection of international suppliers, the concept of sustainability is applied, instead of CSR.

Social sustainability has also received diverse definitions and is, compared to environmental sustainability, a vaguer concept as it touches upon concepts such as human rights, equity or social values that are more complex to define compared to, for example, carbon emissions since it is not as concrete or measurable (Hussain et al., 2018). Social sustainability is seen as the human side of sustainability (Anisul Huq et al., 2014) and represents, at the corporate level, how companies are adding value to their operations by taking into account the human capital of individuals and advance the social capital of communities (Dyllick et al., 2002). In other words, social sustainability is the management of human and social capital (Sarkis et al., 2010). More precisely, social sustainability has primarily been focusing on equity, gender discrimination, poverty, diversity, wages or education. Lately, new factors have emerged and are considered as prominent as the first ones (Mani et al., 2015). Those factors are such as health and safety issues, child and bonded labour or living conditions (ibid).

This study's definition of social sustainability combines Anisul Huq et al. (2014), Dyllick et al. (2002) and the WCED (1987) definitions for the reasons mentioned above and, therefore defines social sustainability as *"the human and social factors of sustainability including human rights, health and safety, child labour and forced labour, involved in "meeting the needs of the present without compromising the ability of future generations to meet their own needs"* (Anisul Huq et al., 2014; Dyllick et al., 2002; WCED, 1987).

### 3.2.2 Sustainable supply chain management

SSCM is defined as *"the strategic, transparent integration and achievement of an organisation's social, environmental, and economic goals in the systemic coordination of key inter-organisational business processes for improving the long-term economic performance of the individual company and its supply chains"* (Carter & Rogers, 2008) and refers to when a company manage its supply chain by considering all three dimensions of the triple bottom line (Carter & Rogers, 2008; Seuring & Müller, 2008). Later, Krause et al. (2009) came to the conclusion that a company is only as sustainable as its suppliers are, showing the importance for companies to select sustainable suppliers. One part of SSCM research has started to address

a firm's suppliers and how they assess the sustainability of their suppliers (e.g. Krause et al., 2009; Seuring & Müller, 2008), which is of particular importance to this study as the focus is on Swedish companies which have international suppliers as part of their GVC. According to the reviewed literature, most research on SSCM and supplier selection has been focused on the environmental aspect of sustainability, while limited research has been done on the social side (Bai & Sarkis, 2010; Genovese et al., 2013; Rezaei, 2019; Seuring & Müller, 2008).

### 3.2.3 Social sustainability in the supplier selection process

There is a call for more research on the influence of social sustainability on supplier selection because of the severe effects that neglect of social responsibilities can have on individuals, societies and firms (Ählström, 2017; Bai & Sarkis, 2010; Gopal & Thakkar, 2016). Many companies which select suppliers in low-cost countries take advantage of not owning the whole production chain and have not taken responsibility for the social and human conditions among the suppliers and the workers there (Ählström, 2017; Bryson, 2007; Rezaei, 2019). As these social and human conditions are neglected by firms when selecting suppliers, it commonly leads to human and labour rights violations which result in child labour, forced labour, deaths due to health and safety violation or increased worker suicides (Ählström, 2017; Thornton et al., 2013). This clearly harms the workers in the factory and also limits the development of the societies where the suppliers are located (Ählström, 2017). Furthermore, from a business perspective, this neglect is also shown to harm the business' brand because, when scandals occur concerning these issues, it results in consumers gaining a negative perception of the business, making the companies vulnerable to these effects of neglecting social sustainability (Ählström, 2017). Since a company can only be as sustainable as its suppliers are (Krause et al., 2009), companies should have a particular focus on selecting suppliers that meet their sustainability requirements. In other words, companies should take into consideration the social conditions of their suppliers and integrate social sustainability into their supplier selection (Bai & Sarkis, 2010). These social sustainability requirements often take the form of criteria that can be found in a company's Code of Conduct, approved and signed by all suppliers working for the company (Andersen & Skjoett-Larsen, 2009).

Social sustainability criteria can be divided into *internal* and *external* social sustainability criteria (Bai & Sarkis, 2010; Gauthier, 2005; Ghadimi et al., 2016; Winter & Lasch, 2016). Gauthier (2005) is one of the first researchers to distinguish between *internal* and *external* social sustainable criteria. According to her, *internal* social sustainability criteria fall under

*taking the employee into consideration* as well as *quality, health and safety at work*, while *external* fall under the *relation with contractual stakeholders* and *relation with various other stakeholders* (ibid). Later, Bai and Sarkis (2010) referred to the same categorization as Gauthier (2005) but changed *taking the employee into consideration* to *employment practices* and added *local community influence* to the *external* social sustainability criteria. They also added several sub-factors to each factor mentioned by Gauthier (2005). Furthermore, Winter and Lasch (2016) referred to Bai and Sarkis' (2010) categorization in their study. More recently, Ghadimi et al. (2016) also referred to the same categorization between *internal* and *external* and added the research that has been done on each category, showing that *internal* social sustainability criteria are significantly more studied compared to *external* ones. All these three academic papers define the *internal* social sustainability as the internal operations of the company such as *no child labour, no forced labour* or *health and safety* (Bai & Sarkis, 2010; Gauthier, 2005; Ghadimi et al., 2016). The *external* social sustainability criteria reflect the external environment and the influence on it from suppliers, for example, *external engagement* (ibid). Winter and Lasch (2016) write that *external* social sustainability criteria are beyond what the local laws and most certificates are requiring at the time of their study. Therefore, *internal* social sustainability criteria are mostly about meeting the minimum legal requirements while *external* ones are about going beyond these. Additionally, Winter and Lasch (2016) found that only *internal* social sustainability criteria are applied in the supplier selection process.

In addition to presenting a comprehensive literature review on conventional criteria used in the supplier selection process, Baskaran et al. (2012) also conducted a survey on which social sustainability criteria were applied. Later, Winter and Lasch (2016) based their study on the most prominent social sustainability criteria found by Baskaran et al. (2012) which they reformulated to be: *no child labour, working hours, no forced labour, no discrimination, employment compensation, freedom of association, and health and safety*. Although Baskaran et al. (2012) do not explicitly define these social sustainability criteria as either *internal* or *external* social sustainability criteria, it is clear that based on the above discussion, these seven criteria are considered to be *internal* social sustainability criteria. *Table 5* below shows the definition of specific internal social sustainability criteria, based on the seven social sustainability criteria presented by Baskaran et al. (2012).

Table 5: *Internal* social sustainability criteria.

<b>No child labour</b>	No child should have to work so that it robs them of their childhood, potential and dignity or in a manner that harms their physical or mental well-being.
<b>Working hours</b>	Maintain reasonable working hours including rest periods under national laws.
<b>No forced labour</b>	All work that a person does should be voluntarily and not be done under the threat of a penalty.
<b>No discrimination</b>	Equal treatment and opportunity for all workers, meaning no distinction, exclusion or preferences based on a person's race, colour, sex, religion, political opinion, national extraction or social origin.
<b>Employment compensation</b>	Conformity with local working legal standards such as minimum wages, equal remuneration for women and men workers, sick leave, annual holiday or payment of overtime.
<b>Freedom of association</b>	Workers have the right to be part and create associations. They also have the right to negotiate all matters related to their work.
<b>Health &amp; safety</b>	Conformity with health conditions such as protecting workers from sickness or ensure they work under tolerable conditions (temperature, light, space). Conformity with safety requirements, such as the existence of safety exits.

Source: Baskaran et al. (2012), Ghadimi et al. (2016), Winter & Lasch (2016).

In addition, since Baskaran et al. (2012) do not differentiate between *internal* and *external* social sustainability criteria, the *external* criteria are based on Winter and Lasch's (2016) categories and Ghadimi et al.'s (2016) definitions. These definitions are shown in *Table 6* below. One may notice that the definitions for *external* social sustainability criteria are broad as they cover any of the supplier's activities that have an influence on local communities and stakeholders.

Table 6: External social sustainability criteria.

<b>Local communities influences</b>	Social influences from a supplier on the local communities surrounding the factory.
<b>Contractual stakeholders' influence</b>	The degree of consideration related to the factory's operations from a supplier on its stakeholders.

Source: Ghadimi et al. (2016), Winter & Lasch (2016).

### 3.3 Conceptual framework

To examine how social sustainability criteria influence a company's process of selecting international suppliers in the fashion industry, a conceptual framework has been created. The conceptual framework is based on the key concepts and theories identified in the review of the



current theory available above. As shown in *Table 7* and *Figure 2*, the conceptual framework combines two main areas of research, namely the supplier selection process with social sustainability. This enabled the authors to have a holistic view of the fundamental factors needed to analyse the findings from the study, in order to develop the theory and answer the research question: *How do social sustainability criteria influence a company's process of selecting international suppliers in the fashion industry?*

In the supplier selection process, two steps include criteria, i.e. *listing the qualification criteria* and *listing the evaluation criteria*. The former represents the basic requirements, or standards, for a supplier to be relevant to a company, while the latter determines the final selection (Rezaei, 2019). Majority of the reviewed literature focused on the final stage of the supplier selection process, solely looking at the evaluation criteria and not considering the process as a whole (ibid). In addition, evaluation criteria are largely based on conventional criteria since these are considered most significant to the firms (Baskaran et al., 2012; Genovese et al., 2013; Rezaei, 2019; Winter & Lasch, 2016).

However, additional theory suggests that social sustainability is perceived to have an increased significance and might, therefore, be increasingly integrated into a company's supplier selection process as criteria, because companies have ambitions to be socially sustainable (Bai & Sarkis, 2010; Thornton et al., 2013). Although limited research has been done on social sustainability in relation to the process of supplier selection, especially differentiating between qualification and evaluation criteria, there is not enough research to determine if social sustainability criteria are qualification, evaluation criteria, neither or both. Thus, it is unknown which part of the supplier selection process social sustainability criteria influence. In order to develop the theory, the company's processes of selecting international as well as the criteria applied will be studied. These criteria will be based on the conventional and social sustainability criteria, as shown in *Table 7*.

Table 7: Conventional and social sustainability criteria.

Conventional criteria	Social sustainability criteria
Price Quality Delivery Service	<i>Internal:</i> No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & Safety  <i>External:</i> Local communities influence Contractual stakeholder influence

Source: Baskaran et al. (2012), Ghadimi et al. (2016), Winter & Lasch (2016).

This study's supplier selection process is based on a combination of Igarashi et al.'s (2013) and Rezaei's (2019) processes (as explained in 3.1.3), where each step of the process is shown in the black boxes with the black arrows visualizing the order flow of the steps. There are two steps in the process including criteria and it is unknown on which social sustainability criteria have an influence. It is represented by the **red arrows with the red question marks** as this is what is being studied, as visualised in *Figure 2*.

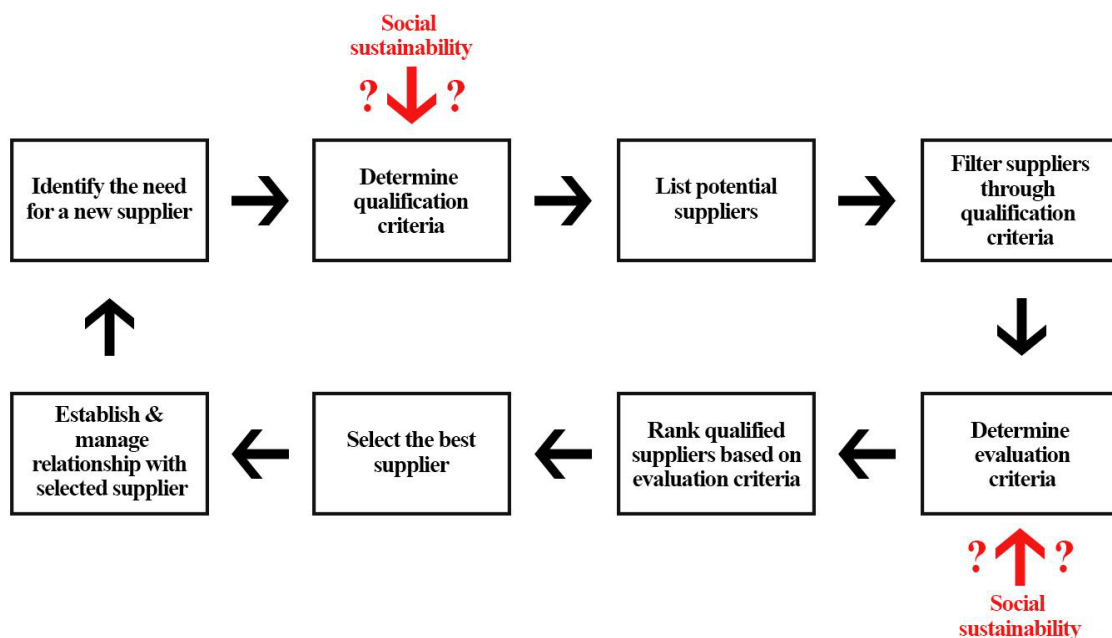


Figure 2: Conceptual framework

Source: Combination of Igarashi et al.'s (2013) and Rezaei's (2019) supplier selection processes, compiled by the authors.

In conclusion, the conceptual framework incorporates social sustainability criteria to the supplier selection process. Identifying whether social sustainability is qualification and/or evaluation criteria in the process is the main aim of this conceptual framework. However, since this study is inspired by an abductive approach, with the aim to develop the theory, additional criteria that the theory has not suggested as well as additional relevant steps in the process, will also be considered in the analysis, based on what the empirical findings show.

## 4. Empirical findings

*The fourth chapter presents the findings from the interviews, where each company is first briefly introduced, followed by an outline of the company's current suppliers, their supplier selection process and the main takeaways from each company. Lastly, this chapter ends with a summary of all of the companies' supplier selection process, a grouping of the companies and a summary of the unexpected findings. The following findings have been gathered from the interviews with the respective companies, unless specifically stated otherwise. All certificates mentioned are further explained in Appendix E.*

### 4.1 Lindex AB

Lindex AB (hereafter Lindex) is an international fashion company founded in 1954 in Alingsås with over 460 stores in 18 markets and e-commerce (Lindex, n.d.). They have an assortment within women's wear, children's wear, lingerie, and cosmetics and their headquarters are located in Gothenburg. Lindex counts about 5000 employees worldwide and publish sustainability reports. The turnover in 2018 was 3 318 276 000 SEK (allabolag, n.d.).

The interview took place at Lindex HQ with their social sustainability Manager, Ingrid Pors who has been working for Lindex since 1998. She started as a buyer for 10 years, before becoming the Social Sustainability Manager. The sustainability department consists of three people, one manager, one person working with the environmental side of sustainability and Ingrid, who specifically focuses on the social side.

#### 4.1.1 Lindex's suppliers

Lindex works with 119 tier 1 suppliers located in Bangladesh, Cambodia, China, India, Italy, Myanmar, Pakistan, Poland, Portugal, South Korea, Sri Lanka, Sweden, Turkey, the United Kingdom, and Vietnam, where the majority of their production takes place in Bangladesh, followed by China. 30 out of the 119 suppliers represent 80% of Lindex's total production, therefore, these 30 suppliers are the main focus for Lindex's work regarding sustainability. Lindex has six production offices in Bangladesh, China, Hong Kong, India, Myanmar, and Turkey in order to ensure close collaboration with their suppliers. By having these production offices, they are able to ensure that suppliers meet their standards in terms of *quality*, *sustainability* as well as *delivery*. Lindex publishes a list of their suppliers twice a year, mostly showing their tier 1 suppliers.

#### 4.1.2 Lindex's supplier selection process: conventional, social sustainability, and other criteria

The first step in Lindex's supplier selection process is to identify the need for a supplier which depends on what kind of garment they are aiming to produce. Following this, they find potential suppliers and establish the relationship with these suppliers in order to check if they meet their qualification criteria. The qualification criteria Lindex are checking at this step are: *price, time of producing the garment sample, the current financial situation of the factory* and also that suppliers meet Lindex's 13 minimum requirements. These minimum requirements are mostly related to sustainability and are: *no forced labour, no unauthorised subcontracting, no child labour, minimum wage, transparency, one-day rest within 7 days, fire and electrical safety, wastewater treatment (if applicable), no use of banned chemicals, legal wage system, mature and credible system in place to reduce continuously working hours beyond legal limits, freedom of association, and documented management system*. The first five requirements have a zero-tolerance while, for the others, Lindex propose training so that suppliers can meet these requirements later on in the collaboration in the case these are not already applied at the factory level.

The next step of Lindex's supplier selection process entails placing a trial order to test if the *quality* and *delivery* meet their standards. Ingrid emphasised that this step is crucial.

*“The most important criteria are probably quality, price and delivery time together with sustainability.”*

The following step entails evaluating several suppliers, which does not occur every time they are looking for a new supplier. If Lindex compares several suppliers, it depends on the quantity of the order, where the bigger the order, the more likely they are to compare several suppliers. In the case of comparing several, the most important criterion is *quality*. Lindex also compares how the suppliers work with social sustainability. In other words, Ingrid looks at how the supplier works beyond Lindex's minimum requirements. Such examples are whether the supplier pays the workers living wages rather than minimum wages (which is included in their basic requirements) or if the supplier works on additional external projects concerning the community, especially in relation to gender equality as it is part of Lindex's strategy. Working with these external projects is an example of an *external* social sustainability criterion as Lindex will consider the external engagement of the supplier. A summary of Lindex's

qualification and evaluation criteria, including classification of each criterion as conventional, social sustainability or other criteria, can be found in *Table 8* below.

Table 8: Lindex’s qualification and evaluation criteria.

	Qualification criteria	Evaluation criteria
<b>Conventional criteria</b>	Price Quality Delivery Service	Quality
<b>Social sustainability criteria</b>	No child labour Working hours No forced labour Employment compensation Freedom of association Health & safety	Social sustainability criteria beyond Lindex’s minimum requirements (like paying living wage rather than minimum wage or working on external engagement projects related to gender equality)
<b>Other criteria</b>	N/A	N/A

#### 4.1.3 Main takeaways from Lindex’s supplier selection process

As seen in *Table 8* above, Lindex has social sustainability as both qualification and evaluation criteria. The most important criteria for Lindex are *quality, price, delivery* and *sustainability*. At the qualification, Lindex does not apply *no discrimination* as a social sustainability criterion in their supplier selection process and apply only *internal* social sustainability criteria (with five being of zero-tolerance). However, at the evaluation, Lindex goes beyond *internal* social sustainability criteria by applying *external* social sustainability criteria. Accordingly, they apply social sustainability criteria both at the qualification and the evaluation. Furthermore, in order to check the qualification criteria, Lindex emphasised that they have to establish the relationship with the supplier at an early stage in the process. Ingrid also highlighted that the “business” side, in terms of price and making a profit, has always been of great value, but that sustainability is growing in importance to the company and today has a much greater influence on their work than it has previously.

## 4.2 Swedish Eco

Swedish Eco was founded in 2015 in Gothenburg and has now its headquarters in Stockholm after being acquired by Three Feet Family (Three Feet Family, 2018). They focus on selling GOTS (*Appendix E1*) certified underwear for women and men. Swedish Eco does not publish

sustainability reports but has information about GOTS on their website. They currently have one and a half employees (where one person works full time and another person part-time). The 2019 turnover was 48 000 SEK (allabolag, n.d).

The interview was conducted with Eric Vismer, the current CEO of Swedish Eco. Erik took over the brand in 2019 and is now responsible for the e-commerce, production, logistics to business development.

#### 4.2.1 Swedish Eco's supplier

Swedish Eco has one supplier located in China. The supplier is owned by a Danish company meaning that some of the contacts with the supplier goes through the Danish company. Erik emphasised that he could have chosen to work with a supplier in Sweden, but prefers to produce in China where he can have a positive impact on the working conditions.

*“For me, sustainable production is where it can actually make a difference. So, if I can be a player producing in China with fair wages and with fair conditions, I can actually make a difference rather than producing in Sweden where everything is already so good.”*

#### 4.2.2 Swedish Eco's supplier selection process: conventional, social sustainability, and other criteria

The first step in selecting a supplier is to identify the need for a supplier. Thereafter, Erik will source from a supplier with a GOTS certificate depending on the type of garment they want to produce. The GOTS certificate, which includes all seven *internal* social sustainability criteria of this study, is the first requirement a supplier needs to meet. By having the GOTS certificate, Swedish Eco ensures that the garments are made from organic cotton and under ethical conditions. Since Swedish Eco is a small company, they do not have the capacity to visit suppliers which is why they are relying on GOTS.

*“Right now, we have GOTS. For us, that's the certification that we have and believe in (...) Our goal is, of course, to go down there (to the suppliers) and see ourselves what is happening. But as a small company right now, we don't have the capacity to do that. So that's why we need to trust certifications.”*

Other criteria considered by Erik, at the qualification of suppliers, are *delivery, location, price, and quality*. However, the *delivery* does not matter significantly since the garments sold by Swedish Eco do not depend on fashion trends. Regarding *location*, Erik highlighted that his

aim when selecting a supplier is to “*make a difference*”, mostly in term of improving working conditions in the factories. He will, therefore, look for a country where he can have a positive sustainable impact, both socially and environmentally, concerning the garment he wants to sell. *Price* is also considered by Erik, however, is not the most critical criterion. As long as the *quality* is good and the suppliers have the GOTS certificate, Erik can afford a higher price as he knows he will be able to sell the garment more expensively. Therefore, *quality* is more valuable compared to *price* as he knows that if the *quality* is especially good the garment will have a longer lifetime which means he can sell the product a higher price. The next step when selecting a supplier is to order a sample, mainly in order to test the *quality*. However, Erik is aware that the *quality* received from a sample is often better than the actual garment. The last step to select and evaluate suppliers relates to the personal connection with the supplier. In other words, the only and most significant criterion at the last step is the “*feeling*” that Erik has with the supplier.

*“Personal connection is quite a big factor upon making the final decision if you have everything else; like basic requirements and all three suppliers do the exact same thing, then it will come down to that.”*

For Erik, the personal connection entails that when contacting the supplier, the communication is smooth, and the supplier is willing to collaborate. Erik also wants a long-lasting relationship with the suppliers and knows that if he has a good personal connection with them, this will be a notable factor to keep the relationship last. Trust is also an important factor for Erik which is emphasised when he has the personal connection with the supplier. In order to evaluate this, Erik must establish the relationship with the supplier before starting to work with the supplier. A summary of Swedish Eco’s qualification and evaluation criteria can be found in *Table 9* below.



Table 9: Swedish Eco’s qualification and evaluation criteria.

	Qualification criteria	Evaluation criteria
<b>Conventional criteria</b>	Price Quality Delivery	N/A
<b>Social sustainability criteria</b>	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety	N/A
<b>Other criteria</b>	<b>Location (“<i>make a difference</i>”)</b>	<b>Perceived potential relationship (based on personal connection and “<i>feeling</i>”)</b>

#### 4.2.3 Main takeaways from Swedish Eco’s supplier selection process

It is significant to highlight that Swedish Eco is a micro company as they are only 1.5 employees. For that reason, they are dependent on the GOTs certificate since they do not have the resources to visit the factories to check further than the certificate. Additionally, since Swedish Eco wants to have a positive impact on the working conditions and make a difference, they are more likely to select a supplier in China, rather than somewhere in Europe. Therefore, the *location*, in respect of “*making a difference*” (related to working conditions), is important to Swedish Eco. Furthermore, for Swedish Eco, *price* and *delivery* do not carry great value since they are not dependent on fashion trends. Moreover, if prices are higher Erik will be able to sell the product more expensively. With that, the most important qualification criterion is *quality*. Erik bases the evaluation of suppliers on the personal connection and feeling he gets based on how smooth to communicate with the potential supplier is and how willing the supplier is to collaborate with him. In other words, how Erik perceives the potential relationship with the supplier is essential. Therefore, it is significant to establish the relationship at an early stage so that he can base the qualification on this. Lastly, Swedish Eco did not mention *service* as either a qualification or an evaluation criterion. Overall, for Swedish Eco, social sustainability criteria are qualification and not evaluation criteria.

## 4.3 Company A

Company A was founded in 2015 in Stockholm and sells a permanent collection dedicated to men solely sold online. They do not publish sustainability reports but have a dedicated page on their website. Company A has 15 full-time working employees. The 2018 turnover was around 20 000 000 SEK (allabolag, n.d).

The interview was conducted with the Sustainability Project Leader who has been working for the company for almost a year and a half. She considered herself as the person in the company working the most with sustainability and represents the sustainability department by herself. As mentioned in *section 2.3.4*, the empirical findings gathered for this section are a combination of the interview with the interviewee and the email from the Head of Product.

### 4.3.1 Company A's suppliers

Company A has around 10 to 15 tier 1 suppliers mostly located in Europe, with Portugal and Italy being the countries where they produce the most, followed by Tunisia, Romania, and Poland. On their website, the company publishes most of their tier 1 suppliers and also their tier 2 and some tier 3, including how many employees there are in the factory, average salary, work hours per day, type of product being made there and Company A's last visit to the supplier. The reason why most of the manufacturing is located in Europe is threefold; to have the production where there are extensive knowledge and craftsmanship, to reduce environmental impact by having production closer to their warehouse in Germany, and to rely on the Charter of Fundamental Rights of the EU (*Appendix E2*) in terms of working conditions.

### 4.3.2 Company A's supplier selection process: conventional, social sustainability, and other criteria

Firstly, Company A identifies the need for a new supplier and once this has been done, they look for potential suppliers and establish the relationship with them in order to check their five qualification criteria. The five qualification criteria are: *quality, price, effort on reducing environmental impact, ethical working conditions and the expertise of the supplier to manufacture the required garment*. When all these five criteria are met, then additional qualification requirements are required to the supplier. Since Company A's main aim is to have 100% traceability in their production supply chain, they require the supplier to have a certain level of *transparency* as well as the *willingness to share information* both with them but also that can be published on their website afterwards.

*“An important aspect is their (suppliers) willingness to share information and just how transparent they are with giving us information.”*

Company A’s social sustainability criteria are based on the Charter of Fundamental Rights of the EU, which includes the seven *internal* social sustainability criteria from this study. Before starting working with the suppliers, they will visit the factory in order to look at how the facility is set up, the ergonomic sitting for seamstresses, the light, the cleanliness, whether workers have a place where they can have lunch and if the workers look rushed. The final step for evaluating a supplier regards *quality*. In other words, *quality* is the most important criterion to select the final supplier Company A will work with.

A criterion that Company A does not consider to be significant but is still a criterion is *delivery* since they do not depend on seasonal trends but need the delivery to be reliable. This relates to their slow fashion business model:

*“This (slow fashion) gives us a different approach than what is usual in the industry because we can put way more focus first on developing the garments, then listening to customers and their feedback to improve those garments. And of course, also have different opportunities for planning our production plans.”*

A summary of Company A’s qualification and evaluation criteria is shown in *Table 10*.

Table 10: Company A’s qualification and evaluation criteria.

	<b>Qualification criteria</b>	<b>Evaluation criteria</b>
<b>Conventional criteria</b>	Price Quality Delivery Service	Quality
<b>Social sustainability criteria</b>	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety	N/A
<b>Other criteria</b>	N/A	N/A

### 4.3.3 Main takeaways from Company A's supplier selection process

Unique to Company A is that they are the only company out of the nine interviewed that have almost all their suppliers located in Europe. The reason is partially that it allows them to rely on the Charter of Fundamental Rights of the EU, especially in terms of working conditions which are related to social sustainability. Moreover, *transparency* and *willingness to share information* are two important qualification criteria for Company A since they have the goal of being able to trace 100% of their production. Both of these criteria fall under *service* and are only applied at the qualification of suppliers. Prior to evaluating suppliers, Company A will visit the suppliers and with that, establish their relationship with them to ensure that the qualification criteria have been met. At the evaluation of their suppliers, *quality* is the most important criterion and no social sustainability criteria are applied. Accordingly, Company A has social sustainability criteria as only qualification criteria.

## 4.4 Dedicated Brand AB

Dedicated Brand AB (hereafter Dedicated) is an international fashion company founded in 2006 with their headquarters in Stockholm with about 35 employees. They have assortments within women's and men's wear and sell through their e-commerce store and retailers across the world. In 2018, their turnover was 36 291 000 SEK (allabolag, n.d.). Although they do not publish sustainability reports, they have a sustainability section on their website.

The interview was conducted with the CEO, Johan Graffner, whose responsibilities fall under product development, sourcing, sales, marketing and design collaborations. Johan has been a fashion entrepreneur for 24 years and explained that when he saw the negative impact of the industry, in terms of environmental and social impacts, he decided to create Dedicated. Three months prior to the interview, Dedicated hired their first CSR manager, representing their sustainability department.

### 4.4.1 Dedicated's suppliers

Dedicated has six suppliers, four located in India and two in China. They aim to have as many suppliers as possible in India because it is a democratic country which, for them, means that social sustainability criteria will be more respected and the follow up will be smoother. However, the reason as to why they still have two suppliers in China is because of the unique skills Chinese factories have with working with recycled fabrics, which is a particular focus for Dedicated.

#### 4.4.2 Dedicated's supplier selection process: conventional, social sustainability, and other criteria

The first step of their supplier selection process entails identifying the need for a new supplier and then finding potential suppliers that meet their basic requirements. At this point, Dedicated prioritise social sustainability as it is at the core of their strategy. Since Dedicated market themselves as being a sustainable fashion brand it is pertinent for them to ensure that their suppliers also are.

*“They (suppliers) basically had to be best in class for us to be best in class.”*

The social basic requirements that Dedicated require their supplier to meet are based on Fairtrade (*Appendix E3*), GOTS, SA8000 (*Appendix E4*), Global Recycled Standard (*Appendix E5*) and World Responsible Accredited Production (*Appendix E6*), which all include: *no child labour, no forced or compulsory labour, health and safety, freedom of association and right to collective bargaining, discrimination, working hours, fair remuneration, and management system*. In other words, these criteria fall under the seven *internal* social sustainability criteria from this study.

Other than the sustainability requirements, *quality, on-time delivery, and price* are significant qualification criteria. According to Johan, *quality* and *delivery* are generally more essential than *price*. However, which criterion is the most important when looking for a new supplier depends on what Dedicated is specifically looking for at this point. For example, the last time Dedicated selected a new supplier, *price* was the most important criterion because the production in their previous supplier was becoming too expensive. Dedicated also considers whether the country is democratic since they believe that suppliers located in democratic countries will give more accurate information in terms of social sustainability. However, the skills of the suppliers go before the democracy of the country since Dedicated has two out of six of their suppliers in China.

Once Dedicated has found the suppliers meeting their basic requirements, their evaluation of suppliers is, most of the time, divided into two steps. Firstly, Dedicated looks at the Facility Social and Labour Module from the Higg Index (*Appendix E7*) which, in addition to the seven *internal* social sustainability criteria from this study, also have two additional criteria, namely *the external engagement on social and labour issues with other facilities and organisations* and *community engagement*, which are considered as *external* social sustainability criteria.

According to Johan, it is rather easy to find compliant suppliers. However, he said that the score does not show if the supplier is honest and that a supplier can embellish its sustainability work to attract companies.

*“It’s easy to find compliant suppliers since most will over promise because they’re desperate for any order.”*

Therefore, Johan will not only rely on the Higg Index score when comparing several suppliers but also look at the factors influencing the potential relationship with the supplier. Creating a good relationship with the suppliers is something imperative for Dedicated and they highly value suppliers that are trustworthy, likeable, willing to communicate and that the supplier’s committee is good. With that, having established the relationship with the supplier early on in the supplier selection process, even prior to checking the qualification criteria, is significant in order to consider this relationship when evaluating the suppliers.

*“That’s incredibly important to meet the supplier because you will build and maintain the relationships much better. I can talk with them about opportunities and challenges that they have and how we can optimise those together in meeting Dedicated sustainability goals.”*

A compilation of Dedicated’s qualification and evaluation criteria is shown in *Table 11*.

Table 11: Dedicated’s qualification and evaluation criteria.

	<b>Qualification criteria</b>	<b>Evaluation criteria</b>
<b>Conventional criteria</b>	Price Quality Delivery Service	N/A
<b>Social sustainability criteria</b>	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety	<i>Sustainability score based on Higg Facility Social &amp; Labour Module:</i> No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety Community engagement External engagement on social and labour issues with other facilities or organisations
<b>Other criteria</b>	<b>Location (democracy)</b>	<b>Perceived potential relationship (based on trustworthiness, likeability, willingness to communicate, commitment)</b>

#### 4.4.3 Main takeaways from Dedicated's supplier selection process

When it comes to conventional criteria, Johan emphasised that *quality* and *delivery* are the most important criteria, more than *price*, which are applied at the qualification of their suppliers but not at the evaluation. Both at the qualification and at the evaluation, the seven *internal* social sustainability criteria are applied, however, *external* social criteria are added at the evaluation. Accordingly, Dedicated apply social sustainability criteria both at the qualification and at the evaluation of their suppliers. Furthermore, Dedicated puts high importance on how they perceive the potential relationship with their future suppliers which is shown in how they select the final suppliers. Having suppliers that are trustworthy, likeable, willing to communicate, and most importantly, to be committed to working toward being more sustainable is key for a supplier to be selected by Dedicated. All these factors are, for Johan, what will maintain the relationship with the supplier longer and more efficiently. One way how Johan assesses those factors is by meeting the supplier before even starting to work with them. Johan emphasised that suppliers do not have to only be certified, such as having a GOTS certificate and have a Higg Index, but show their commitment toward working with Dedicated to being more sustainable. This is what will influence the relationship with the supplier.

### 4.5 Sandqvist Bags and Items AB

Sandqvist Bags and Items AB (hereafter Sandqvist) was founded in 2004 in Stockholm where the headquarters remain today. Sandqvist counts about 70 employees. They sell their bags and accessories in their own shops, online, and through retailers all over the world. They publish sustainability reports. The 2018 turnover was 101 845 000 SEK (allabolag, n.d.).

The interview was conducted with Henrik Lindholm, the Sustainability Manager who has been working for Sandqvist for more than four years. Henrik works mainly with the production team and focuses on both the environmental and social side of sustainability. He represents the sustainability department by himself.

#### 4.5.1 Sandqvist's suppliers

Sandqvist has five suppliers all located in Asia where three are located in Vietnam and two in India. With the aim to be as transparent as possible, Sandqvist list all their suppliers in their sustainability report where more information on their suppliers can be found such as what they are producing and when the last audit from the FWF (*Appendix E8*) took place.

#### 4.5.2 Sandqvist's supplier selection process: conventional, social sustainability, and other criteria

The first step of Sandqvist's supplier selection process entails identifying the need for a new supplier. Suppliers located in Vietnam are known to produce good quality bags and Sandqvist have a professional connection working there with a great knowledge of suppliers producing bags. As a result, Sandqvist will most likely first look for a supplier in Vietnam. Sandqvist look at only a few suppliers at a time allowing them to visit the suppliers before starting to work with them and, therefore, establishing the relationship before the collaboration. They also aim to maintain long-term relations with only a few suppliers in order to work closely with them and help them develop to implementing a strong sustainable strategy. Firstly, they require potential suppliers to send previous audits for Henrik to assess the level of sustainability commitment. At this stage, Henrik does not necessarily ask for an FWF audit, but any kind of audit. He acknowledged that most of the audits he sees are "*bad*". After reviewing the audit, Henrik meets the supplier at the factory to assess the supplier's understanding of this audit and if there is a *willingness to improve*. For example, whether the supplier is willing to work together with Sandqvist to pay living wages for the workers since this is part of the FWF. Henrik also looks at whether the factory "*looks good*" and the health and safety measures taken, such as safety exit doors.

*"I use that (asking for previous audits) to assess if they are willing to change and improve.*

*When I speak to them about improvements in working conditions, can they give good answers? You need to see that they know what they're doing regarding working conditions."*

Asking for an audit is not the only criterion Henrik looks into when looking for potential suppliers. The skills and the ability to make the products Sandqvist is willing to sell are crucial as well, followed by *price*, which means whether the supplier can produce at a competitive price. Then, the *production capacity, delivery, the financial stability of the supplier, and the environmental performances* are also considered as qualification criteria. Concerning *delivery*, the reliability with the schedule agreed between Sandqvist and the supplier is critical.

*"We agree with them on a production schedule. It's not important that they deliver quickly.*

*It's important that they are reliable."*

The final step to decide upon the final supplier is based on a discussion with Henrik, the CEO, and the Production Manager when they are comparing several suppliers. They do so as they do not have any documents for evaluating their suppliers. *Quality* is the most important criterion



when selecting the final supplier as it is extremely important for Sandqvist to deliver high-standard quality.

*“We can’t work with someone that does not produce good quality. We’re more likely to quit with a supplier because of quality issues than because of working conditions.”*

At that step, the final supplier is required to sign the Code of Conduct and therefore accept to work with the requirement from the FWF Code of Labour Practices which means that the suppliers will be audited yearly.

A summary of the qualification and evaluation criteria used in Sandqvist’s supplier selection process can be seen in *Table 12*.

Table 12: Sandqvist’s qualification and evaluation criteria.

	<b>Qualification criteria</b>	<b>Evaluation criteria</b>
<b>Conventional criteria</b>	Price Quality Delivery Service	In the case of evaluating several suppliers, <i>quality</i> is the most important criterion
<b>Social sustainability criteria</b>	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety <b>Managers willingness to improve</b>	N/A
<b>Other criteria</b>	N/A	N/A

#### 4.5.3 Main takeaways from Sandqvist’s supplier selection process

Unique to Sandqvist is their professional connection in Vietnam enabling them to base their supplier selection significantly on the suggestions given by this person. In other words, Sandqvist relies on recommendations from their network in Vietnam to work with a potential supplier. For that reason, they usually do not compare several suppliers. Moreover, Sandqvist aims to work with few suppliers in order to build a long-lasting relationship and work closely with them. Sandqvist accesses social sustainability criteria only at the qualification based on the seven *internal* social sustainability of this study. At the evaluation, they usually do not compare several suppliers, however, if so, the *quality* is the most important criterion. Therefore, only applying social sustainability criteria at the qualification. When it comes to sustainability,

Henrik pointed out the significance of a supplier to have the willingness to improve in terms of social sustainability. In order for them to assess a supplier's willingness to improve they have to establish the relationship with the supplier first.

## 4.6 Nudie Jeans AB

Nudie Jeans AB (hereafter Nudie) is an international fashion company founded in 2001 in Gothenburg where the HQ remains today and specialized in selling denim. They have 32 stores across the world but also sell through retailers and their online store. They publish sustainability reports as well as social sustainability reports. Nudie has around 250 employees and in 2018 they had a turnover of 448 766 000 SEK (allabolag, n.d.).

The interview was conducted with Sandya Lang who has been working at Nudie since 2011 and is the Sustainability Manager and Head of the Sustainability Department. The sustainability department consists of three people. On a daily basis, Sandya focuses mostly on the social part of their sustainability work, while the other two employees are focusing on the environmental part and coordinating their sustainability work.

### 4.6.1 Nudie's suppliers

Nudie has about 20 tier 1 suppliers (between 18-22 depending on the season) located mainly in Tunisia where more than half of the production happens there, followed by Italy, Portugal, Turkey, Poland, India, and Sweden. Nudie's suppliers can be found on their website under their *Production Guide* (Nudie Jeans, n.d.). Sandya mentioned that it is a strategic decision to keep only a limited number of suppliers rather than adding new ones, therefore, mostly working on increasing volumes at the ones they work with.

### 4.6.2 Nudie's supplier selection process: conventional, social sustainability, and other criteria

Nudie's process of supplier selection starts with them identifying the need for a new supplier and then finding potential suppliers mainly through their network but also by visiting fairs. If the potential supplier is in a new country, they will evaluate the country based on *the human development index, the climate index, anti-corruption index, democracy index, and global peace index* to assess whether it is reasonable to work there. These indexes are combined and, in order for the country to be accepted, the score has to be equal to 51% or more. Nudie also reviews their existing supplying countries based on this score, and if the country's score

declines to below the accepted level for more than two years, Nudie withdraws from this country.

Nudie will ensure to establish the relationship with the supplier before starting the collaboration since it enables them to better assess if the supplier will meet their requirement. Their qualification requirements depend on the location of the supplier, i.e. whether the potential supplier is located in a low or high-risk country. Regardless of the country's location, they will look at documents showing the *management system*, previous audits, but also ask the supplier to *sign their transparency pledge, not having subcontractors, have documented high social ambitions, and have the potential for a long-term partnership and growth*. However, if the supplier is located in a high-risk country, two requirements are added, i.e. *to be able to show documentation of decent working conditions and demonstrate a democratic environment in the workplace*. Social sustainability is considered in their Code of Conduct as well as in the FWF Code of Labour Practices which they apply in addition to their own. Both of these Code of Conduct include all the seven *internal* social sustainability criteria of this study but also documented social ambitions. It is crucial for Nudie to have committed suppliers with high ambitions as they want to work together with them to improve working conditions.

*“It (supplier’s sustainability work) doesn't need to be perfect but when you start to work with them, they need to have at least ambition to be more sustainable.”*

In addition to asking their suppliers to pay minimum wages, Nudie also works towards paying *living wage* which has significance in their sustainability work and is part of the FWF Code of Labour Practices. According to Nudie, how a supplier reacts to potentially paying living wages indicates their commitment to social ambitions. Sandya also emphasised that *price* was not the most important criterion when selecting new suppliers. Additionally, *transparency* is also a key criterion for Nudie. They have terminated working with certain suppliers who did not want to share information. It is something that is crucial to Nudie because they want to be fully transparent to their customers (which is published under their *Production Guide*). Also, the commitment from the management is significant to Nudie. When asked about *child labour* or *forced labour*, Nudie said:

*“Child labour is not at the top of the list of things to deal with, it was more of an issue 10 years ago. In India, it's not a problem in the production areas, but it is a problem in the spinning facilities and in cotton-producing areas (tier 2 and 3). That's why we have Fairtrade cotton to make sure that we have a third-party verification on that as well. I think what's*

*more urgent is the living wage and the freedom of association issue. These issues are more of a difficult topic to solve because they are not as obvious as child labour.”*

Nudie normally does not compare several suppliers at the evaluation but mostly one at a time. However, when Nudie does evaluate a couple of suppliers that all meet their qualification criteria, the final selection depends on the technique and skills for producing and the *quality* of the garment. For example, Nudie needed to move part of their t-shirt production outside of Portugal as the factory was not able to produce the quality at the same price point as Nudie’s requirement. For that reason, Nudie moved part of their production to India, where the suppliers possessed the skills to produce at the quality that they wanted. This highlights the importance of *quality* in the final selection of the supplier selection process. A compilation and classification of the criteria used in Nudie’s supplier selection is found in *Table 13* below.

Table 13: Nudie’s qualification and evaluation criteria.

	<b>Qualification criteria</b>	<b>Evaluation criteria</b>
<b>Conventional criteria</b>	Price Quality Service	Quality
<b>Social sustainability criteria</b>	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety <b>Documented high social ambitions</b>	N/A
<b>Other criteria</b>	<b>Location (country assessment)</b> <b>Potential for long-term partnership &amp; growth</b>	N/A

#### 4.6.3 Main takeaways from Nudie’s supplier selection process

Nudie mentioned they sometimes look at their network for recommendations of suppliers and can go to supplier fairs to find potential suppliers. Sandya also highlighted that it is significant to establish the relationship early on in the process in order to better assess the suppliers. Nudie relies on the seven *internal* social sustainability criteria of this study at the qualification of suppliers. However, at the evaluation, the only criterion determining the final selection of suppliers is based on the garment’s quality and the worker’s skills to produce the garment, which fall under the *quality* conventional criteria. Accordingly, Nudie applies social suitability

criteria solely at the qualification of their suppliers. Moreover, Sandya stressed the value of maintaining a long-term partnership with their suppliers as well as the willingness of the supplier to work toward growing with Nudie. By doing so, she knows that Nudie can collaborate with suppliers towards their goal of becoming the most sustainable denim company.

## 4.7 Company B

Company B was founded in 1984 in Stockholm as a sports fashion brand and sells mostly sportswear and underwear for both women and men. Around 70 employees are working in their headquarter located in Stockholm with almost half (33) working for the clothing department. They publish sustainability reports. The 2018 turnover was around 717 000 000 SEK (allabolag, n.d.).

The interview was conducted with the Sustainability Manager who started in this position a year and a half ago but has been working in the company since 2015. The Sustainability Manager's main responsibility regards both social and environmental sustainability, such as finding more sustainable material, being responsible for chemical management but also social audits.

### 4.7.1 Company B's suppliers

Company B has 12 suppliers mostly located in China followed by Bangladesh and Turkey. Company B aims to have a limited number of suppliers in order to work closely with them to continuously check on them.

### 4.7.2 Company B's supplier selection process: conventional, social sustainability, and other criteria

Company B's process of selecting suppliers starts by identifying the need for a new supplier regarding the new garments they want to sell. This step is followed by contacting suppliers mostly through their network, either working in the company or within the Swedish fashion industry. When Company B has a list of potential suppliers, they perform a country risk assessment in accordance with what amfori BSCI (*Appendix E9*) publishes on its website. If the potential supplier is located in a high-risk country, Company B might not continue the process. For example, the company prefers to work in China compared to Bangladesh as China ranks higher.

*“It has happened that I’ve stopped from going into different countries because I think it’s not a safe way of doing business. We probably won’t be able to follow up on the social codes in a clear way because, for example, corruption is so high in the country, or infrastructure is too bad, then we’re not going to get our goods anyway. So, you should probably stay away.”*

Thereafter, Company B establishes the relationship with the supplier in order to ask them about the *price*, the garment they are producing, and the quantity they can produce. Since Company B is rather small, they need to ensure the supplier agrees to produce the quantities required.

*“The first thing we ask is what are the prices? What can you do? What are your minimum quantities? Because if the prices are too high and if they (suppliers) are asking for a minimum quantity of like 20,000 pieces, well then we can’t work with them.”*

In addition, they will check if the supplier has the skills to produce the product they want, the *management system* of the factory and if they meet their social sustainability criteria which are based on amfori BSCI and include: *the rights of freedom and association and collective bargaining, no discrimination, fair remuneration, decent working hours, occupational health and safety, no child labour, special protection for young workers, no precarious employment, no bounded labour, and protection of the environment*. At this stage, the supplier does not necessarily have to be audited from BSCI. The next step regards ordering a sample in order to test the *quality* of the workmanship but also if the *delivery* term has been respected.

Even though Company B looks most of the time at one supplier at a time, due to their rather small size, if they look at several suppliers, they will then rank their suppliers based on *price*, *quality*, and *service* at the evaluation step. Social sustainability is assessed, again, partially through the use of amfori BSCI, which fall under the seven *internal* social sustainability criteria of this study. At that stage, if the supplier has already a BSCI audit then the higher the score is, the higher the chance is to work with Company B. However, Company B is also open to suppliers that do not have a BSCI audit already, but then have to be willing to be audited by BSCI as soon as the collaboration starts. Company B will also look at the initiatives the supplier is undertaking at the factory and local community level, which is an *external* social sustainability criterion. If a supplier is involved in some initiative, then the probability of working with Company B is increased. A summary of all of Company B’s qualification and evaluation criteria can be found in *Table 14* below.

Table 14: Company B’s qualification and evaluation criteria.

	Qualification criteria	Evaluation criteria
<b>Conventional criteria</b>	Price Quality Delivery Service	Price Quality Service
<b>Social sustainability criteria</b>	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety	<i>BSCI score based on:</i> No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety  Sustainability commitment / initiative
<b>Other criteria</b>	<b>Location (country assessment)</b>	N/A

#### 4.7.3 Main takeaways from Company B’s supplier selection process

Company B pointed out that they rely significantly on their network for getting a list of recommended potential suppliers. By trusting their network, it enables them to lower the number of suppliers they have to assess in their process of selecting international suppliers and, therefore, reduces the resources needed. In addition, Company B establishes the relationship early in the process of selecting their suppliers in order to check on the qualification criteria. Part of their qualification step includes a country risk assessment (when they do not have production in the country) in order to assess whether they can work in the country. They also require their suppliers to meet the conventional criteria as well as the seven *internal* social sustainability criteria from this study. At the evaluation of suppliers, in addition to the *internal* social sustainability criteria already assessed earlier, they also check *external* social sustainability criteria. Therefore, Company B apply social sustainability as both qualification and evaluation criteria. Moreover, Company B highlights that they aim to have a limited number of suppliers in order to work closely with them to be able to continuously check them and build a long-lasting relationship.

#### 4.8 Fenix Outdoor International AG (Fjällräven brand)

Fenix Outdoor International AG (hereafter Fenix Outdoor) is an international concern with brands focused on hiking and adventure with about 2500 employees. The interview was geared

to focus on their largest brand, Fjällräven, which is a Swedish brand founded in 1960 focusing on garments and bags for hiking and adventure and is sold worldwide. They publish sustainability reports. Fenix Outdoor's 2019 turnover was 572 408 000 EUR (6 043 993 107 SEK<sup>1</sup>) (Fenix Outdoor, 2020).

The interview was conducted with Saskia Bloch, the Senior Sustainability manager Supply Chain, Social Compliance and Brands. She started at Fenix Outdoor in 2018 and is part of the six-person sustainability department. She works for all Fenix Outdoor's brands but has more projects connected to Fjällräven since it is their largest brand.

#### 4.8.1 Fenix Outdoor's suppliers

Fjällräven has about 100 suppliers mostly located in China, Vietnam, and Portugal. The reason has to why they are producing in Asia is twofold. Firstly, most product components are harvested and produced there, reducing the distance from tier 3 and 2 to the factory. Secondly, Asia is a significant market for Fjällräven, thus, having suppliers located close to a big market reduces their transport distance.

#### 4.8.2 Fenix Outdoor's supplier selection process: conventional, social sustainability, and other criteria

Fjällräven's process of supplier selection starts with identifying the need for a new supplier followed by one of their employees meeting and establishing the relationship with suppliers at fairs or through networking. By doing so, it enables them to better assess the qualification criteria. What is important for Fenix Outdoor when they search for suppliers at fairs is the supplier's skills to produce the specific garment that Fjällräven wants to source.

When Fenix Outdoor has found a potential supplier to work with, a country risk assessment is conducted in case the supplier is located in a country where they do not have production yet. The reason as to why they are conducting a country risk assessment is to ensure they are making the right business decision to start producing in the new country. Since they consider themselves to be a small-medium sized company, they do not feel like they can make a significant change or lobby in a country or a supplier, where bigger brands (for example H&M and Nike) can. In most cases, they decide not to move into a new country.

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<sup>1</sup> Based on 28/05/2020 exchange rate.



*“We look into how much of a change we can make as a small-medium sized company in a country. How much power do we really have in the factory? Sometimes our brand share in a factory (the number of products we can order from them) is very small compared to other brands.”*

When they have found a potential supplier at a fair or through their network that has passed the country risk assessment, the next step is to assess whether the supplier is qualified to work for them. *Quality* and *sustainability* are the most important qualification criteria, which go hand in hand for them. Next to these criteria, *price* is also influential. Thereafter, they set up a social compliance audit in accordance with the Fair Labour Association Code of Conduct (*Appendix E10*) which includes: *no discrimination, no harassment or abuse, no forced labour, no child labour, freedom of association and collective bargaining, health, safety and environmental, hours of work and compensation*. All these criteria fall under the seven *internal* social sustainability criteria from this study and are of zero tolerance for Fenix Outdoor. Moreover, they need to correspond to the local laws where the supplier is located.

*“When you have a local law forbidding something and the supplier does not respect this then it's a no go.”*

Parallel, *price*, order quantities, and the *quality* of the samples are checked. With reference to the *quality*, Saskia emphasised the skills of the workers being highly important. They also ensure that the *management system* of the factory meets Fenix Outdoor requirements, such as a *stable financial situation*.

By meeting the supplier at fair or getting recommendations from their network, Fenix Outdoor have already a fair idea of how the collaboration with the supplier will be and therefore, enabling them to mostly look at one supplier and not evaluating several. The qualification criteria used by Fenix Outdoor in their supplier selection process can be seen in *Table 15*.

Table 15: Fenix Outdoor’s qualification and evaluation criteria.

	Qualification criteria	Evaluation criteria
<b>Conventional criteria</b>	Price Quality Service	N/A
<b>Social sustainability criteria</b>	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety	N/A
<b>Other criteria</b>	<b>Location (Country assessment)</b>	N/A

#### 4.8.3 Main takeaways from Fenix Outdoor’s supplier selection process

Fenix Outdoor emphasised the importance of trusting their network for getting recommendations on suppliers. Saskia also visits fairs in order to meet suppliers before starting the collaboration. By establishing the relationship with suppliers early on in the process, Fenix Outdoor is able to assess how their potential relationship with the supplier will be as well as the supplier’s understanding of their sustainable work and ambition toward becoming more sustainable. In other words, enabling them to easily assess the qualification social sustainability criteria. At the qualification, Fenix Outdoor apply all seven *internal* social sustainability criteria from this study and conducts a country risk assessment when the potential supplier is not located in a country where they do not already produce. Since Fenix Outdoor rely significantly on their network, it enables them to look only at a few suppliers at a time, mostly one. Therefore, Fenix Outdoor do not have social sustainability at the evaluation of suppliers as this step is not often applied.

### 4.9 Indiska AB

Indiska AB (hereafter Indiska) is a Swedish family business founded more than 110 years ago selling women’s clothes, interior design, and accessories with a “touch of India”. They have 70 stores located in Sweden, Norway, and Finland and sell through their e-commerce as well. They do not publish sustainability reports but do have information on their website related to sustainability. They have about 350 employees and had a turnover of 763 753 000 in 2018 (allabolag, n.d).

The interview was conducted with Mona Lindskog who is the Quality and Sustainability Manager and has been working for the company since 2018. She works with the product team and focuses on social compliance. The sustainability department consists of Mona and an expert in social compliance located in their production office in New Delhi, India. The interview was geared towards focusing on the production of their clothes and not interior design since fashion is the focus of this study.

#### 4.9.1 Indiska's suppliers

Indiska has about 40 tier 1 suppliers working with producing their garments. About 50% of Indiska's suppliers are located in India and the remaining are located in China, Bangladesh, Italy, Vietnam, Turkey, Slovakia, Latvia, and Bulgaria. The location of their suppliers is published on their website as well as a description of four of their suppliers (two regarding their garment production). Mona mentioned the importance of having suppliers located in different countries in order to spread risks and therefore have a more stable production.

*"We want to spread the risks by producing in various countries. This is especially the case now that we are facing the COVID-19 pandemic. If you're dependent on one country and something like this (COVID-19) happens then you might be out of business."*

#### 4.9.2 Indiska's supplier selection process: conventional, social sustainability, and other criteria

Indiska's supplier selection process starts with identifying the need for a new supplier. Usually, the need for a new supplier occurs when Indiska wants to expand a product category out of the scope of their current suppliers. In some other cases, it is because their current suppliers are no longer cooperating and meeting their requirements. The main reason is usually the former. Indiska prefers to work with fewer suppliers in order to better focus on the relationship with the supplier. Nonetheless, since they produce a wide range of products, they need varied suppliers.

When looking for a new supplier, Indiska relies significantly on their network both within the company but also the Swedish fashion industry.

*"Sometimes we source at fairs, but it does not happen that often. Most of the time it is someone either working at Indiska or that you know from the industry who can recommend good suppliers they have been working with."*

When Indiska finds a supplier they believe will meet their requirements, they establish the relationship with the supplier as they think it will be easier to check on the qualification criteria. The qualification criteria are based on the *product quality, price, and the management system* of the factory. They will also look at the *location* in order to spread the risk. If it seems to be workable, Mona checks the supplier's sustainability work which they base on the Code of Conduct which is based on the ILO conventions (*Appendix 11*). Indiska's Code of Conduct includes: *no forced labour, no child labour, no discrimination, freedom of association, a good working environment, legal salaries and benefits, legal working hours, real employment, human treatment, and health and safety*. All these criteria fall under the *internal social sustainability criteria* from this study. Overall, the most important criteria when qualifying a new supplier are the:

*“Possibility to deliver the product on time and to work with social compliance at the factory level. We wouldn't add any suppliers that do not comply with our minimum requirements.”*

Price is also a particularly important criterion when selecting a supplier because:

*“We know that our customers are price conscious, so suppliers have to comply with the price level our customers are willing to pay.”*

Since Indiska relies greatly on their network, they usually evaluate one supplier at a time. However, if they evaluate several suppliers, they will choose the one offering the best *quality*. The qualification and evaluation criteria that Indiska uses when selecting suppliers can be found in *Table 16* below.

Table 16: Indiska's qualification and evaluation criteria.

	Qualification criteria	Evaluation criteria
<b>Conventional criteria</b>	Price Quality Delivery Service	Quality
<b>Social sustainability criteria</b>	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety	N/A
<b>Other criteria</b>	<b>Location (to diversify risk)</b>	N/A

### 4.9.3 Main takeaways from Indiska's supplier selection process

Indiska looks into their network for getting recommendations on reliable suppliers. By doing so, Indiska has a perception of how these suppliers work regarding social sustainability and how the potential relationship can be. They will also establish the relationship with the recommended supplier earlier on in the process of selecting suppliers to enable them to better assess the qualification requirements. At the qualification, they look at the seven *internal* social sustainability criteria as well as the conventional criteria. Unique to Indiska, they are looking at the *location* in terms of spreading the risks. Since Indiska relies significantly on their network, it enables them to look at only a few suppliers. Therefore, they mostly look at one supplier at a time. However, when assessing several suppliers, at the evaluation, *quality* is the most important criterion and no social sustainability criteria are applied. In other words, Indiska applies social sustainability solely at the qualification of their suppliers.

## 4.10 Summary of each company's supplier selection process

This section is a summarised version of the company's supplier selection process. Firstly, *Table 17* shows each company's qualification and evaluation criteria, classified as conventional (convent.), social, and other, in order to distinguish which company applies social sustainability at the qualification, at the evaluation, or both. Secondly, *Table 18* classifies the companies in two different groups, showing which companies apply social sustainability criteria as only qualification and which companies apply it as both qualification and evaluation criteria. Thirdly, *Table 19* shows two unexpected findings, concerning what has been found in the theory, including which companies mentioned these unexpected findings.

### 4.10.1 Summary of each company's criteria

If the company had additional criteria that did not fall under the criteria identified in the theory, shown in *Table 7*, they are highlighted in bold below.

Table 17: Each company’s qualification and evaluation criteria, classified as conventional, social and other.

Company	Qualification criteria			Evaluation criteria		
	Convent.	Social	Other	Convent.	Social	Other
<b>Lindex AB</b>	Price Quality Delivery Service	No child labour Working hours No forced labour Employment compensation Freedom of association Health & safety	N/A	Quality	Social sustainability criteria beyond Lindex’s minimum requirements	N/A
<b>Swedish Eco</b>	Price Quality Delivery	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety	<b>Location  (“make a difference”)</b>	N/A	N/A	<b>Perceived potential relationship (personal connection and “feeling”)</b>
<b>Company A</b>	Price Quality Delivery Service	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety	N/A	Quality	N/A	N/A
<b>Dedicated Brand AB</b>	Price Quality Delivery Service	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety	<b>Location (democracy)</b>	N/A	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety Community engagement External engagement	<b>Perceived potential relationship (trustworthiness, likability, willingness to communicate, commitment)</b>
<b>Sandqvist Bags and Items AB</b>	Price Quality Delivery Service	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety <b>Willingness to improve</b>	N/A	Quality	N/A	N/A
<b>Nudie Jeans AB</b>	Price Quality Service	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety <b>Documented high social ambitions</b>	<b>Location (country assessment) Potential for long-term partnership &amp;growth</b>	Quality	N/A	N/A
<b>Company B</b>	Price Quality Service Delivery	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety	<b>Location (country assessment)</b>	Price Quality Service	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association	N/A

					Health & safety Sustainability commitment/ initiative	
<b>Fenix Outdoor International AG</b>	Price Quality Service	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety	<b>Location (country assessment) Compliance with local laws</b>	N/A	N/A	N/A
<b>Indiska AB</b>	Price Quality Delivery Service	No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety	<b>Location (diversify the risk)</b>	Quality	N/A	N/A

#### 4.10.2 Grouping companies in terms of influence of social sustainability on supplier selection process

Table 18: Grouping of companies.

<b>Social sustainability as qualification criteria</b>	<b>Social sustainability as qualification &amp; evaluation criteria</b>
Swedish Eco Company A Sandqvist Bags and Items AB Nudie Jeans AB Fenix Outdoor International AG Indiska AB	Lindex AB Dedicated Brand AB Company B

#### 4.10.3 Summary of unexpected findings

Table 19: Summary of companies related to the unexpected findings.

<b>Establishing the relationship at an earlier stage</b>	<b>Using their network to select suppliers</b>
All companies	Sandqvist Bags and Item AB Nudie Jeans AB Company B Fenix Outdoor International AG Indiska AB

## 5. Analysis

*This chapter analyses and discusses the empirical findings. Firstly, the conventional criteria are analysed, followed by the social sustainability criteria, and then the other criterion that was identified in the empirical findings. Thereafter, two additional findings are presented and discussed. At the end of each sub-section, a theoretical proposition is presented according to the performed analysis. Lastly, the analysis and discussion from this chapter are used to develop the conceptual framework and adapt it to the five presented theoretical propositions.*

### 5.1 Qualification and evaluation criteria

The following analysis is based on the qualification and evaluation criteria the companies apply, as can be seen in *Table 17*. This section presents how the companies apply conventional criteria, social sustainability criteria, and the *other* criterion when they select international suppliers. The authors examined these criteria when looking at the two groupings of the companies, as shown in *Table 18*, and used these groups as guiding for the analysis when applicable. The first group represents the six companies that apply social sustainability criteria as qualification criteria, while the second group represents the three companies applying social sustainability criteria as both qualification and evaluation criteria. However, it was found that the groups were not significant in regard to the conventional criteria, the *other* criterion nor the two additional findings. Hence, the groups were used predominantly for analysing the social sustainability criteria.

#### 5.1.1 Conventional criteria

Concerning the conventional criteria, the authors noticed that there were no great differences between the two groups, thus, the following discussion is based on the findings regardless of the groups. The empirical findings of this study confirm the four conventional criteria from Baskaran et al.'s (2012) study, however, the order of importance of these criteria differ from the theory. Based on the empirical findings, at the qualification of suppliers, *quality* is the most important conventional criterion as it has been mentioned and highly emphasised by all companies. *Quality* is followed by *price*, which has also been mentioned by all companies, however, will less emphasis. Then, *service* since only one company (Swedish Eco) did not mention this criterion, and finally, *delivery* as three companies (Company B, Nudie and Fenix Outdoor) did not refer to this criterion. Therefore, this study ranks the conventional criteria, at the qualification of suppliers, in the order of importance, as follows: *quality*, *price*, *service*, and *delivery*. The ranking of these criteria has been widely discussed, as for example, Dickson



(1966), who demonstrated that *quality* was the most crucial criterion. Later on, Ho et al. (2010) found also that *quality* was the most important criterion (more than *price*). Moreover, regarding *delivery*, Dickson (1966) and Weber et al. (1991) ranked this criterion as the second most important criterion which is not congruent with this study's findings. *Service* is, according to Baskaran et al. (2012), the fourth most important criterion but also considered as a new one that is gaining importance. In this study, *service* has indeed gained significance over *delivery* as it is ranked higher. It potentially shows the increasing importance of *service* when selecting suppliers.

At the evaluation, *quality* is the most important and the only conventional criterion applied, except for Company B also applying *price* and *delivery*, in addition to *quality*. This emphasises the importance of *quality* over the other criteria and shows the noteworthiness of it at both the qualification and at the evaluation of suppliers. Overall, it is significant to notice that, as written by Dickson (1966), the ranking of the conventional criteria in terms of importance, depends on the type of items produced. Accordingly, the authors of this study propose that the ranking of the conventional criteria of this study are specific to the fashion industry.

Moreover, previous theory regarding supplier selection has been focused on the final evaluation of suppliers where the conventional criteria were mentioned as evaluation criteria (e.g. de Boer et al., 2001; Weber et al., 1991). However, this is contradicted by the empirical findings of this study as it is clear that all four conventional criteria are applied at the qualification of suppliers, while at the evaluation only *quality* was applied (three companies did not apply any conventional criteria). With that, the authors interpret that the four conventional criteria are mainly applied as qualification criteria. In accordance with the above, the following theoretical proposition, is formulated:

- P1.* As qualification criteria, *quality* is the most important conventional criterion followed by *price*, *service*, and then *delivery*. As an evaluation criterion, *quality* is the only criterion used. Thus, *quality* is the most important conventional criterion in the supplier selection process.

### 5.1.2 Social sustainability criteria

Baskaran et al. (2012) and later on Winter and Lasch (2016) found that the most commonly used social sustainability criteria are: *no child labour*, *working hours*, *no forced labour*, *no discrimination*, *employment compensation*, *freedom of association*, and *health and safety*,

which are in line with this study's empirical findings. These criteria are considered, according to the theory (Bai & Sarkis, 2010; Gauthier, 2005; Ghadimi et al., 2016), as *internal* social sustainability criteria. *Internal* social sustainability criteria are those concerning the supplier's internal operations in relation to social sustainability and are often defined as legal requirements (Bai & Sarkis, 2010). Regardless of the companies' group and the steps in the process, most of the social sustainability criteria are found in the company's Code of Conduct or the certificates companies are working with. According to this study's empirical findings, the bigger companies in term of employees (Lindex, Fenix Outdoor, and Indiska) have their own Code of Conduct while the smaller companies rely on a third party such as amfori BSCI (Company B) or the Code of Labour Practices from the FWF (Sandqvist and Nudie).

In the first group, the six companies (Swedish Eco, Company A, Sandqvist, Nudie, Fenix Outdoor, and Indiska) apply social sustainability criteria only the qualification of their suppliers. After categorizing the social sustainability criteria from the empirical findings into Baskaran et al. (2012) criteria, this study shows that companies in the first group apply all seven social sustainability criteria. Therefore, this study's findings are congruent with Baskaran et al.'s (2012) research, demonstrating that these seven criteria are those used as social sustainability criteria. Moreover, two companies (Nudie and Sandqvist) added one additional criterion each, namely *the willingness to improve in terms of sustainability* (Sandqvist) and *documented high social and ethical ambitions* (Nudie) which do not fall under Baskaran et al.'s (2012) social sustainability criteria. However, these criteria are also considered as *internal* social sustainability criteria (Gauthier, 2005; Ghadimi et al., 2016). Therefore, demonstrating that, at the qualification of suppliers, the companies in the first group are solely using *internal* social sustainability criteria. Based on these findings from group one, it is evident that social sustainability criteria have the greatest influence as qualification criteria, and when they are used, they are classified as *internal* social sustainability criteria.

The second group of companies (Lindex, Dedicated, and Company B) applies social sustainability criteria as both qualification and evaluation criteria. All three companies also apply all seven social criteria based on Baskaran et al.'s (2012) study as qualification criteria, except for Lindex that does not apply *no discrimination*. Therefore, the empirical findings illustrate that only *internal* social sustainability criteria are used as qualification criteria.

Furthermore, in the evaluation stage, two of the companies in group two (Dedicated and Company B) apply *internal* social sustainability criteria again, and all three companies apply

*external* social sustainability criteria. The two companies applying *internal* social sustainability criteria again at this stage, do so because they require their suppliers to be audited by a third company (the Higg Index for Dedicated and amfori BSCI for Company B) and, therefore, again check the *internal* social sustainability criteria, which encompasses the seven social sustainability criteria from Baskaran et al. (2012). For Dedicated, the Higg Index adds two additional criteria (other than the seven from Baskaran et al. (2012)), namely *community engagement* and *external engagement on social and labour issues with other facilities or organisations*. Moreover, Company B adds the criterion *sustainability initiatives at the factory and local community level*. These three additional criteria neither fall under Baskaran et al.'s (2012) criteria nor are considered as *internal* criteria but are rather considered as *external* social sustainability criteria. More precisely, they are examples of the *external* social sustainability criterion *local communities' influences*, as defined by Ghadimi et al. (2016). The *external* social sustainability criteria go beyond the internal factors of the suppliers' factory operations by having an external influence outside of the factory's operations, such as *the external engagement* of the supplier that goes beyond the factory's operations (Bai & Sarkis, 2010; Gauthier, 2005; Ghadimi et al., 2016).

In contrast to Dedicated and Company B, Lindex (also part of group two) does not apply *internal* social sustainability criteria again at the evaluation of their suppliers since they are not requiring their suppliers to be audited at the evaluation stage but do this later on when the collaboration is already well established. The social sustainability criterion that Lindex applies, as an evaluation criterion, entails aspects that go beyond their minimum requirements. One example is how the supplier may be working on external projects relating to social sustainability and their external engagement with their community, which is a form of *external* social sustainability. With that, Lindex only applies the so-called *external* social sustainability criterion at the stage of evaluating their suppliers and also fall under *local communities' influences* similarly to Company B and Dedicated.

Therefore, these findings show that at the evaluation of suppliers, not only *internal* but also *external* social sustainability are applied, which does not correlate with Winter and Lasch's (2016) findings, i.e. only *internal* social sustainability criteria are applied in the supplier selection process. The authors interpret this finding as companies will include criteria that go beyond their minimum requirements when evaluating several suppliers that have already met their minimum requirements at the qualification step. Hence, *external* social sustainability criteria, such as the supplier's *external engagement*, are appropriate to be used to compare

suppliers at the evaluation step in the supplier selection process since they go beyond the minimum requirements.

Moreover, the authors interpret this finding as relating to how companies are able to verify *internal* compared to *external* criteria. Comprehensively, *internal* social sustainability criteria may be considered easier to check for companies compared to *external* ones, since, for example, it is easier to confirm whether a factory has an emergency exit or not (*internal* social sustainability criteria; *health and safety*), compared to examining the engagement the supplier has on the community (*external* social sustainability). The latter is more complicated for the company to judge by itself but easier to evaluate by comparing the relative engagement of several suppliers at the evaluation of suppliers.

To conclude, all of the companies only apply *internal* social sustainability criteria as qualification criteria, which is congruent with what Winter and Lasch (2016) demonstrated. The *internal* social sustainability criteria companies apply at the qualification correspond to the seven social sustainability criteria from Baskaran et al.'s (2012) study, where Lindex was an exception as they did not have the criterion: *no discrimination*. None of the interviewed companies ranked the seven *internal* social sustainability criteria in an order of importance, therefore, these criteria are not ranked by the authors. Furthermore, the companies did not propose that the social sustainability criteria are taking precedence over the conventional criteria, rather that these social sustainability criteria are being used in addition to conventional criteria in the process.

Additionally, the first group of companies only apply social sustainability criteria as qualification criteria, and not as evaluation criteria. This is aligned with what Winter and Lasch (2016) found when studying both social and environmental criteria, which also coincides with what Genovese et al. (2013) found specifically for environmental criteria. However, in the second group, the three companies also apply social sustainability criteria as evaluation criteria. When applying these criteria as evaluation criteria, not only Baskaran et al.'s (2012) seven social sustainability criteria are mostly used, but additional criteria, considered as *external* social sustainability criteria are applied. However, only the *external* social sustainability criterion of *local communities' influences* was found to be used by companies, while the criterion *contractual stakeholders' influence* was not mentioned. For that reason, the findings from this study do not suggest the use of *contractual stakeholders' influence* as an *external* social sustainability criterion. Overall, these three companies apply *internal* and *external* social

sustainability criteria as evaluation criteria, which adds to what Winter and Lasch's (2016) research showed.

Therefore, the authors propose that social sustainability criteria are applied significantly more as qualification criteria since two-third of the companies only apply social sustainability at the qualification of their suppliers and not as prominent as evaluation criteria. In addition, when social sustainability criteria are applied as qualification criteria, they are *internal* social sustainability criteria, while if social sustainability is also applied as evaluation criteria, the *external* social sustainability criteria are added. Hence, the following theoretical proposition is constructed:

- P2. Social sustainability criteria are mainly applied as qualification criteria. At the qualification, *internal* sustainability social criteria are applied. If social sustainability criteria are applied as evaluation criteria, *internal* and *external* social sustainability criteria are applied.

### 5.1.3 Other criterion: location

An additional criterion mentioned by six companies (Fenix Outdoor, Nudie, and Company B, Dedicated, Indiska and Swedish Eco) as a qualification criterion is the *location* criterion. This criterion stands out since it is not one of the conventional criteria (Baskaran et al., 2012) nor one of the social sustainability criteria from the theory (Baskaran et al., 2012; Winter and Lash, 2016). Although the *location* criterion itself is not directly a social sustainability criterion, several companies emphasised its importance in relation to social sustainability. The six companies apply the *location* criterion in dissimilar ways, where Fenix Outdoor, Nudie and Company B perform a country assessment considering the risk of the country where the potential suppliers are located, based on, for example, *the human development index, the climate index, anti-corruption index, democracy index, global peace index* or *amfori BSCI*. Dedicated's *location* criterion is based on democracy, where they aim to have suppliers located in democratic countries. Indiska's *location* criterion is based on not having too many suppliers in the same area in order to spread risks. Finally, Swedish Eco's *location* criterion is based on having suppliers in a country where they are able to "*make a difference*". Even though these six companies belong to different groups, since the criterion is a qualification one and is applied differently by the companies, the authors find no correlation between the two groups that have been discussed in the previous section. Thus, the following analysis is based on how the companies apply the criterion regardless of the two groups.

The three companies (Fenix Outdoor, Nudie, and Company B) that assess this *location* criterion through a country assessment, do so if a potential new supplier is located in a country where they currently do not have any suppliers. The authors find no relationship among these three companies to explain why these companies conduct a risk assessment and the others do not. However, the ones who conduct a risk assessment find it particularly important to try to reduce the risks of having a supplier in a new country and that the country in which the supplier is located in, will greatly influence the way they work with the supplier. Fenix Outdoor and Company B perform this country assessment to identify the main risks of the country in order to find if the country is considered a low or high-risk country because they will not work with a supplier in the high-risk country. The main reason given by Fenix Outdoor behind their choice of conducting a country assessment is related to their belief that they cannot “*make a difference*” in the country, in terms of working conditions, and they want to ensure that the suppliers can meet their social sustainable criteria, as it is assumed that in the high-risk countries, this will not be the case. Fenix Outdoor mentioned that they cannot “*make a difference*” at supplier level since they consider themselves to be a small-medium sized company, and, therefore, cannot have an influence on working conditions, and as a result, they will not work in a high-risk country. Similarly to Fenix Outdoor, Company B also conducts a country assessment in order to ensure they will be able to conduct business in the country and follow their social sustainability requirements.

On the other hand, Nudie also performs a country risk assessment, however, in order to distinguish what kind of social sustainability criteria they will require the supplier to meet. In a high-risk country, the criteria of a *democratic environment*, as well as *documented decent working conditions*, are required which is not the case for low-risk countries. Thus, Nudie will consider working with a supplier in a high-risk country but will ensure to have additional social sustainability criteria in their selection process.

Although Dedicated, Indiska, and Swedish Eco do not have an official country assessment, they also take into consideration *location*-related criteria. For example, Dedicated highlighted that a democratic environment is valued. Subsequently, they aim to have more production in India compared to China, as China is not a democratic country. However, it is evident that *quality*, in terms of skills of the workers, goes first since they have certain production facilities in China with significantly more skilled workers (in regard to recycled materials). Additionally, Indiska mentioned the importance of spreading the risk so that their suppliers are not too concentrated in one location. Indiska emphasised that the COVID-19 virus shows the

importance of this since the virus resulted in many factories being shut down, which was harmful to companies that have suppliers concentrated in one location. The authors interpret this as suggesting that the impact of the COVID-19 (which at the point of writing this thesis is still unclear), may result in companies in the future taking this *location* criterion in terms of spreading risk into greater consideration.

Swedish Eco mentioned *location* in terms of wanting to “*make a difference*” in the country in order to encourage better working conditions. This is interesting in regard to their small size (1.5 employees), compared to Fenix Outdoor (2500 employees) which perform the country risk assessment because they believe that they are too small to make a difference. This shows a contrast in how companies perceive themselves in being able to make a difference in terms of working conditions. However, it is crucial to point out that this does not mean that one is acting in a more sustainable manner than the other since this is not the aim of this thesis. Merely their perception of the matter varies, which in turn impacts their supplier selection process as they have a *location* criterion.

Interestingly, the theory suggested that previously, *location* criterion was significant to ensure that the supply could happen quickly (Weber et al., 1991). However, globalization has facilitated worldwide fast delivery making the *location* criterion no longer significant (Rezaei et al., 2016). Nonetheless, it is evident from the findings that six companies consider the *location* criterion of their supplier as a significant criterion, but not in terms of being close to the production countries for quick delivery to the warehouse, but rather concerning how they will work with social sustainability among their suppliers in these countries, and in order to spread risks.

Even though it was not emphasised by the literature review, the findings suggest that a *location* criterion should be part of the supplier selection process. Especially in relation to social sustainability, since having this criterion will impact how the company works with social sustainability at the supplier’s location. Thus, the following theoretical proposition is created:

- P3. Location* criterion should be added to the supplier selection process as a qualification criterion since the *location* will influence how the company works with social sustainability with its suppliers.

## 5.2 Additional findings

Two additional unexpected findings were found, as shown in *Table 19*. Firstly, *establishing the relationship with the supplier* comes earlier in the process and secondly, the network plays a significant role in the supplier selection process.

### 5.2.1 Establishing the relationship at an earlier stage

Rezaei (2019) found that establishing the relationship with the supplier comes at the end of the supplier selection process. However, all nine interviewed companies highlighted the significance of establishing the relationship early on in the supplier selection process in order to ensure that the qualification criteria are met. Moreover, two companies (Swedish Eco and Dedicated) also base their evaluation on the perceived potential relationship. Although, establishing the relationship with suppliers when checking if they meet the qualification criteria was the case for all companies it was particularly highlighted by Nudie as they have a qualification criterion that is *potential for long-term partnership and growth*. Nudie highlighted that to assess this criterion they have to meet and talk with the supplier, hence establish the relationship before selecting the supplier.

Furthermore, the findings show that Swedish Eco and Dedicated also, to a large extent, base their evaluation of suppliers on their perception of their business relationship, or potential relationship, with the supplier, which can only be done if they have established the relationship early on. For Swedish Eco, when comparing suppliers, they select the supplier that the CEO gets the best *feeling* about in terms of personal connection. In other words, the CEO will select the supplier that they feel they will have the best potential business relationship with. This is also the case for Dedicated since they will select the supplier that they perceive to have a better committee, is more trustworthy, likeable, and willing to communicate, compared to others. Dedicated highlighted that this is largely because many suppliers tend to over promise, especially about fulfilling social sustainability requirements or development goals, and it can be difficult to assess this without continuously visiting the factories which require bountiful resources. Thus, due to the complex nature of social sustainability, they will rely more on their relationship because having a smooth and open relationship with their supplier, will allow them to communicate and perform in the agreed-upon manner.

Consequently, having the perception of a strong and positive potential relationship with the supplier is important because it will allow the company, to some extent, to more easily be able



to guarantee that the supplier is meeting their requirement in term of social sustainability and that the supplier performs in the socially sustainable manner they promised. However, the authors assume that solely basing the evaluation on the perceived potential relationship may be a risk for companies since it is not concrete and the supplier may just "know what to say" or "how to say it" in order to make the company trust that they will meet their needs in terms of social sustainability. Since trust is something that is created through a process of exchange including socialised interaction and having an open information exchange (Dyer & Chu, 2010; Xie et al., 2010), it can be difficult for the company to realistically assess if the supplier actually will meet their needs in terms of social sustainability so early on in the relationship.

Thus, this step should come after the potential suppliers have been listed since the relationship needs to be established prior to filtering the suppliers through the qualification criteria to be able to make sure that they meet these criteria. Moreover, all nine companies mentioned that *managing the relationship* comes at the end of the process, once the supplier had been selected, suggesting this part should stay where the original conceptual framework shows it to be. However, theory also suggests that one of the most important reasons for focusing on supplier selection is because of the significance of the relationship with the supplier (Luo et al, 2009). If anything, the findings are distinctly in accordance with this suggested theory by Luo et al, (2009), as it accentuates the significance of the relationship with the supplier, especially about social sustainability, which is why *establishing the relationship* comes at an even earlier stage.

The authors interpret this finding as being particularly related to social sustainability as it will enable the companies to better assess the social sustainability criteria of the supplier. The findings highlight that social sustainability is rather complex and difficult to quantify and measure, as compared to *price, quality, delivery, and service*. Moreover, as Dedicated highlighted, suppliers tend to over-promise about social sustainability, and it can be difficult to assess these criteria without continuously visiting the factories, which requires a lot of time and money. Thus, due to the nature of social sustainability, companies will rely more on their relationship with the supplier to assess the complex criteria of social sustainability. Therefore, the authors propose that the process of supplier selection, as shown in the original conceptual framework, should be partially revised so that *establishing the relationship with the supplier* comes prior to *filtering the suppliers through the qualification criteria*. In consequence, the succeeding theoretical proposition is created:

*P4. Establishing the relationship with the supplier should come before filter supplier through qualification criteria, rather than being part of the last step of the process of supplier selection. This, due to the complex nature of social sustainability making companies more reliant on their relationship with the suppliers.*

### 5.2.2 The role of network

An additional unexpected finding that five of the nine interviewed companies (Sandqvist, Nudie, Company B, Fenix Outdoor, and Indiska) brought attention to and that the reviewed theory had not suggested, was the importance of the network in the process of supplier selection. Fenix Outdoor and Sandqvist stressed that they mostly look at one supplier at a time, and, therefore, do not compare several suppliers at the evaluation, i.e. do not have the need for evaluation criteria. The reason as to why they mostly look at one supplier at a time is because they get recommendations for suppliers from their contacts in their industry network or at supplier fairs. Nudie, Indiska and Company B also highlighted that they depend on the contacts within the industry when selecting a supplier, however, they will also compare several suppliers more often in contrast to Fenix Outdoor or Sandqvist. Nudie, Company B, and Indiska mentioned that a lot of people working at their companies have worked for other Swedish fashion companies and, therefore, are acquainted with most people in the Swedish fashion industry. For that reason, if they know someone in another company who is satisfied working with a certain supplier, specifically in terms of relying on social sustainability criteria, they will take the recommendation into great consideration. Accordingly, the authors interpret this finding as the companies will rely on their informal network of industry colleagues and the knowledge and experiences that this network has, for recommendations of potential suppliers.

When the companies rely on their informal network of industry colleagues for recommendations of suppliers, they will not have to evaluate as many suppliers. Therefore, requiring fewer resources in the process of selecting suppliers. Indiska specifically emphasised that there are many potential fashion suppliers that they could work with, so if they evaluate all of the available suppliers, it would require a lot of resources that they are not able to prioritise. Moreover, this relates to what was highlighted by Dedicated, that suppliers tend to over-promise, especially about fulfilling social sustainability requirements or development goals, so it can be difficult to ensure that the suppliers will meet their needs in terms of social sustainability and to do so a lot of resources are required. Consequently, the authors interpret this when a company relies on its network for recommendations, they will have faith that this

supplier will meet their social sustainability criteria. Hence, they will save resources in their process of supplier selection because they will not have to gather a lot of information about many suppliers. This relates to the theory by Rezaei et al. (2016), who stress the significance of pre-selecting suppliers as this reduces the risk to have an unqualified supplier at the final selection as well as lower time, energy, and money spent when collecting information regarding the suppliers. Although this theory did not suggest that a manner in which a company can pre-select supplier is to look to their informal industry network for recommendations of suppliers, the findings suggest that this is a means of doing so. This is especially in relation to social sustainability since there are many potential suppliers and they have a tendency to over-promise their work with social sustainability. For that reason, the authors formulate the following theoretical proposition:

*P5. Check with network for recommendations* should be added to the process of supplier selection as a means to find potential suppliers that will meet social sustainability criteria.

### 5.3 Developed conceptual framework

Table 20 summarises the five propositions established at the end of each section above. These propositions are added to the conceptual framework originally presented in *section 3.5* and, therefore, develop the conceptual framework.

Table 20: Theoretical propositions.

<i>P1.</i>	As a qualification criterion, <i>quality</i> is the most important conventional criterion followed by <i>price</i> , <i>service</i> , and then <i>delivery</i> . As an evaluation criterion, <i>quality</i> is the only criterion used. Thus, <i>quality</i> is the most important conventional criterion in the supplier selection process.
<i>P2.</i>	Social sustainability criteria are mainly applied as qualification criteria. At the qualification, <i>internal</i> sustainability social criteria are applied. If social sustainability criteria are applied as evaluation criteria, <i>internal</i> and <i>external</i> social sustainability criteria are applied.
<i>P3.</i>	<i>Location</i> criterion should be added to the supplier selection process as a qualification criterion since the <i>location</i> will influence how the company works with social sustainability with its suppliers.
<i>P4.</i>	<i>Establishing the relationship with the supplier</i> should come before <i>filter supplier through qualification criteria</i> , rather than being part of the last step of the process of supplier selection. This, due to the complex nature of social sustainability making companies more reliant on their relationship with the suppliers.
<i>P5.</i>	<i>Check with network for recommendations</i> should be added to the process of supplier selection as a means to find potential suppliers that will meet their social sustainability criteria.

In *Figure 3*, all additions to the developed conceptual framework are shown in colour. The **blue** and **orange** arrows represent the criteria that are applied as qualification or evaluation criteria. Additions in **blue** stands for developments corresponding to all companies, whereas developments in **orange** solely represent what is relevant to companies that apply social sustainability criteria as both qualification and evaluation criteria (which in this study is referred to as group 2).

Concerning the conventional criteria, the criteria applied as qualification criteria are in the order of importance: *quality*, *price*, *service*, and *delivery*, which is shown in *Figure 3* at the **blue arrow** in the step of *determine the qualification criteria*. Moreover, *quality* is the only conventional criterion applied as evaluation criteria, which can be seen in *Figure 3* by the **blue arrow** at the step of *determine the evaluation criteria*. These changes represent *P1*.

Secondly, the social sustainability criteria applied as qualification criteria are *internal*, which is shown by the **blue arrow** in the step *determine the qualification criteria*. The social sustainability criteria applied as evaluation criteria are both *internal* and *external* criteria, which are represented by the **orange arrow** at the step of *determine the evaluation criteria*, this is only applicable to companies applying social sustainability as evaluation criteria. The specific *internal* and *external* social sustainability criteria are shown in *Table 20*. These developments to the conceptual framework correspond to *P2*.

Furthermore, the *location* criterion is added as a qualification criterion, which the **blue arrow** at the step of *determine the qualification criteria* shows and represents *P3*. Moreover, *establishing the relationship with the supplier* is moved from the end of the process to before the stage *filter supplier through qualification criteria*, which is shown in the developed conceptual framework by a **box with blue dotted outline** and represents *P4*. Lastly, *check with network for recommendations* is added to the process prior to the stage of *list potential suppliers* since it is a means to find potential suppliers. This is also shown by a **box with blue dotted outline** in the developed conceptual framework and represents *P5*.

With that, the developments to the conceptual framework are based on the theoretical propositions from the qualitative study conducted to understand the process as a whole and the influence of social sustainability, with the purpose of developing and gaining new insights. These developments are shown in the developed framework below:

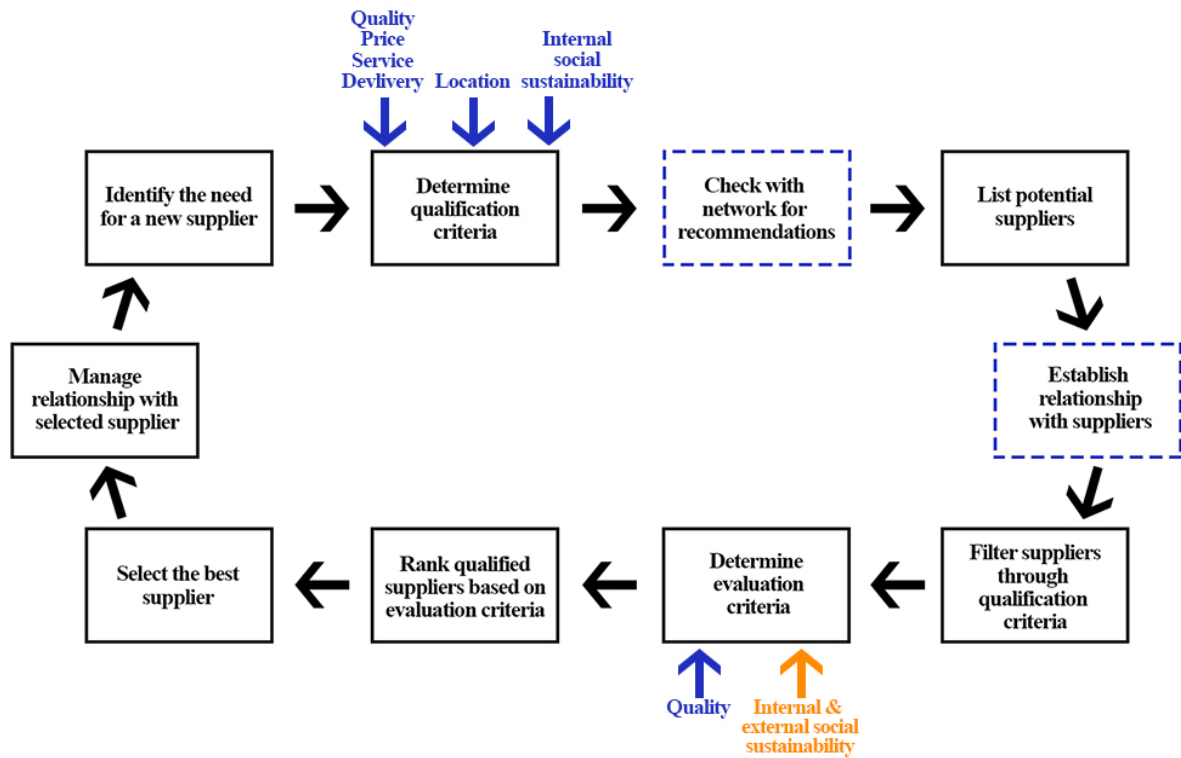


Figure 3: Developed conceptual framework

Table 21: The internal and external social sustainability criteria shown in Figure 3.

Internal social sustainability criteria	External social sustainability criteria
No child labour Working hours No forced labour No discrimination Employment compensation Freedom of association Health & safety.	Local communities influence

## 6. Conclusion

*The final chapter of this thesis presents the conclusions derived from the findings in the analysis to answer the research question. Following the answer to the research question, the implications for practice and the study's limitations are presented, as well as suggestions for future research.*

### 6.1 The influence of social sustainability criteria

Based on the results of this study, the authors established five theoretical propositions to answer the research question: *How do social sustainability criteria influence a company's process of selecting international suppliers in the fashion industry?*

Firstly, the authors propose that social sustainability criteria have the greatest influence in the supplier selection process as qualification criteria. More specifically, the qualification criteria are mostly *internal* social sustainability criteria. In the case of also applying social sustainability as evaluation criteria, these criteria are *internal* as well as *external* social sustainability criteria. Additionally, the conventional criteria as qualification criteria, are in order of importance: *quality, price, service, and delivery*. As an evaluation criterion, the most important and only conventional criterion is *quality*. However, this does not show that social sustainability criteria are taking precedence over the conventional criteria, rather that they are also being used in the process as criteria.

Furthermore, the findings show that a *location* criterion should be added to the supplier selection process as a qualification criterion since it influences how the company works with social sustainability with its suppliers. In addition, social sustainability criteria influence the process of supplier selection as *establishing the relationship with the supplier* comes at a much earlier stage than what the original conceptual framework showed. This, in order to check if the supplier meets their social sustainability qualification criteria. Lastly, this study shows the unexpected role of the network in the process of supplier selection. Companies will *check with their network for recommendations* as a means to *find potential suppliers* since they will have faith that the supplier will meet their social sustainability needs, as their network was satisfied with the supplier. Hence, they will save resources in their process of supplier selection because they will not have to evaluate as many suppliers.

With that, this study contributes to literature on SSCM and IB by providing a deeper understanding of the influence of social sustainability criteria on a company's process of

selecting international suppliers, which was the purpose of the study. In order to make conclusions to develop the theory, and further generalise the presented theoretical propositions, further research, in terms of larger studies and quantitative measurements, with these theoretical propositions as hypotheses, is needed.

## 6.2 Implications for practice: managers and policymakers

There are numerous findings from this study, many of which are significant and have implications for businesses in practice. In general, having a deeper understanding of the influence of social sustainability criteria on the process of selecting international suppliers is significant for companies since a company is only as sustainable as its suppliers (Krause et al., 2009). Moreover, when social sustainability is neglected it severely harms a business's brand when scandals occur concerning these issues, resulting in consumers gaining a negative perception of the business (Ählström, 2017). Concerning managers, there are two significant implications of this study.

Firstly, one finding that is relevant for managers of companies using social sustainability as qualification, but considering having it as evaluation criteria as well, is that in using social sustainability as evaluation criteria, both *internal* and *external* criteria are used. Thus, this shows that managers planning on selecting suppliers including social sustainability criteria as both qualification and evaluation criteria, it is appropriate to ensure that the *internal* social sustainability criteria meet their basic requirements first when qualifying the suppliers. Following, when evaluating suppliers, it is most suitable to also consider the *external* social sustainability criteria.

Secondly, a finding that the reviewed theory had not suggested, but that is significant for managers, is the role of the network when selecting suppliers. Since supplier selection, especially when comparing several suppliers, can require a lot of resources, looking at one's network for recommendations can alleviate the resources needed. Moreover, suppliers can overpromise on their social sustainability work and it can be difficult to measure and ensure sustainability aspects. Therefore, relying on one's network can be a form to try to ensure that suppliers are meeting the sustainability requirements.

Lastly, it is evident from this study that the nature of social sustainability criteria is complex and difficult to measure. In reference to the *SDG 12: Ensure sustainable consumption and production patterns* (UN, n.d.), it is in policymakers' best interest to assist companies in

selecting suppliers that meet social sustainability criteria, in order to seek to reach this goal. With that, the authors suggest that policymakers create government standards and also fund courses in how to evaluate international suppliers in order to support companies and work towards meeting the SDGs. However, prior to managers and policymakers taking the theoretical propositions of this thesis into practice, as mentioned, additional research is needed to define these findings as further generalisable.

### 6.3 Limitations and future research

Although this study has contributed to a deeper understanding of the influence of social sustainability in the selection of international suppliers within the fashion industry, there are limitations that need to be considered. Firstly, the study was conducted during the COVID-19 pandemic which impacted this research as it limited the face-to-face interviews and several potential interviews were not conducted as most companies were facing major challenges. However, the authors were still able to interview a fair amount of companies and since the study focused on how the firms have selected suppliers in the past, and not at the current time of the crisis or how they will in the future, it is believed that the crisis did not have a major impact on the findings of this study. However, the COVID-19 pandemic has had a drastic impact on supply chain management with, for example, factories in Asia having to close down, which might change the way companies will select their suppliers in the future (WEF, 2020). For that reason, the authors suggest future research on the impacts of the COVID-19 on the supplier selection process regarding the influence of social sustainability criteria.

Based on the delimitations mentioned in *section 1.6*, this study is delimited to only looking at the Swedish fashion industry, therefore, there is a need to conduct more research on different situations such as different locations or industries to make further generalisable conclusions. Moreover, this study is also delimited to only looking at tier 1 suppliers, omitting tier 2 and 3. Therefore, there is a need to conduct broader studies including tier 2 and 3 suppliers in order to study a larger part of the GVC.



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# Appendices

## Appendix A: Interview Guide

### Introduction

- Could you please state your name, working title, years of employment within the company and the number of total employees in the company?
- Could you describe your position and responsibilities?
- What is the category of product you are selling?

### Sustainability

- For this study we define sustainability as: *“The strategic, transparent integration and achievement of an organisation’s social, environmental, and economic goals” to “meet the needs of the present without compromising the ability of future generations to meet their own needs”* (Carter & Roger, 2008; WCED, 1987).
- And we define social sustainability as: *the human and social factors including human rights, health and safety practices, child labour and forced labour, involved in meeting “the needs of the present without compromising the ability of future generations to meet their own needs”* (Anisul Huq et al., 2014; Dyllick et al., 2002; WCED, 1987).
- What importance does sustainability have in your company? How do you work with it?
- Do you have a Sustainability Department (SD)? If not, do you have someone responsible for sustainability? If yes, how many employees do you have in the SD?
- Where do you apply sustainability the most within your supply chain?

### Suppliers

- How many tier 1 suppliers do you have? Where are they located?
- How do you cooperate with and review your suppliers?

### Supplier selection process

- Could you describe the process that you have undertaken to select your current suppliers?
- Do you have one step that is related to qualifying suppliers, and another related to ranking them, selecting the best one?
- What does a supplier have to have/do to be considered a qualified supplier? What are your main qualification criteria? Why do you have these criteria?
- Once you have found all the qualified suppliers, how do you select which one to go with? What are the main evaluation criteria? Why are these criteria considered when ranking/selecting among the qualified suppliers?
- What are the conventional criteria that you apply at the qualification and evaluation of your suppliers? What is the most important criterion at each stage?

### Influence of social sustainability criteria on the supplier selection process

- Do you apply social sustainability criteria during the process of selecting suppliers?
- Do you apply social sustainability criteria at the qualification of your suppliers? If yes, what are these criteria?
- Do you apply social sustainability criteria at the evaluation of your suppliers? If yes, what are these criteria?

Is there anything else that you would like to add? Anything that we might have missed that you think is important?



## Appendix B: Categorization of criteria mentioned by companies

<b>Price:</b> All 9 companies	Price (Lindex, Swedish Eco, Company A, Dedicated, Sandqvist, Nudie, Company B, Fenix Outdoor, Indiska,)
<b>Quality:</b> All 9 companies	Quality (Lindex, Swedish Eco, Company A, Dedicated, Company B, Fenix Outdoor, Indiska); Expertise of the supplier to manufacture the required garment (Company A), Skills and the ability to produce the products (Sandqvist, Fenix Outdoor, Nudie)
<b>Delivery:</b> 7 companies, not Nudie & Fenix Outdoor	Delivery (Swedish Eco, Company B); Delivery time (Lindex, Indiska); On time delivery (Company A, Dedicated, Sandqvist); Time of producing the garment sample (Lindex)
<b>Service:</b> 8 companies, not Swedish Eco	Transparency (Lindex, Company A, Nudie); Management system (Lindex, Dedicated, Company B; Fenix Outdoor, Indiska); Stable financial situation of the factory (Lindex, Sandqvist, Fenix Outdoor); Traceability (Company A), No unauthorised subcontracting (Lindex); No or limited subcontracting (Nudie)
<b>No child labour:</b> All 9 companies	No child labour (Lindex; Swedish Eco, Company A, Dedicated, Sandqvist, Nudie, Company B, Fenix Outdoor, Indiska)
<b>Working hours:</b> All 9 companies	Working hours (Company A); 1 day rest within 7 days (Lindex); Mature & credible system in place to reduce working hours beyond legal limits (Lindex); Legal working hours (Indiska); Hours of work (Fenix Outdoor); Decent working hours (Company B); Reasonable hours of work (Sandqvist, Nudie); Working hours are not excessive (Swedish Eco, Dedicated)
<b>No forced labour:</b> All 9 companies	No forced labour (Lindex, Company A, Sandqvist, Nudie, Fenix Outdoor, Indiska); No forced or compulsory labour (Dedicated); Employment is freely chosen (Swedish Eco); No bounded labour (Company B); Harsh or inhumane treatment is prohibited (Swedish Eco); Human treatment (Indiska); Employee treatment (Dedicated)
<b>No discrimination:</b> 8 companies, not Lindex	No discrimination (Swedish Eco, Company A, Dedicated, Sandqvist; Nudie, Company B, Fenix Outdoor, Indiska)
<b>Employment compensation:</b> All 9 companies	Employment compensation (Company A); Minimum wage (Lindex, Swedish Eco); Legal wage system (Lindex); A good working environment (Indiska); Legal salaries and benefits (Indiska); Real employment (Indiska); Compensation (Fenix Outdoor) Fair remuneration (Company B); The right to a living wage (Sandqvist & Nudie); Legally binding employment relationship (Sandqvist; Nudie); Recruitment and hiring practices (Dedicated); Wages and benefits (Dedicated); Termination (Dedicated); Regular employment is provided (Swedish Eco)
<b>Freedom of association:</b> All 9 companies	Freedom of association (Lindex, Swedish Eco, Company A, Indiska); Freedom of association & right to collective bargaining, (Dedicated, Company B, Fenix Outdoor); Right to join trade unions (Sandqvist, Nudie); Employee involvement (Dedicated)
<b>Health &amp; safety:</b> All 9 companies	Health & safety (Company A, Dedicated, Indiska); Fire and electrical safety (Lindex); Working conditions are safe and hygienic (Swedish Eco); No harassment or abuse (Fenix Outdoor); Occupational health & safety (Company B); Special protection for young workers (Company B); Safe working conditions (Sandqvist, Nudie)
<b>Local communities influences:</b> Lindex, Dedicated & Company B	External engagement projects related to gender equality (Lindex); External engagement on social and labour issues with other facilities & organisations (Dedicated); Community engagement (Dedicated); Sustainability commitment & initiatives (Company B)
<b>Contractual stakeholders influence</b>	N/A

## Appendix C: Interview Consent Form

### **The influence of social sustainability criteria on the process of selecting international suppliers**

Researchers: Johanna Hansson & Océane Klink

Interviewee: \_\_\_\_\_

The interview will take roughly one hour. We do not anticipate that there are any risks associated with your participation, but you have the right to stop the interview or withdraw from the research at any time. Thank you for agreeing to be interviewed as part of the above research project.

This academic study is undertaken in fulfilment of the requirements of the Master's of Science program of the Gothenburg School of Business, Economics, and Law will deliver upon ethical considerations which dictate that interviewees explicitly agree to be interviewed and how the information contained in their interview will be used. This consent form is necessary for us to ensure that you understand the purpose of your involvement and that you agree to the conditions of your participation. Would you, therefore, read the following text and then sign this form to certify that you approve the following:

- The interview will be recorded, and a transcript will be produced
- You will be sent the transcript and given the opportunity to correct any factual errors
- The transcript of the interview will be analysed by the two researchers as research investigator
- Access to the interview transcript will be limited to the researchers and academic colleagues with whom they might collaborate as part of the research process
- The actual recording will be destroyed after the study has been approved by the Graduate School.

Any variation of the conditions above will only occur with your further explicit approval

**With regards to using the company name (Company's name) in this thesis, please mark next to the statements that you agree with:**

	I agree that the company name (Company's name) can be used in this thesis
	I do not wish that the company name (Company's name) is used in this thesis but that the name stays anonymous

**With regards to being quoted, please mark next to any of the statements that you agree with:**

	I agree to be quoted directly with my name
	I agree to be quoted directly if my name is not used.
	I do not wish to be directly quoted even if my name is not shown.

All or part of the content of your interview may be used;

- In academic papers, policy papers, or news articles
- During presentations or feedback events as part of the thesis study

By signing this form, I agree that;

9. I am voluntarily taking part in this project. I understand that I don't have to take part, and I can stop the interview at any time;
10. I will be sent a transcript of the interview and make edits if I feel necessary
11. The company name will be used as described above;
12. The transcribed interview or extracts from it (quotations) may be used as described above;
13. I have read the consent form and marked my agreement on company name use and quotation;
14. I don't expect to receive any benefit or payment for my participation;
15. I have been able to ask any questions I might have, and I understand that I am free to contact the researcher with any questions I may have in the future.

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**Interviewee signature & date**

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Researcher 1: Océane Klink signature & date

---

Researcher 2: Johanna Hansson signature & date

If you have any further questions or concerns about this study, please contact:

**Researchers:**

Johanna Hansson: E-mail: [gushanjov@student.gu.se](mailto:gushanjov@student.gu.se)

Océane Klink: E-mail: [gusklioc@student.gu.se](mailto:gusklioc@student.gu.se)

**Supervisor:**

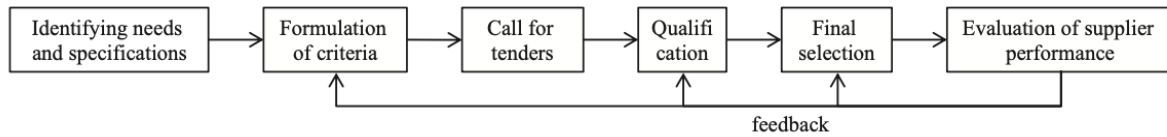
Mikael Hilmersson

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E-mail: [mikael.hilmersson@handels.gu.se](mailto:mikael.hilmersson@handels.gu.se)

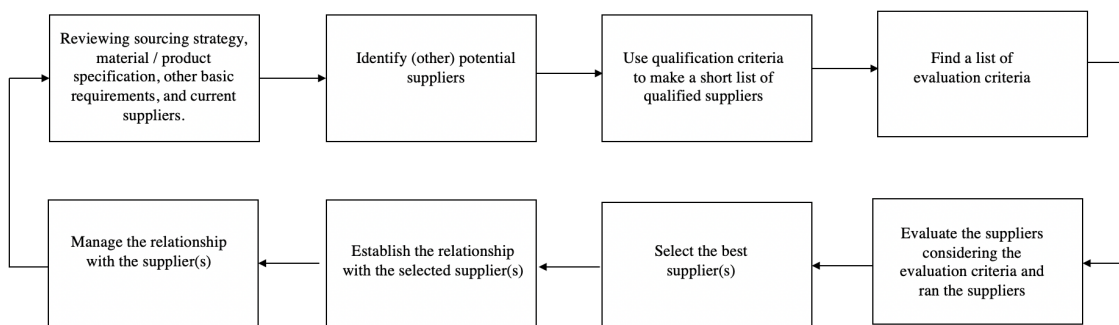
## Appendix D: Supplier selection process

### Appendix D1: Igarashi et al.'s (2013) supplier selection process



Source: Igarashi et al., 2013.

### Appendix D2: Rezaie's (2019) supplier selection process



Source: Rezaei, 2019.

## Appendix E: Certificates and third-party companies working with social sustainability

### Appendix E1: Global Organic Textile Standards

The Global Organic Textile Standards (GOTS) is a world leading standard for organic textiles focusing on the whole supply chain and includes environmental and socially responsible criteria (Global Standard gGmbH, 2016). Although it also considers social sustainability criteria, the environmental aspects are more prominent. The garment can only be considered GOTS certified if at least 70% of the fibres are organic and the label will either show “*organic*” if 95%+ of the materials are organic and it will show “*made with x% organic materials*” if the 70-95% of the materials are organic (Global Standard gGmbH, 2016). The use of Genetically Modified Cotton is prohibited under the GOTS certification (ibid). Additional environmental aspects include treatment of the wastewater (ibid). To obtain the certificate, not only the organic material is considered, but also on-site inspection of the facilities to ensure the processes and the workers embody the GOTS standards (ibid). The social criteria are based on the ILO convention and are: *employment is freely chosen, freedom of association and the right to collective bargaining are respected, working conditions are safe and hygienic, no child labour, living wages, working hours are not excessive, no discrimination is practised, regular employment is provided, and harsh or inhumane treatment is prohibited*. For more information visit: <https://www.global-standard.org>

### Appendix E2: Charter of Fundamental Rights of the European Union

The Charter of Fundamental Rights of the European Union is the document regarding the fundamental rights for EU citizens, legally binding since December 2009 (EC, n.d.). This document includes the rights found in the Court of Justice of the EU, the European Convention on Human Rights as well as all the other rights found in common constitutions of EU countries. The charter has been updated according to the world situation in 2009 (ibid). The document combines the rights that can be found as personal, civic, political, economic and social (related to EU citizens) (ibid). The social sustainability criteria written in this Charter fall under the same seven social sustainability criteria of this study, namely *no child labour, working hours, no forced labour, no discrimination, employment compensation, freedom of association and health and safety*.

## Appendix E3: Fairtrade

Fairtrade International works toward setting minimum and progress requirements for producers for the products to be produced in a “fair” way to meet the Fairtrade standards and gain the Fairtrade mark (Fairtrade, n.d.). In other words, if a product has a Fairtrade mark it entails that the producers and the business have met all of Fairtrade economic, environmental and social standards (ibid). Fairtrade economic standards entails having a minimum produce so that the produced have a so-called “safety net” so that the prices will not fall below a certain point (ibid). This will allow them to be able to plan more long term and invest in improvements (ibid). There is a fixed Fairtrade premium so that farmers and workers get extra money that can be invested into the business of the local community (ibid). The environmental standards of Fairtrade focus on ecologically favourable practices including water and waste management, protecting biodiversity, the least possible use of pesticides (ibid). Very hazardous pesticides and any genetically modified organisms are prohibited by Fairtrade (ibid). The social standards of Fairtrade which are the prominent standards include “*democratic self-organisation (typically in cooperatives), participatory decision-making, transparency, and non-discrimination (including gender equity)*” (Fairtrade, n.d.). The social standards also include “*non-discriminatory employment practices, pay rates equal to or higher than the legal or regional minimum wages, freedom of association and collective bargaining rights for the workforce, safeguards for worker safety and health, and facilities to allow workers to manage the Fairtrade Premium*” (Fairtrade, n.d.). For more information visit: <https://www.fairtrade.net>.

## Appendix E4: SA8000

The Social Accountability International is a framework for organisations to be able to certify and show their work for fair worker treatment across countries and industries (SAI, n.d.). The SA8000 measures eight different areas of social performance in terms of workplace social accountability (ibid). These eight areas are: *child labour, forced or compulsory labour, health and safety, freedom of association and right to collective bargaining, discrimination, working hours, remuneration, and management system* (ibid). Since the final area is the management system, this is a form of an anchor to continuously drive the improvement of the other seven areas within the factory or business (ibid). These eight areas are largely based on the ILO conventions; thus, it acts as a certificate that the factory or business are in accordance with the ILO conventions (ibid). The standards are revised regularly to make sure that they will cover

all social and human rights issues, including new issues that recently come to light (ibid). For more information visit: <http://www.sa-intl.org/>.

### Appendix E5: The Global Recycled Standard

The Global Recycled Standard (GRS) focuses on recycled materials used mostly for the production of textile as it is now owned by the Textile Exchange (GRS, 2020). In order for a product to be certified as GRS it has to contain at least 20% of recycled material and to meet four requirements that are applied for the whole supply chain of the product (starting from the recycling of the material) (ibid). The four requirements fall under: product, social, environmental and chemical. The Social requirements are: *no forced labour, indentured and prison labour, no child labour, freedom of association and effective recognition of the right to collective bargaining, no discrimination, harassment and abuse, health and safety and working hours* (ibid). For more information visit: <https://certifications.controlunion.com/en/certification-programs/certification-programs/grs-global-recycle-standard>.

### Appendix E6: World Responsible Accredited Production

The World Responsible Accredited Production is an independent and non-profit group of experts aiming at promoting more sustainable working conditions and is, according to their website, the world's largest certification program for the textile industry (WRAP, 2020). Their main focus is their Certification Program created for the apparel, footwear and sewn factories and based on their WRAP's 12 Principles which are built from the ILO Conventions (ibid). These 12 principles are: *compliance with laws and workplace regulations, prohibition of forced labour, prohibition of child labour, prohibition of harassment or abuse, compensation and benefits as required by law, legal working hours, prohibition of discrimination, health and safety, freedom of association and right to collective bargaining, environment, customs compliance, and security* (ibid). For more information visit: <http://www.wrapcompliance.org>.

### Appendix E7: The Higg Index

The Higg Index was created by the Sustainable Apparel Coalition (SAC) to enable brands and suppliers within the apparel, footwear and garment production to assess their sustainability performance (SAC, n.d.). The Higg index is divided into three tools, namely the Higg Product, the Higg Facility and the Higg Brand Retail Tool (ibid). The Higg Facility Tool assesses both

the social and the environmental performance of suppliers, i.e. the Higg Facility Environmental Module (FEM) and the Higg Facility Social and Labour Module (FSLM) (ibid). Brands can work with both modules or decide to ask their suppliers to only comply with one module (ibid). The Higg FSLM assesses: *recruitment and hiring practices, working hours, wages and benefits, employee treatment, employee involvement, health and safety, termination, management systems, facility workforce and those value chain partners, external engagement on social and labour issues with other facilities or organisations, and community engagement* (ibid). The Higg Index works on self-assessments from suppliers and also offers the possibility to verify the self-assessment (ibid). For more information visit: <https://apparelcoalition.org/the-higg-index/>.

## Appendix E8: Fair Wear Foundation

The Fair Wear Foundation (FWF) is an independent, non-profit organisation focusing on ensuring worker rights within the garment industry (FWF, n.d.). In 2020, FWF counted 130 member brands all willing to offer fair conditions to their suppliers (ibid). FWF has a Code of Labour Practices which is based on eight labour standards that can be found in the ILO Conventions as well as in the UN's Declaration on Human Rights (ibid). Just as amfori BSCI, FWF offers its members to rely on their Code of Conduct for their suppliers (ibid). The eight labour standards are: *employment is freely chosen, freedom of association and the right to collective bargaining, there is no discrimination in employment, no exploitation of child labour, payment of living wage, reasonable hours of works, safe and healthy working conditions, and legally binding employment relationship* (FWF, 2016). FWF works through four different areas in order to tackle social problems the most efficiently (FWF, n.d.). Firstly, FWF has Brand Performance Checks that are assessed every year on the member brands (ibid). For example, Nudie has a Brand Performance Check that is made every year in regard to their improvement over the year. Secondly, FWF has local audit teams at the location of member brand's suppliers in order to audit the suppliers (ibid). Thirdly, factory training where they offer supplier education based on their eight labour standards (ibid). Finally, FWF has a helpline for working enabling them to make complaints if needed (ibid). All audits made through the FWF are publicly published (ibid). For more information visit: <https://www.fairwear.org>.



## Appendix E9: amfori BSCI

The Business Social Compliance Initiative (BSCI) has been created by the Foreign Trade Association, now called amfori since 2018 (amfori BSCI, 2019a). The aim of amfori BSCI is to enable better social performances throughout the whole supply chain (amfori BSCI, n.d.). The initiative also makes sure that working conditions are respected for companies to trade in a more sustainable way (ibid). In 2020, amfori BSCI had over 2000 members (ibid). amfori BSCI does not consider itself as an audit company nor an “accreditation system” but offers companies to have access to external independent auditions companies (amfori BSCI, 2019b). amfori BSCI has a platform where companies can register their suppliers and follow up on them (amfori BSCI, n.d.). Throughout this platform, companies can require suppliers to be audited and select an audit company (amfori BSCI, 2019a). In addition, amfori BSCI offers to its members a Code of Conduct that companies can use including 11 principles which 10 are socially related (amfori BSCI, n.d.). The 11 principles are: *the rights of freedom and association and collective bargaining, no discrimination, fair remuneration, decent working hours, occupational health and safety, no child labour, special protection for young workers, no precarious employment, no bounded labour, and protection of the environment* (ibid). For more information visit: <https://www.amfori.org/content/amfori-bsci>.

## Appendix E10: Fair Labour Association

The Fair Labour Association (FLA) is an association combining the voices of universities, the civil society as well as the corporate level with the aim to increase the workers' condition and their rights in the world (FLA, 2012). They have created a Workplace Code of Conduct which is based on the ILO standards and international good labour practices (ibid). The Code includes seven criteria that must be followed by the affiliates companies (ibid). These criteria are: *non-discrimination, harassment or abuse, forced labour, child labour, freedom of association and collective bargaining, health, safety, and environment and hours of work and compensation* (ibid). For more information, visit: <https://www.fairlabor.org>.

## Appendix E11: International Labour Organisation Conventions

The International Labour Organisation is based on several fundamental conventions including: *Freedom of Association and Protection of the Right to Organise Convention* (1948) and *The Right to Organise and Collective Bargaining Convention* (1949) (which protect the right to freedom of association and collective bargaining), *Forced Labour Convention* (1930) (which prohibits forced labour), *Minimum Age Convention* (1973) (which entails that no one under the

age of 15 should work), *Worst Forms of Child Labour Convention* (1999) (which protects children, anyone under the age of 18 from forced labour, prostitution, pornography, production and trafficking of drugs, and any work that harms the health, safety of morals of children), *Equal Remuneration Convention* (1951) (which entails equal pay for men and women for work of equal value) and *Discrimination (Employment and Occupation) Convention* (1958) (which prohibits any form of discrimination of race, colour, sex, religion, political opinion, national extraction or social origin in the workplace), *Occupational Safety and Health Convention*, (1981) (which prevents injury and accidents during work) (ILO, n.d.). For more information visit: <https://www.ilo.org/>.