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Integrating the UN Sustainable Development Goals in sustainability reporting: A discourse analysis on value creation in the apparel industry

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Abbreviations

BCtA = Business Call to Action

BCI = Better Cotton Initiative

BSCI = Business Social Compliance Initiative

CSR = Corporate Social Responsibility

COP = Communication on Progress

EJF = Environmental Justice Foundation

EU = European Union

GHG = Green House Gases

GOTS = Global Organic Textile Standard

GRI = Global Reporting Initiaitve

IAEG = Inter-Agency and Expert Advisory Group

ILO = International Labor Organization

ISO = International Organization for Standardization

KPI = Key Performance Indicators

LCA = Life Cycle Analysis

MRSL = Manufacturing Restricted Substances List

PPP = Public Private Partnerships

SBT = Science Based Targets

SCoC = Supplier Code of Conduct

SDG = Sustainable Development Goal

SME = Small and Medium-sized Enterprises

UN = United Nations

UN CBD = UN Convention on Biological Diversity

UNFCCC = UN Framework Convention on Climate Change

UNGC = United Nations Global Compact

WBCSD = World Business Council for Sustainable Development

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Abstract
In September 2015, the world leaders gathered to endorse 17 Sustainable Development Goals (SDG), demonstrating a paradigm shift for people and the planet build on shared values, principles, and priorities for a common destiny. In the process of consolidating the Sustainable Development Goals (SDGs) consultations with business representatives raised two issues related to the potential success of the goals. The first issue was to better measure and value true performance of business preconditioned by identifying the most significant impact areas. The second issue was concerned with integration of sustainability into core business strategies. Both issues lead back to the proclaimed paradigm shift built on shared values for a sustainable future as demonstrated by the SDGs and demonstrate challenges with implementation of the SDGs. Although comprehensive frameworks to help business integrate the goals have been developed, the complexity and sheer volume of the various targets and indicators hinder many companies from reporting on their performance and contributions.

The textile and apparel industry, while endowed with enormous potential related to development of countries has drawn increased attention to its negative impacts along the value chain. The industry is also one of the first to integrate the SDG into their sustainability reports. However, critics point to the fact that simply linking sustainability activities to the SDGs is not enough and cherry-picking the goals that have the easiest business case will be insufficient. Thus, to address this potential discrepancy between communication and action, the aim of this study has been to investigate the perceived value of SDGs integration in sustainability reporting within the apparel industry. Through a critical discourse analysis, the study has reviewed six sustainability report by two Swedish apparel companies, Lindex and Filippa K, from 2015 to 2017. The theoretical foundation is based on value creation with "value" defined as contribution to the SDGs within the discourse of strong sustainability, while the conceptual framework has been developed according to the SDG compass including two variables; communicated motives for SDG integration and methods to measure and report on goal fulfilment.

The findings show that both companies are using the SDGs as a communicative tool to point to the conceptual motives which drives the sustainability work. Discursive strategies to frame the companies' sustainability methods are made by utilizing the concept of "circularity". The level of SDG integration differs between the companies. Lindex show discursive developments between 2015 to 2015 reflecting extended responsibility with correspondence between communication and action. While Filippa K does not show the same level of discursive maturity in terms of motive, the methods to address the sustainability issues related to circular fashion has accelerated significantly over the years comparatively to Lindex. The lack of communicated methods to address social issues is however evident. The findings further show that there is a correspondence between level of SDG integration and SDG contribution.

This study corroborates with previous research arguing that the business world is more complex than something that can be assessed in a black and white dichotomy of hypocrisy versus sincerity and needs a much more sophisticated approach to the gap between promise and performance and that the SDGs have a transformative potential. It also provides insights on how the application of the SDGs can be seen through a spectrum between weak and strong sustainability depending on the maturity of a company's sustainability management.

Keywords: Communication, Sustainable Development, Sustainable Development Goals, Sustainability Reporting, Textile and Apparel Industry, Value Creation

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Summary
In September 2015, the world leaders gathered to endorse 17 Sustainable Development Goals (SDG), demonstrating a shift for people and the planet build on shared values, principles, and priorities for a common destiny. In the process of establishing the Sustainable Development Goals (SDGs) consultations with business representatives raised two issues related to the potential success of the goals. The first issue was to better measure and value true performance of business preconditioned by identifying the most significant impact areas. The second issue was concerned with integration of sustainability into core business strategies. Although comprehensive frameworks to help business integrate the goals have been developed, the complexity and sheer volume of the various targets and indicators hinder many companies from reporting on their performance and contributions.

The textile and apparel industry, while endowed with enormous potential related to development of countries has drawn increased attention to its negative impacts in its supply chains. The industry is also one of the first to integrate the SDG into their sustainability reports. However, critics point to the fact that simply linking sustainability activities to the SDGs is not enough and cherry-picking the goals that have the easiest business case will be insufficient. Thus, to address this potential disconnection between communication and action, the aim of this study has been to investigate the perceived value of SDGs integration in sustainability reporting within the apparel industry.

This study has reviewed six sustainability report by two Swedish apparel companies, Lindex and Filippa K, from 2015 to 2017. The theoretical foundation is based on value creation with "value" defined as contribution to the SDGs and sustainable development. The sustainability reports have been reviewed by analyzing communicated motives for SDG integration and methods to measure and report on goal fulfilment. The findings show that both companies are using the SDGs as a communicative tool to point to the conceptual motives which drives the sustainability work. The strategies to frame the companies' sustainability methods are made by utilizing the concept of "circularity". The level of SDG integration differs between the companies. Lindex show content developments in their texts between 2015 to 2017 reflecting extended responsibility with correspondence between communication and action. While Filippa K does not show the same level of maturity in terms of motive, the methods to address the sustainability issues related to circular fashion has accelerated significantly over the years comparatively to Lindex. The lack of communicated methods to address social issues is however evident. The findings further show that there is a correspondence between level of SDG integration and SDG contribution.

This study corroborates with previous research arguing that the business world is more complex than something that can be assessed as either black or white and needs a much more sophisticated approach to the gap between communication and action and that the SDGs have a transformative potential. It also provides insights on how the application of the SDGs can be seen through a spectrum between weak and strong sustainability depending on the maturity of a company's sustainability management.

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1. Introduction

In September 2015, the world leaders gathered to endorse 17 Sustainable Development Goals (**SDG**), demonstrating a paradigm shift for people and the planet build on "shared values, principles, and priorities for a common destiny" (UN, 2014:3) as stated by the UN Secretary General Baan-Ki Moon. With an inclusive approach the SDGs put emphasis on private sector participation not the least by including civil society organizations and businesses in the negotiation process, consequently legitimizing the SDGs and creating incentives for companies to engage (Scheyvens *et al*., 2016). Two important issues raised in the consultations was to "create a systemic change in order to better measure and value true performance of business" (Pingeot 2014:18), and to integrate sustainability into long-term risk assessments and core business strategies (*ibid*.). The first issue deals with the quality and application of methods to appropriately determine social and environmental impacts which subsequently serves as decision support for defining company priorities and orientation of efforts. The second issue is concerned with integration of sustainability into business strategies, not as a complement but rather as something permeated in all business operations and decisions. Both issues lead back to the proclaimed paradigm shift built on shared values for a sustainable future as demonstrated by the SDGs.

Corporate sustainability can be interpreted as a complement to or substitute for public policy. "As a substitute it would take over tasks which formerly had been on the political agenda, but could not be realized; as a complement it would take over responsibility for tasks which are not yet on the political agenda" (Prinz, 2017 in Wieland, 2017:44). Sustainability has over the years been mainstreamed into policies and legislations such as the EU Sustainable Development Strategy and the EU 2020 Strategy (EU, 2017). The European Union (**EU**) ask companies to maximize the "creation of shared value for their owners/shareholders and for their other stakeholders and society at large" (EU, 2011:6). According to Prinz (2017), it is however noteworthy "that stakeholders do not necessarily represent the interest of the general public, but rather special interests of some groups in society" (Prinz, 2017 in Wieland, 2017:44).

The latest addition of sustainability legislation is the 2014 EU Directive on Non-Financial Reporting through which the EU seeks to improve comparability and consistency of disclosed information and create incentives for sustainable corporate performance. Member states had to implement the new directive by the end of 2016 and its content requires certain[1] companies to disclose governance related information as well as information on their impact on society and environment (Dunlap *et al*., 2017:13-14). The number of companies engaging in sustainability reporting increases every year (KPMG, 2017). From a European perspective, the EU directive will help push such numbers up. However, the full effect of the directive will be seen in 2019 or 2020 according to Olivier Boutellis-Taft, Chief Executive, Accountancy Europe (KPMG, 2017:12).

According to the 2017 KPMG survey on sustainability reporting, among a sample of 4900 companies worldwide including the 250 largest companies, the SDGs are fueling demands for impact data. Approximately four in ten sustainability reports make a connection between business activities and the SDGs. This is a clear trend that has "emerged in a short space of time and strongly suggests that the SDGs will have a growing profile in CR reporting over the next two to three years" (KPMG, 2017:7) meaning that the SDGs will help track sustainability performance over time.

[1] Companies fulfilling more than one of the following criteria; having more than 250 employees, having a balance sheet total of more than 175 million SEK and/or reported net sales of more than 350 million SEK on average over the last two financial years (SFS 2016:957, 6th chapter 10§).

1.1. Problem formulation

Integrating SDGs into sustainability reporting provides a unique opportunity to reinforce sustainable development (Sachs, 2015; Wieland, 2017, Stevens & Kanine, 2016) and better measure and value true corporate performance (Pingeot, 2014). It can also be seen as a path to create competitive incentives for sustainable business practices and contribute to a more environmentally conscious market (Sharma *et al*., 2010). Taking the integration to the next step by implementing the SGDs into the business model and combining them with accredited standards and frameworks such as the Global Reporting Initiative (**GRI**), Science Based targets (**SBT**) and International Organization for Standardization (**ISO**), sustainability management may further leverage its positive outcomes in relation to SDG fulfillment. There is, however, no uniform practice for how businesses ought to measure and report on their progress and impacts on the SDGs. Until recently, most companies used reporting standards that predated the SDGs (BCtA & GRI, 2016).

An attempt to provide a methodology and indicator set for SDG reporting has been conducted by the GRI and UN Global Compact (UNGC)[2] harmonizing the goals with the GRI Standards and other frameworks such as the Poverty Footprint, World Development Index, Carbon Disclosure Project, *etc*. (BCtA & GRI, 2016). Although the various frameworks are comprehensive and thorough, the complexity and sheer volume of the various targets and indicators hinder many companies, especially small and medium-sized enterprises (**SMEs**) from reporting on their performance and contributions to the SDGs. SMEs embody the majority of the global economy and represent most of the 9500 UNGC participants which, according to their membership, are required to report on their sustainability impacts annually (UNGC, 2015b).

Challenges with reporting on sustainability impacts are however evident regardless of size. The textile and apparel industry, while endowed with enormous potential related to development of countries given its labor-intensive character and easy start up, has drawn increased attention to its negative impacts along the value chain. The industry employs approximately 26,5 million people globally with women representing about 70% of the industrial workers (Jönsson, Wätthammar & Mark-Herbert*,* 2013) and is specifically know for encounters of hazardous working conditions, violations of human rights and resource intensive production methods often involving high levels of contamination and pollution (Garcia-Torres, Rey-Garcia & Albareda-Vivo, 2017). For example, the cotton grown for a single plain shirt require approximately 10 000 liters of fresh water (Cannon, Godwin & Goldberg, 2011). According to the Environmental Justice Foundation (**EJF**), cotton production corresponds to 2,5% of the world's cultivated land and 16% of the global insecticides are used on the crop. This is higher than the use for any other major single crop (Muthu, 2014a:10). Resources are further "needed to transport, wash and prepare the cotton, after which it is weaved, dyed and sewn" (Climb for Climate, 2018). All of these processes create a negative ecological footprint in the form of freshwater use, the release of green house gases and chemicals which consequently affect ecosystems (Muthu, 2014b). The textile and apparel industry have been ranked as the second most polluting industry in the world only after the oil sector (Garcia-Torres, Rey-Garcia & Albareda-Vivo, 2017; EcoWatch, 2015). "The consumption and disposal of textiles rises as the population grows and becomes more affluent" (Muthu, 2014a:2). Thus, growing awareness of risks associated with global supply chains creates incentives to conduct risk assessments and publish sustainability reports to mitigate negative feedback from stakeholders (Buelens, 2015).

The retail industry, including the apparel sector, are correspondingly among the first adopters to integrate the SDGs into their sustainability reports. 57% of the companies in the KPMG survey connect their sustainability work with the goals (KPMG, 2017). However, simply linking sustainability activities

[2]UN Global Compact is a strategic policy initiative for businesses. By becoming a member of UNGC the organization commits to aligning their operations with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption (Shoji, 2015).

thematically to the SDGs is not enough (*ibid*:7). Critics argue that "cherry-picking the goals that have the easiest business case will be insufficient and potentially counterproductive" (CISL, 2017:26). This leaves a gap between the ambition of business contribution to SDG fulfillment and the capability of businesses to implement SDGs into their core business. Correspondingly, does the lack of standardized methodology to measure and report on the SDGs undercut the added value of SDG integration into sustainability reporting?

1.2. Aim and objectives

The aim of this study is to investigate the perceived value of SDGs integration in sustainability reporting within the apparel industry. In order to fulfill the aim, the following research questions will guide the study:

1. What are the communicated motives for working with SDGs linked to the companies material aspects?
2. Which methods are used to measure and communicate on SDGs contribution?
3. How does the level of SDG integration correlate to the perceived value creation?

1.3. Scope and demarcations

Due to limited time and resources this study will only focus on Swedish companies. This may nevertheless be seen as a reflection of international trends due to their global reach. Given the limited scope, results will not be adequate enough to make generalizations, yet may be interesting in terms of regional tendencies and discourses within the apparel sector in Sweden. In terms of the SDGs, the goals covered in the study have been limited to SDG 5 "gender equality", SDG 6 "clean water and sanitation", SDG 8 "decent work", SDG 12 "responsible consumption and production" and SDG 13 "climate action". Considering value creation with regards to goal fulfilment, these goals have quantitative targets which are necessary for evaluating progress and relates to the value chain of the textile and apparel industry. Although all 17 goals are interconnected, these are specifically relevant to the apparel industry in terms of impact and contribution to goal fulfilment, as presented in Chapter 3.2.1 "The SDGs and the apparel industry".

1.4. Terminology

Terminology within sustainability discourses is widespread and many different terms are used to describe corporate sustainability. Use of *sustainability* will throughout this study refer to the same phenomenon as may be referred to by others as Corporate Social Responsibility (**CSR**) or Corporate Responsibility. Sustainability in this context will mean both sustainable practices in relation to business activities as well as the overall aim to reach sustainable development.

Application of the term *value creation* will correspondingly refer to value creation in relation to strong sustainability. In the economic discipline, "value" in its narrow meaning refers to "the process of the exchange of tangible and intangible goods and services, resulting in a view that value can be seen as synonymous to gain and profit" (Marinova, Larimo & Nummela, 2017:2). In a broader meaning a stakeholder perspective is encompassed and *creating shared values* includes "personal relations, information exchange, training, mentoring, and development of a common organizational culture that fosters shared values and norms" (*ibid*: 28). Correspondingly, as business has re-defined their role in society by mainstreaming sustainable development, shared values has come to include moral values, ethics and responsibilities for society and environment (Wieland, 2017) and will the basis for the concept of value creation in this study. Perspectives on value creation will be presented in-depth in Chapter 3.3 Value creation.

1.5. Disposition

Chapter 1 serves as an introductory section presenting background information and problem formulation on the selected topic revealing justification for research concerning challenges with integrating SDGs in sustainability reporting with regards to value creation, followed by the aim and objective used to guide the study as well as the scope for the executed research.

Chapter 2 explains the research method used to obtain the empirical results provided in chapter 4 and main assumptions made. First an understanding of the work process in terms of research design, literature review, data collection, units of analysis and quality assurance will be presented. Second, a description of the methodological approach conducted through a discourse analysis will be described.

Chapter 3 presents the theoretical foundation for which research is built on and understood. It is divided into three parts. The first part provides information on sustainability reporting as an instrument of sustainability communication, the GRI framework, UN Global Compact, legal requirements, the SDGs and its relation to challenges and opportunities in the textile and apparel industry. Secondly, a theoretical understanding of value creation from different points of view in relation to sustainable development. Finally, the theoretical perspectives are operationalized in into variables and indicators in a conceptual framework used to generate empiric data.

Chapter 4, results, present the empirical data which has been compiled with the help of the conceptual framework. The chapter is divided into results for Lindex and Filippa K is structured according to SDGs. Each SDG presents the compiled data relating to the variables motives and methods in the five steps of the SDG compass.

Chapter 5 analysis and discussion, describe the key findings derived from the results is presented in a comparative analysis structured by the conceptual model. First, the findings for the first two research questions: the communicated motives for working with the SDG linked to the companies' material aspects; and the methods used to measure and communicate on SDGs contribution; is presented. Secondly, the third research question: correlation between the level of SDG integration and perceived value creation, will be answered. Both parts are discussed in relation to the existing research field.

Chapter 6 draws conclusions by providing answers to the research questions and the overall aim of the study along with contributions to the academic dialogue and suggestions for potential further research.

2. Method

By accounting for methods and methodology as well as challenges and considerations faced during the research process this chapter aims to substantiate credibility and reliability. First an understanding of the work process in terms of research design, literature review, data collection, units of analysis and quality assurance will be presented. In order to convey an understanding of how this study contributes to the existing research field related to sustainability reporting a description of the methodological work conducted through a discourse analysis will be described.

2.1. Research design

Starting with a consideration of facts; trends display increasing numbers of companies that integrate SGDs into their sustainability reports, and observations; motives and methods for integrating the goals seem to vary which possibly limits the added value. Given these preconditions an abductive approach, which involves correlating, and integrating the facts and observations with the help of theoretical models into a more general description and relating them to a wider context (Givón, 1989) has been applied.

2.2. Literature review

By knowing the field of study through systematic and thorough literature review, the study seeks to achieve reliability. The literature review has provided the empirical background and theoretical framework used to evaluate the outcome of the analyzed units, i.e. the sustainability reports. Secondary data was collected through academic databases, libraries including online libraries and official trusted webpages. The databases that have been most frequently used are Scopus, EBSCO-host Academic Search Elite, Pro-Quest and Google Scholar. Using keywords such as “sustainable development goals”, “sustainability reporting”, “sustainability communication”, “value creation”, “creating shared values”, “sustainability integration”, “textile and apparel” etc. narrowed down the searches result on academic papers. The word “sustainability” has been used interchangeable with “CSR”. The same applies to the use of “business”, “corporation” and “company”. With the help of the Mendeley reference software, sorting and searching for key information has been easy handled. Primary data have been collected from the official websites of the respective company and examined through structured and methodological work guided by the operationalized theoretical framework presented in chapter 3.4.

2.3. Units of analysis

In the process of selecting which companies to analyze, several factors guided the final decision. A key criterion was evidently companies that to some degree had integrated the SDGs into their sustainability report. The procedure included a thorough review of approximately 20 companies in several business sectors (telecommunication, construction, transportation, IT, apparel, food retail), state-owned as well as private companies. The first selection led to companies within the apparel industry. Narrowing down the potential companies was possible by downloading the GRI database list of all companies which have been GRI approved globally the last three years. The database was used to find all registered GRI reports established by Swedish companies and cross-matched with companies within the textile and apparel industry. The second selection was based on criteria presented in Table 1 and landed on Lindex and Filippa K. Although Filippa K was registered in the GRI database, the company have not had a report in accordance with the framework since 2012, but was till selected according to the criteria in Table 1.

A major challenge when selecting companies was to find companies smaller in size that had integrated SDG into their reports, which was almost impossible. Given as the purpose of the study is to explore value creation, some form of SDG integration had to made in order to make substantiated conclusions.

Table 1. Criteria and justification for selecting companies

Criteria	Justification
a) Swedish companies with a global reach	The companies originate in and have a head office located in Sweden. Swedish companies are all subject to the Swedish sustainability law incorporated into the Annual Accounting Act including specific reporting requirements aiming to contribute to value creation. The fact that the companies have a global reach is important due to the context of the SDG fulfillment. A wider reach means that more SDGs are material to the company due to higher impact.
b) Reported net sales of more than 350 million SEK on average 2016 to 2017	Given as the complexity of the SDG measurement and reporting frameworks may hinder many companies, especially SMEs from reporting on their performance and contributions to the SDGs, the sampled companies ought to have enough capital to carry out a qualitative sustainability report. Higher revenue enables a company to report on a larger number of material aspects and have a bigger capacity to collect non-financial data to key performance indicators. Companies having reported net sales of more than 350 million SEK on average further falls under the Swedish sustainability law requiring them to establish a sustainability report.
c) Officially published reports	As the study seeks to explore potential value creation though communication practices, an officially published report reaches out to more stakeholders than a report that's solely published internally. The value creation is therefore dependent on reaching a bigger crowd.
d) SDGs are communicated in the reports	The most important criteria for selection were companies with sustainability reports that show a clear development in their sustainability communication practices that included SDG integration. This was further important due to the fact that the methodology aimed to explore inter-discursive communication.
(e) Companies within the apparel industry	An assessment of whether the units of analysis ought to be companies in the same business sector was made and deemed as relevant. The companies have common characteristic specific to the apparel industry in terms of relevant SDGs.

Although the companies have common nominators as presented in Table 1, they differ in many ways. Both companies belong to the apparel sector, yet Lindex is a classical "fast fashion" company selling large quantities of cheap clothing with rapid exchanges in collections conditioned by seasonal changes. It is considerable larger in terms of market presence and has a turnover almost ten times of Filippa K. Filippa K is a fashion brand in the higher price ranges which market themselves as "slower fashion" meaning that the the clothing has long lifecycles with designs that can be used regardless of season over a long period of time. Filippa K further provides services prolonging their lifecycle. While Lindex constitutes as a retailer which sell a wide range of different brands, Filippa K are single brand-companies where the clothing is sold in either brand stores or by other retailers. Finally, Lindex is using the GRI framework and Filippa K is not.

Initially Haglöfs was also suppose to be included in the analysis, however, Haglöfs report for 2017 was not yet published by the time for data collection, and would according to the Sustainability Manager Eva Mullins not be official until the end of June. Sustainability reports tend to be published during spring, between march and may, often in connection to the publication of the annual reports. To give a fair comparison between the reports is thus limited given as Haglöfs latest report was absent. The six reports from Lindex and Filippa K corresponded to more than 300 pages and the results were deemed enough to make qualitative in-depth comparisons

2.4. Data collection

Six sustainability reports published by the individual companies were collected. The selection of documents constituting the primary data consisted of three reports from the respective companies ranging from fiscal year 2015 to fiscal year 2017. This means that the sustainability reports from fiscal year 2015 was published in 2016, the reports from fiscal year 2016 was published in 2017 and the reports from 2017 was published in 2018. Given as the SDGs were endorsed in 2015, this also serves as a base year. Data collection was primarily focused on sustainability reports. Other relevant information sources such as policies and code of conducts have served as supporting documents related to the information found in the sustainability reports together with the companies' official webpages.

The empiric data have been collected according to the variables and indicators in the conceptual framework and compiled into a matrix in Excel to structure the various content. The matrices divided data into motive which was divided into content with communicated understanding and impact assessments, as well as method with was divided into goal setting, anchoring and reporting. The variables and indicators was further divided into 2015, 2016 and 2017. An except of the matrix if found in Appendix D.

2.5. Discourse analysis

Discourse analysis has been used as a methodological tool to fulfill the aim and was applied on data compiled from six sustainability reports published by the apparel companies. Given that that the purpose of this study aims to investigate the phenomena of changes in sustainability reporting, namely integration of SDGs and perceived value creation, critical discourse analysis has been deemed as a suitable methodology for investigating intertextuality of sustainability communication.

A discourse can be defined as an "ensemble of ideas, concepts and categories through which meaning is given to social and physical phenomena and which is produced and reproduced through social practices" (Hajer & Versteeg, 2005:175) such as communication. Discourses can be analyzed through various approaches such as scrutinizing norms and ideologies (Jørgensen & Philips, 2002). In this study critical discourse analysis, launched by Norman Fairclough, will be used as a methodological instrument. Discourses, as well as knowledge, are not static but evolve with time. Central to Fairclough's methodology is the investigation of change. As language tend to draw on former discursive structures, language users reproduce already established meanings. This can be understood through Fairclough's concept if intertextuality, namely how one text draws upon preexisting discourses and elements of other texts. By combining elements from various discourses, communication can change single discourses and thus, the social and cultural world (*ibid*.).

Critical discourse analysis attempts to determine and unite the relationship between three levels of analysis. The first level of analysis deals with the content of the text. The second level deals with the discursive practices where the texts represent communication of an event and the construction of identity as well as strategies to frame the content in the message. The third level deals with the social context that impact the discursive practices (Jørgensen & Philips, 2002).

2.5.1. Application of discourse analysis

Discourse analysis have been applied on the collected empiric data through the three levels of analysis presented above. After structuring the empiric data into the matrices the data have been processed by first assessing the content of the respective indicator and how it has changed over time. The process has further included search for similarities, differences and patterns. But also with regards to strategies for how the variables of motive have been framed. In the case of Lindex and Filippa K, the strategies to frame the content of the message include circular economy and the SDGs. With these strategies in mind it was possible to analyze intertextuality by searching for introduction of news concept with pre-established

meanings and how these have contributed to production of new meanings. The third level of analysis have been conducted by reviewing the correlation between the variables motive and method, but also by scrutinize the results in relation to the existing research field.

2.6. Quality assurance and ethical considerations

In order to establish validity, an extensive literature review have been conducted and triangulation of both multiple perspectives and sources on all theoretical and methodical aspects have been applied. Validity is further ensured by continuously critically reviewing data and information. For instance, recognizing that corporate sustainability have multiple dimensions, perspectives and rationalities, means that the "empiric" ought not be analyzed in terms of black-and-white solutions. Weighing ethical challenges with pragmatic approaches are therefore sometimes necessary to understand an empiric phenomenon. Reliability is ensured by systematic documentation of empiric data, derived from the sustainability reports and supporting documents, in a data collection matrix in Excel. The study has further been peer reviewed during the course of execution, both by fellow researches in the sustainable development discipline and by peers in other study fields.

During the timeframe for carrying out this study, the author was working part-time at a consultancy bureau focused on sustainability reporting. To avoid any bias, the selected units of analysis did not include any of the bureau's prior or current clients. Working in an office with specialized knowledge in sustainability reporting did however provide guidance in terms of finding relevant information such as the practical process of selecting relevant material aspects, prioritization, data collection and its presentation.

3. Theory

The focus of this study is grounded in perspectives on value creation through discursive changes within sustainability communication. In this segment, an understanding of sustainability reporting as an instrument of sustainability communication will be explained in relation to the most common frameworks along sustainability challenges in the textile and apparel industry linked to the SDGs. Secondly, a theoretical understanding of value creation from different points of view will be presented. This will later be operationalized into variables and indicators in order to provide structured and comprehensible results.

3.1. Sustainability reporting

Discourses on sustainable development are constantly given new meaning in different genres and merged with other discourses and practices (Zappettini & Unerman, 2016). As sustainable development can only be realized with a wide support for its implementation in the general public, it is necessary for larger segments of society to become invested in this process (Godemann & Michelsen, 2011). The task of sustainability communication is therefore to create an understanding of the relationship between human activity and the earth system into social discourse and a critical consciousness of the issues with this relationship (ibid). The value of sustainable development lies not only in the intrinsic value of nature but also to uphold a safe operating space for humanity (Rockström et al, 2009) which includes long-term risk management in business operations (Lee & Vachon, 2016). Scientific knowledge and discourse is therefore crucial in this undertaking (Godemann & Michelsen, 2011:6). Rendering the negotiations of the SDGs, it has become evident that in order to engage the general public the business sector plays a central role as well.

Although sustainability reporting is a form of communication, it differs from merely spreading information to educate the public, as it is the practice of "measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development" (Belkhir, Bernard & Abdelgadir, 2017:139). Sustainability reporting has been subject to vast amounts of academic literature. Recent research has focused on sustainability accounting and sustainability performance tools (Siew, Balatbat & Carmichael, 2016; Siew, 2015), contribution to sustainable development (Lim & Greenwood, 2017) and its transformational potential (Wieland, 2017; Stevens & Kanie, 2016). Conversely, sustainability reporting has also been contested for its limited effectiveness on sustainability (Belkhir, Bernard & Abdelgadir 2017; Fonseca, McAllister & Fitzpatrick, 2014). According to Zappettini and Unerman (2016), sustainability reporting has emerged as a new hybrid discourse through which organizations interlink financial information with the social and environmental impacts of their activities. They argue that discourses of sustainability have been re-contextualized into macroeconomic discourses and that intertextual and interdiscursive relations also have conditioned the evolution of sustainability discourses (Zappettini & Unerman 2016). Correspondingly, legal requirements and international frameworks explicitly condition sustainability reporting, which consequently may affect the level of value creation.

3.1.1. Global Reporting Initiative (GRI)

Sustainability reporting has long been a voluntary initiative for companies. Given its voluntary stipulation, estimates on corporate impact have shown tendencies of arbitrariness. Divergent approaches to measure and present data have further been seen to limit its comparability (Michelon, Pilonato & Ricceri, 2015). A step towards providing more reliable data that better measure and value true performance of corporate operations as requested by representatives from the business sector in the SDG negotiations, the GRI has become standard among the vast majority of companies that voluntarily publish sustainability reports (Belkhir, Bernard & Abdelgadir 2017).

GRI is an independent organization working to encourage and support sustainability reporting by providing a comprehensive framework. The framework was originally developed to enforce existing guidelines on corporate environmental conduct as a response to irregular, inconsistent and diverse information on social and environmental performance (Belkhir, Bernard & Abdelgadir, 2017). Funded and administered in 1997, GRI stated mission was to "elevate sustainability reporting to the same level as financial reporting in terms of rigor, comparability, auditability and general acceptance" (Willis, 2003:234). Currently the GRI is the most common framework for sustainability reporting worldwide (KPMG, 2017). GRI states that it:

> "Helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social wellbeing. This enables real action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest" (GRI, 2018).

The quote illustrates a mission to create change in form of action. The action is in turn grounded in grasping factual impacts and to promote the public interest of sustainable development. A vital step in this undertaking is to create a common ground for sustainable business practices, which in the GRI framework is rooted in its guiding principles. The GRI reporting principles (Table 2) are divided into *principles for defining report content* and *principles for defining report quality*.

Table 2. GRI guiding principles (Full definition in Appendix A)

Principles for defining report content	Principles for defining report quality
• Stakeholder inclusiveness • Sustainability context • Materiality • Completeness	• Accuracy • Balance • Clarity • Comparability • Reliability • Timeliness

Derived from GRI (2016) 101 Foundation.

Principles for defining report content support organizations to select relevant content to include in the report such as relevant impact areas, stakeholder influence and sector specific activities. The reporting principles for defining report quality help organizations ensure the quality of disclosed information (GRI, 2016). The GRI provides a common structure, common language and and data measurement tools which helps the comparability of the reports. According to the SDG compass, it is important for companies to use internationally acknowledged standards for sustainability reporting such as the GRI. It further states that in the drive towards effective reporting, companies are advised to base the reports on material issues, defined as those issues that reflect the company's significant "impacts whether positive or negative, as well as those issues that substantively influence the assessments and decisions of stakeholders, as defined by the GRI Reporting Guidelines" (GRI, UNGC & WBCSD, 2016:27).

3.1.2. UN Global Compact

Similar to the guiding principles of the GRI, the UNGC also provides principles for corporate responsibility, however normatively conditioned covering values associated with the environment, anti-corruption, human- and labor rights. The UNGC as an organization originated from UN Secretary Kofi Annan's call to business leaders to join a "global compact" in order to create a global market with shared

values. It enlists corporate commitment in promoting shared values complied into ten principles (Appendix B) drawn from the Universal Declaration of Human Rights, the Rio Declaration and the Declaration of Fundamental Principles and Rights at Work of the International Labor Organization (ILO) (Fussler, 2017). Membership in the UNGC implies that the company commits to align their strategies and operations with the universally accepted principles (Shoji, 2015). They are further required to issue an annual Communication on Progress (**COP**) regarding company progress in implementing the principles and a description of how actions described in the COP addresses the SDGs (UNGC, 2015b).

Aiming to support SDG 17 "global partnership towards sustainable development", the GRI and the UNGC renewed their Memorandum of Understanding from 2013 to further facilitate alignment between the SDGs and sustainable business practices. The organizations are committed to provide guidance and robust frameworks to advance corporate contributions to SDG fulfillment (GRI, 2016b). The memorandum from May 2016 states "GRI, subject to due process, will integrate the Global Compact issue areas and principles centrally in the GRI Guidelines, through the current and upcoming revisions of the Guidelines" (UNGC, 2016). After restructuring the GRI G4 framework, the new "GRI Standards" were released in October 2016 and the promise stated in the agreement was manifested.

3.1.3. Legal requirements on sustainability reporting

According to the KPMG survey on sustainability reporting, future trends are projected to include stricter regulations on reporting, specifically concerning sustainability data. For instance, it may be expected to disclose information related to tax evasion issues, such as information on tax payments broken down by country, as well as more stringent risk assessment on financial risks derived from climate changes (KPMG, 2017). Regulations on sustainability reporting have most recently been seen in the 2014 'EU Directive on Disclosure of Non-Financial Information', which was harmonized into the Swedish Annual Accounts Act in law 2016:947. The regulation does not only articulate distinct criteria for companies that have published sustainability reporting on a voluntary basis, it also implies that companies, that up until this point never disclosed sustainability performance information, are forced to manage and review their performance.

According to the EU parliament "disclosures on non-financial information are vital for managing change towards a sustainable global economy by combining long-term profitability with social justice and environmental protection" (Directive 2014/95/EU). As such its purpose lies in creating change towards sustainable value creation by making companies understand its positive and negative impact on society and environment.

Following the implementation of the EU directive, the Swedish amendment demands that companies fulfilling at least two out of three criteria in terms of size must disclose information on their sustainability performance. The criteria are; having more than 250 employees, a balance sheet total of more than 175 million SEK, and/or reported net sales of more than 350 million SEK on average over the last two financial years (SFS 2016:957, 6th chapter 10§). The Swedish sustainability amendment does not provide a specific framework for reporting; however, encourage companies to employ internationally established reporting frameworks, such as the GRI. For state owned companies reporting according to the GRI framework is mandatory (ibid).

The law requires companies to report on sustainability information covering matters related to the environment; social conditions; personnel, human rights; and anti-corruption. It, however recognizes the vast spectra of business contexts and thus, let companies identify what sustainability aspects and Key Performance Indicators (**KPI**) that are material for their particular company (SFS 2016:957). Additional requirements consist of disclosing information on the companies' business model, policies related to each sustainability matter and its management procedures, as well as identified risks and how they are

managed. Should a company not have a policy for one or more of the required sustainability areas, a description of reason should be stated, also known as the "comply or explain" principle (ibid. 45). In comparison to the GRI, the amendment is significantly vaguer in its requirements but unlike the GRI it puts emphasis on risk assessment.

3.2. Sustainable Development Goals (SDG)

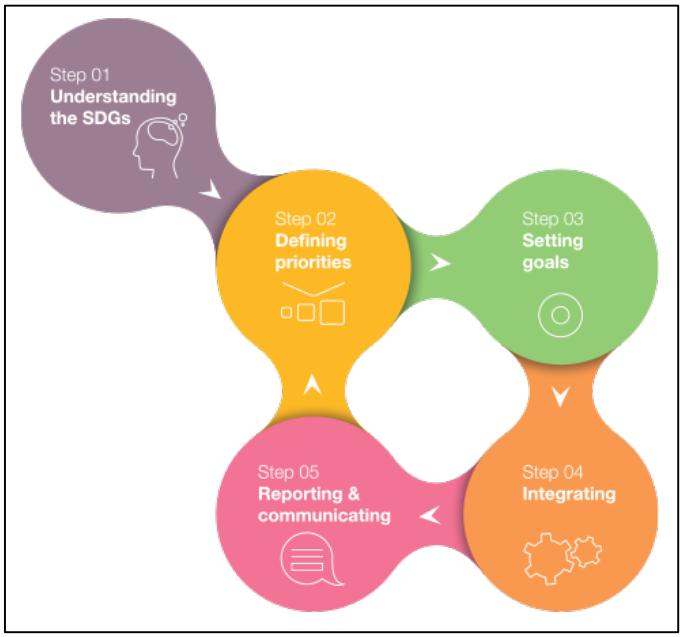
The 2015 adoption of the SDGs marked a transition from the Millennium Goals but also an evolution of global collaboration towards sustainable development. Following the success of the MDGs and "failure" of treaties such as The UN Framework Convention on Climate Change (UNFCCC) and the UN Convention on Biological Diversity (UN CBD), the UN member states asked themselves:

> "'Why are these treaties falling so far short?', and they looked over their shoulders at the Millennium Development Goals (MDGs). They knew that the MDGs were quite different. The Millennium Development Goals were not a multilateral treaty. They were a non-binding and non-legal, moral or aspirational commitment of the UN member states. They were addressed not mainly to governments but to a public mobilization of interest and awareness in the fight against extreme poverty. They were also time-bound: 15 years, for the period 2000-2015." (Sachs, 2015:54).

By understanding that sustainability requires holistic and inclusive approaches with specific, time-bound and quantifiable targets, such as "reducing the the maternal mortality rate during pregnancy and childbirth by three quarters, comparing the 2015 target year with the baseline of 1990" (Sachs, 2015:54), the SDGs have broadened the scope of responsibility (UN, 2015). A significant change is that sustainability is viewed as an interdependent phenomenon. The goals must therefore be treated as interconnected and apply to all countries rather than solely countries labeled as "developing". The widened scope put further attention on private sector participation. In fact, the negotiation process included consultations with civil society organizations and businesses, legitimizing the inclusive approach of the SDGs and helped mobilize companies to engage (Scheyvens *et al*, 2016:372). An important issue raised by the business community has correspondingly been to "integrate sustainability to core business strategies and long-term risk assessment […] and create a systemic change in order to better measure and value true performance of business" (Pingeot, 2014:18). This means that in order for sustainability to advance, strategies for sustainability management must change and integrating the SDGs into existing business strategies may create new opportunities and values.

The 17 SDGs illustrated on the title page, and its 169 targets (full list together with defined targets relevant to the textile and apparel industry in Appendix C) demonstrate a common language with a common purpose and can only be accomplished through cooperative action with a global reach. In a sense, they require awareness of the fact that the global world is a shared world with "shared responsibilities for a shared future" (Wieland, 2017). In order to tackle this, extensive work to define common metrics and indicators to track the implementation of the SDGs has been made by the Inter-Agency and Expert Advisory Group (**IAEG**) (Sachs, 2015). The purpose was to propose clear and accessible data that can be used by all, from individuals to political decision makers, resulting in the release of a SDG Index. This first attempt was made at the country level, with indicators based on national performances. After review, the index was deemed difficult to translate at business level (*ibid.*).

The SDG compass (Fig. 1) however, developed by the GRI, UNGC and World Business Council for Sustainable Development (**WBCSD**) is a tool to help businesses accelerate the SDGs and instruct companies on how to best implement SDGs into their operations. Its background paper explains that while the private sector contribution to sustainable development during the MDGs evolved around economic growth, public-private-partnership and philanthropy, the renewed emphasis is to create shared value. For instance, companies can contribute to a healthier environment by reducing their negative impact through reduced emissions and more efficient use of raw materials (BCtA & GRI, 2016:9).



The compass provides five steps for how business can engage with the SDGs. First step; understand the SDGs and examine the business case for measuring impact. Second step; define priorities by mapping the value chain to identify impact areas, set indicators and collect data. Third step; set goals and select KPIs. Fourth step; anchor the SDGs within the business and engage in partnership. Fifth step; report and communicate on SDG performance (GRI, UNGC & WBCSD, 2016). Full definition in 3.4 Theoretical Operationalization.

Fig. 1. Illustration of the SDG Compass (GRI, UNGC & WBCSD, 2016:5).

3.2.1. The SDGs and sustainability challenges within the apparel industry

Every product has a life cycle which passes through stages of raw material extraction, manufacturing, distribution, usage and end at the disposal stage (Fig. 2). The life span of textile products wary depending on its durability and purpose, where applications encompass a wide spectrum such as apparel, industrial-, hygienic-, agro- and geo textiles (Muthu, 2014a).

In the textile supply chain the initial stage is raw material preparation. The main sources for fiber production are natural fiber (plant or animal fiber) and "man-made" fiber (mainly[3] derived from crude oil). Conversion of raw material to fiber is followed by yarn- and fabric production, and the apparel manufacturing process. "There are also numerous production techniques for different fiber types, yarn spinning systems, fabric and garment technologies" (Muthu, 2014a:2). The finished product is then sent to retailers and sold to the customer after which it is used and finally disposed as some sort of waste (Muthu, 2014a). As depicted in Figure 2 the supply chains are long. They are also highly global and decentralized, and therefore particularly complex *(ibid.)*. All stages have an impact as every industry has a specific supply chain for its products manufacturing process where each part of the value chain is responsible for a range of environmental and social impacts.

[3] Man-made fibers also include regenerated cellulosic fiber which is transformed from natural polymers, and inorganic fibers which are glass, ceramic and carbon fibers (Muthu, 2014a).

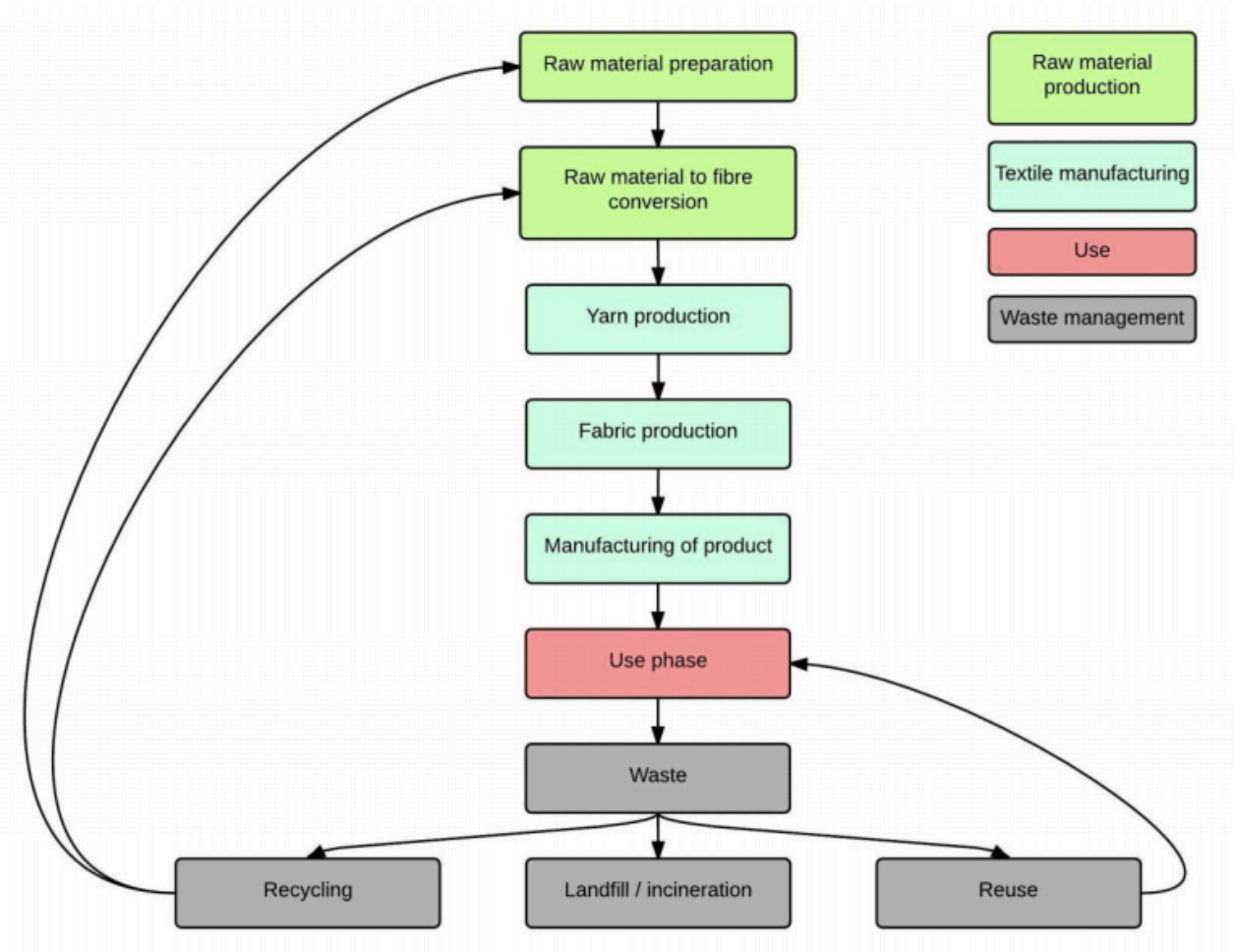


Fig. 2. Generalized product life cycle model of textile products (Muthu, 2014a:3).

The specific impacts of the textile and apparel industry also set the foundation for which SDGs are relevant for their sustainability work. Although one can argue that all goals are indirectly relevant as they are interconnected, assessing where the industry has greatest impact focused efforts may contribute to higher value creation to sustainable development if goals are appropriately directed. As pointed out by critics, cherry-picking goals that have the easiest business case is insufficient (CISL, 2017:26). The common SDGs reported on by Lindex, Haglöfs and Filippa K are SDG 5 "gender equality", SDG 6 "clean water and sanitation", SDG 8 "decent work", SDG 12 "responsible consumption and production" and SDG 13 "climate action" (relevant sub-targets are found in Appendix C).

3.2.1.1. SDG 5 Gender equality

Historically, the textile and garment industries have been the first to establish in developing countries because capitalization requirements and start-up costs are relatively low and production does not require a highly skilled workforce. The industrialization of developing economies, specifically those transitioning away from agriculture, created an inexpensive surplus pool of especially young and female laborers, many of whom got employed in the textile and apparel industries (English, 2013). The historic rubric remains the same today: industrial work in the textile and garment assembly work provides an entry point for rural women in the formal economy. Gendered wage structures are also still prevalent, which comes from the notion of female work as supplementary rather than according to skill and value (English, 2013:68). With transitions from agriculture to industry, the unpaid and undervalued work of household tasks and care for children has remained the same. Still today, women often work a double day of full-time work in mills

and factories along with full-time work raising children, washing laundry and preparing meals (English, 2013:69). Gender division of labor and wages is further solidified through the introduction of new technologies in the textile industry, where men are appointed skilled work positions while women, especially migrant women, are given deskilled sewing jobs such as stitching seams, button holes or sew on the buttons (English, 2013:71).

3.2.1.2. SDG 6 "Clean Water and Sanitation"

The predominant natural fiber derived from plants is cotton. While cotton may be a smart choice of raw material as it is renewable, it is exceptionally water intensive. More than 10,000 liter of water is consumed to manufacture a shirt or a pair of jeans (Cannon, Godwin & Goldberg, 2011). The majority of this water is required to grow cotton, followed in second place by the "wet processing" stages, i.e., printing, dyeing, washing, and fabric finishing (Muthu, 2014b:10). The textile and apparel industries are considered to be the second highest consumers and polluters of clean water next to agriculture (Oecotextiles, 2012; Merzouk et al., 2009). Water pollution in turn pose immediate and serious threats to human health and ecosystems (Muthu, 2014b:4).

"Uzbekistan, the world's sixth leading producer of cotton, is a prime example of how cotton can severely impact a region's environment" (EcoWatch, 2015:1). In the 1950s, two main rivers were diverted from the Aral Sea to provide irrigation for cotton production. As an effect the water levels in the sea today are merely 10% of the levels in the 50's. The sea has also become over-salinized and burdened with fertilizer and pesticides from the nearby fields affecting public health in the area (EcoWatch, 2015).

The dying process of textiles also impact water security in textile producing regions. "The textile industry is responsible for a large proportion of the water pollution problem, with its use and discharge of hazardous chemicals contributing to the chemical load in the river systems" (Muthu, 2014b:34). The Citarum River in Indonesia is appointed as one of the most polluted rivers globally due to the hundred textile producing factories lining its shores. According to Greenpeace, "with 68 percent of the industrial facilities on the Upper Citarum producing textiles, the adverse health effects to the 5 million people living in the river basin and wildlife are alarming" (EcoWatch, 2015:1). Land occupation to produce acacia used for surface application of dye onto fabric have further proven to contaminate rivers of which local communities rely on for drinking water and irrigation (Morgan, 2015).

3.2.1.3. SDG 8 "Decent Work"

The textile and apparel industry have been valued as a catalyst for national development and a starter industry for countries engaging in export-oriented industrialization due to its labor-intensive character and low fixed costs (Cattaneo & Staritz, 2010). Currently, the industry is highly globalized with complex supply chains, created by relocating manufacturing processes into developing countries and through transnational outsourcing (Garcia-Torres, Rey-Garcia & Albareda-Vivo, 2017). Characteristics of the so called "fast-fashion" business model is built on low prices, high production volumes and rapid lead times which adds serious sustainability challenges to the sector. While apparel companies provide potential vehicles for development by introducing technical improvements to local communities (*ibid.*) and work opportunities for paid employment which for some is a step out of poverty, the labor standards have remained remarkable static over time (English, 2013). The social issues can be broken down into wages, working hours, and working conditions where working conditions are often unsafe and unhealthy with excessive working hours (Perry, 2013). In Latin America, workers, mainly women, are reported to be working 80 hour weeks (English, 2013). Given the characteristics of fast-fashion production systems which push for reduction of production cost margins, workers are not paid living wages and retailers have failed to enforce minimum labor standards in the workplaces (Muthu, 2014b).

3.2.1.4. SDG 12 “Responsible Consumption and Production”

Responsible consumption and production with regards to the apparel industry is concerned with impacts, not only from upstream processes but also downstream processes, namely the use and end-of-life stages. Over the life cycle of a textile product, the following inputs are required: direct land used to produce fibers and indirect use of land to build production- and waste management facilities as well as landfills; freshwater for processing and cooling; energy from renewable and non-renewable sources for production, transportation and washing; pesticides, fertilizers and other chemicals; packaging materials; and inventories for the maintenance of machines (Muthu, 2014b).

Production of all fibers require huge amounts of chemicals and water as briefly explained above. According to the EJF, cotton production corresponds to 2,5% of the world’s cultivated land and 16% of the global insecticides are used on the crop. This is higher than the use for any other major single crop (Muthu, 2014a). Yet, the majority of chemicals use in textile production occurs in the wet processing. Textile dyeing and finishing facilities use much as “200 tons of water for every metric ton of textiles produced” (Muthu, 2014b). Producing cotton further require energy from both renewable and non-renewable sources. Quantity and type of all resources needed differs for organic and conventional cotton (Muthu, 2014a). Organic cotton is considered as “superior to conventional cotton in terms of biodiversity, elimination of intensive fertilizers, reducing water contamination and consumption, preserving soil quality and reducing energy requirements” (Muthu, 2014a:11). Synthetic man-made fibers, while not as water-intensive and less energy intensive in the use phase, are obtained from non-renewable resources. They also require more energy in the production stage, emit higher levels of greenhouse gases during the manufacturing phase and are associated with issues in the waste management phase (Muthu, 2014a).

Responsible consumption of apparel emphasizes the importance of reducing impact during the use and disposal phases. Irrespective of the type of textile, the use phase corresponds to 80% of the carbon footprint (Business for Social Responsibility, 2009; Collins & Aumonier, 2002), while consumption of water, energy, and chemicals will vary depending upon factors such as product type, its fiber content and end-use (Muthu, 2014a). Similar to the use phase, impact from disposal method is dependent on several factors. When the product reaches its end of life it is either reused, recycled, incinerated with or without energy recovery, or directed to landfill. The disposal is primarily decided by consumer behavior and each option has respective environmental impacts and benefits. Responsible consumer behavior is consequently conditioned by the extent of consumer knowledge of issues with production, distribution, and consumption of apparel (Muthu, 2014a:24).

3.2.1.5. SDG 13 “Climate Action”

The first test of the SDGs came when the world gathered in Paris at COP21. “SDG 13 commits all the world’s governments to combat and curb human-induced climate change. Consistent with that commitment, the same governments adopted the Paris Climate Agreement establishing the central objective of keeping global warming to well below 2°C” (Sachs, 2015:53).

While the most tangible climate change related impact areas of the apparel industry are transportation and manufacturing, producing chemical fibers consumes 0,8 % of the entire crude oil production annually and require energy in all phases of production contributing to high levels of greenhouse gas emissions (Muthu, 2014a). Climate change impact is also evident due to deforestation which limits carbon sequestration. Some of the most common textiles including viscose and royan, have significant impacts as tropical forests in South Africa or Indonesia are being clear cut and substituted with monocrop eucalyptus and acacia plantations. “These plantations are then logged and processed with highly toxic chemicals to produce a substance called dissolving pulp; the pulp is then processed into thread, which is dyed and woven into fabric used for clothing worldwide” (Morgan, 2015:1). Deforestation contributes to climate change which consequently has made Indonesia one of the worlds largest greenhouse gas emitter (*ibid.*).

According to the sustainability hub Quantis' report on the environmental impact of the apparel industry, the only way to genuinely address circular fashion is to slow down the cycle of garment production and consumption. In addition, fossil fuels need to be phased out of every aspect of our apparel. The carbon footprint of the fashion industry corresponds to 8,1% of the global greenhouse gas emission, equal to the footprint of the European Union" (Quantis, 2018).

3.3. Value creation

Before utilizing the concept of value creation through sustainability reporting the question "value for whom?" should be resolved. Value creation in this study depart from the notion of "creating shared values" and refer to values contributing to sustainable development. According to UN Secretary Baan-Ki Moon, creating values is build on "shared values, principles, and priorities for a common destiny" (UN, 2014:3) and should, thus, be thought of in terms of "shared responsibilities for a shared future" (*ibid*: 14). From an economic point of view, economic growth should lead to shared prosperity. Conventional business models must therefore be transformed in order to create these values (ibid: 22).

According to Stevens and Kanie (2016), the SDGs have a transformative potential. They argue that the SDG are an opportunity to transform the nature of development and make environmental and social sustainability a defining characteristic of economic activity. Thus, the SDGs can "move beyond the narrow silos of action which define most development efforts" (Stevens & Kanie, 2016:395), as reflected in the title given to the agenda "Transforming our world – the Agenda 2030" (Wieland, 2017). This perspective illustrates value creation in relation to our shared experiences along with our future generations rights to prosperity, commonly used in definitions of sustainable development. A significant challenge with this standpoint is the spectra of sustainability and its various applications, particularly between perspectives of strong versus weak sustainability. In a robust distinction, the weak sustainability perspective is a reflection of the triple-bottom-line (Elkington, 1998) with three circles in a triangle placing sustainability in the middle of social, environmental and economic activities, giving each dimension equal emphasis. This perspective is evident in the European Commission statement regarding shared value as an outcome of long-term and strategic sustainability planning placing environmental and social aspects as equal parameters to the economy (European Commission, 2011). Strong sustainability on the other hand, rests on the discourse of "limits to growth" emphasizing planetary boundaries and a resilient earth system (Dryzek, 2013). Strong sustainability places the environment as a foundation for society in which the economy lays on top on society in the form of a pyramid. Without a stable environmental foundation, the social system becomes dysfunctional which consequently effects economic prosperity.

3.3.1. Creating shared values (CSV)

One of the biggest challenges within the sustainability discourse is the conflict between growth and development. Opposing ideologies rests in how to value and redefine growth, much notably in the debate on value creation through Porter and Kramer (2006; 2011) concept of Creating Shared Value (**CSV**) used to contest their understanding of CSR. According to them shared value can be used as a driver for economic growth through market development and innovation (Porter & Kramer, 2006:65). By re-investigating products and markets, increase value chain productivity and facilitate local cluster development, companies can create shared value opportunities (Porter & Kramer, 2011). CSV is argued to differ from CSR as it focuses on integrating shared values in the core business driven by positive motives as opposed to the latter, which is considered to be driven by negative reactive drivers (ibid.). Critics, however, stress the shallow view of corporate involvement in society (Crane *et al*., 2014:139), debating that CSV puts to much emphasis on economic logic and that Porter and Kramer seem to have a limited understanding of CSR (Beschorner, 2013). On the other hand, CSV has the opportunity to "reshape capitalism and its relation to society as it is presented as a transformational response to the crisis of

capitalism" (Wieland, 2017:130). De los Reyes, Scholz & Smith (2017) support Porter and Kramer's view that CSV provides a legitimate re-conception of business as a management framework to address "win-win" issues. However, they also agree with Crane et al. (2014) that "CSV ignores the tensions between business and society" (De los Reyes, Scholz & Smith, 2017:161), leaving managers ill-equipped to manage issues facing the prospect of "win-lose" situations. For legitimacy, managers need to reinforce CSV with ethical frameworks, specifically with focus on norm-making (De los Reyes, Scholz & Smith, 2017). The UNGC can be seen as one of those ethical frameworks, which if applied together with the GRI can be used to evaluate potential value creation.

3.3.2. Value creation conditioned by motive

Drawing on the debate between CSV and CSR, one can distinguish between negative (reaction-driven), positive (value-driven) and utilitarian (performance-driven) (Buelens, 2015:590) drivers of change towards sustainability within companies. In this sense, value is created as businesses take action to integrate sustainability into their business practices. The negative drivers of change come from stakeholder influence and pressures, which are having increasing impact on companies (Calvano, 2008). Changes are viewed as commitments to avoid regulations or negative sanctions from stakeholders. Besides the traditional stakeholders, "new actors have emerged with amplified demands, supported by specific new levers in this change and influence process" (Buelens, 2015:591). In the aftermath of what has come to be known as one of the worst industrial accidents in history, namely the the 2013 collapse of the eight-story textile fabric in Dhaka, Bangladesh killing 1133 workers and injuring 2438 people, stakeholders demanded that the apparel industry be held responsible for their death (Jacobs & Singhal, 2016). The scale of such tragedies has led to increased awareness and public response to unethical working conditions and safety in the garment industry. Given as companies want to avoid negative reputation possibly affecting their brand, sustainability communication is often established to account for measures taken in order to regain reputation (Buelens, 2015).

The positive drivers on the other hand, are proactive and often voluntary. They materialize from accepting relevant and justified needs. Their intent is value-driven and derives from a genuine belief in such as the "common good" and decent operations. Positively driven businesses are often first-adapters legitimizing and setting best practices for responsible business strategies. In the apparel industry, Patagonia have led the way of environmentally conscious clothing since 1972. It was one of the first brands to use renewable energy sources, use recycled paper to print its catalogs on, remove chlorine from its wool products and switch to organic cotton. Patagonia further donates 1% of its gross revenues in support for green initiatives (Treblicock, 2009). Beside the negative and positive drivers, the utilitarian drivers are based on pragmatic considerations. The major objectives lie with long-term reputational strategies or with respect to financial, marketing and public relations. Risk analysis or cost-benefit analysis justify self-interest and drives investment in sustainability activities in such businesses (Buelens, 2015:592).

3.3.3. The hypocrisy sincerity continuum

Challenges associated with sustainability communication and reporting are constantly subject to scrutiny by academia (Mark-Herbert & Rorarius, 2010). According to Elving (2015), corporate sustainability is increasingly equated with transparency and accountability. However, on many occasions, the idealism of sustainability communication diverges from the reality of day-to-day business. Impressive sustainability initiatives are sometimes perceived simply as opportunistic tactics to win public approval while covering dubious practices (Buelens, 2015). Lack of congruency between communication and action is explicitly expressed in terms like "green-washing", "blue-washing", "pink-washing" and "window-dressing". These metaphors illustrate discrepancies between talk and action (Elving, 2015). Problematic situations like these contribute to a perception of arbitrariness and hypocrisy, "with the paradoxical consequence that the sincerity of company managers' motives are questioned even when their [sustainability] efforts are genuine" (Buelens, 2015:587). Ratings of sustainability performance do not sufficiently address this issue

and a disconnection between discourse and implementation are often evident (Fray, 2007). Sincerity, in this context, is the level of conformity between discourse and practice and congruity between words and deeds (Buelens, 2015:593). In other words, sincerity can be perceived as "walking the talk". There is however an issue, the business world is more complex than something that can be assessed in a black and white dichotomy of hypocrisy versus sincerity and needs a much more sophisticated approach to the gap between promise and performance (Buelens, 2015:587). The spectra between 'talk versus action' and 'sincerity versus hypocrisy' can be seen as a spectrum of value creation. Higher levels of talk, action and sincerity driven by positive drivers consequently contributes to higher level of value creation towards strong sustainability, while lower levels may contribute to values contributing to weak sustainability (Fig. 3).

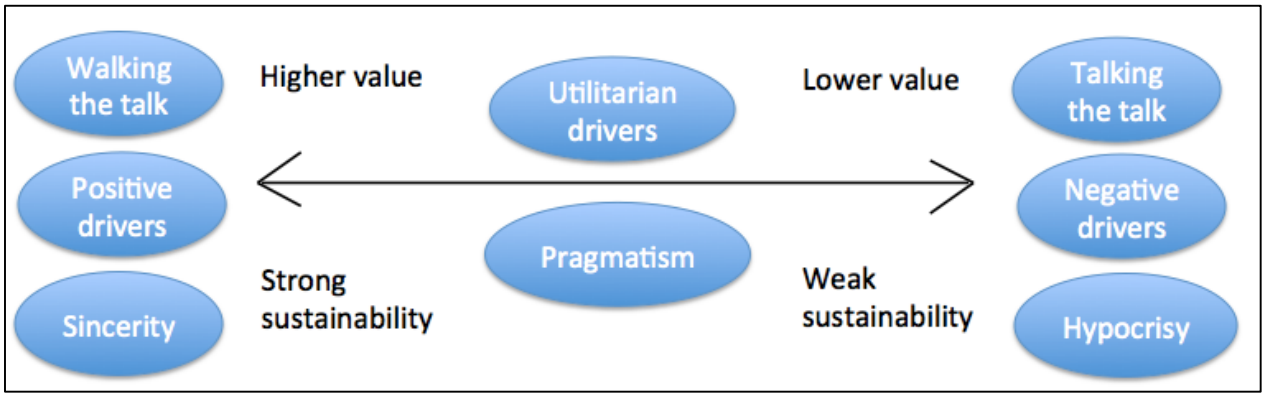


Fig 3. Spectrum of perceived value creation (based on theories in chapter 3).

Limited sustainability communication does not necessarily equate low value creation, as sincere and positively motivated companies may not have the capital capacity to execute a full-scale sustainability report. Furthermore, for companies that just embarked their sustainability work, it may take a couple of years until they have produced and implemented sustainability policies, educated all their employees, set goals and created systems for collecting sustainability data. This does not mean that they are not working with sustainability, but rather that its strategic sustainability work is maturing within their organization. The potential value of the sustainability work within a company may thus not be seen after a couple of years. In these cases, a discursive change should be evident in the sustainability communications over time.

3.4. Theoretical operationalization

A conceptual framework "can be viewed as a system of constructs related to each other by propositions" (Bacharach, 1989:498). Constructs are abstract in nature but can be operationalized empirically by measuring variables (*ibid.*). When trying to understand how integrating SDGs into sustainability reporting creates value, value creation may be broken down into two main variables, namely motives and methods. Both variables contribute more or less to shared values associated with strong sustainability, as illustrated in the spectrum of value creation (Fig. 3). Motives refers both to the positive, negative or utilitarian drivers of sustainability as described by Buelens (2015) as well as the first and second step in the SDG compass through which companies examines the case for measuring impact and identifies relevant impact areas in their value chain. For instance, a company producing computers may be motivated to limit the risk of conflict minerals in their supply chain after pressures from stakeholders but also by mapping their value chain and identifying mineral extraction as a high-risk impact area. A crucial concern in attempting to investigate motive as a potential value factor is that motive as a "fact" is hard to find by merely investigating sustainability reports. Thus, the perceived motive in this case refers to the communicated reasons for working with the identified sustainability aspects. Methods in this context refers to how the company deals with the identified impact areas which includes prioritizing material aspects, setting goals and indicators as well as how they are measured and communicated, according to step three in the SDG

compass. Method further reflect efforts to anchor the SDGs into the core business as described by step four and five in the compass. With higher level of implementation demonstrated by the indicators in Table 3, the higher level of contribution to SDG fulfillment and thus strong sustainability value creation.

Table 3. Conceptual framework

Indicator	Definition	Contribution to value creation
Step1: Understand the SDGs (motive)	In order to examine the business case for measuring impact the first step to integrate the SDGs is to understand the opportunities and challenges with the goals and the baseline responsibilities for business.	By understanding the SDGs, it is possible to enhance the value of corporate sustainability, strengthen stakeholder relations and keep pace with policy recommendations. It also provides a common language and shared purpose.
Step 2: Impact assessment (motive)	The extent to which a company can contribute to the goals will depend on many factors. Priorities are defined by mapping the value chain in order to identify its impact areas. Impact assessment can be conducted through assessment tools such as the GHG-protocol, Life Cycle Analysis, Poverty Footprint Tool, but also through stakeholder dialogues.	To benefit from the opportunities and challenges presented by the SDGs, defining company's priorities can help companies focus their efforts. By establishing efforts to scale up positive impacts and reduce or avoid negative impacts shared values are manifested.
Step 3: Goal setting (method)	Goal setting builds directly on the outcomes from the impact assessment in step two. Goal setting consist of the following actions: 1) define scope of goals and select KPIs, 2) define baseline and 3) set level of ambition.	Setting specific, measurable and time-bound sustainability goals helps foster shared priorities and drive performance. Aligning internal goals with the SDGs companies can advance contribution to sustainability development. The level of contribution depends on the set ambition.
Step 4: Anchor the SDGs within the business (method)	Goal fulfilment depends on an effective integration of the goals into everyday business practices. This includes creating sustainability policies, internal education, aligning sustainability into strategies, active management and to engage in partnership. Partnerships are further explicitly built into SDG 17 "partnership".	By anchoring the SDGs into the core business and implement the goals across all functions, goal fulfilment will be more successful. In this sense, anchoring reflect correlation between communication and action over time, hence creating values towards strong sustainability.
Step 5: Report on SDG performance (method)	SDG target 12.6 encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle. Reporting on goal fulfilment stimulate internal changes as it triggers performance reviews. By using acknowledged reporting and measurement tools, quality and comparability are strengthened.	Disclosing performance against the SDG is important in order to meet the needs of stakeholders. Disclosing information creates value towards sustainable development in terms of keeping track of the global state fostering change in form of directed action.

Definitions derived from the SDG Compass (GRI, UNGC & WBCSD, 2016).

4. Results

The empirical data which has been compiled with the help of the conceptual framework, is presented in this chapter. The chapter is divided into results for Lindex and Filippa K is structured according to SDGs. Each SDG presents the compiled data relating to the variables motives and methods in the five steps of the SDG compass.

4.1. Lindex

Lindex is one of the leading fashion chains in Europe having approximately 480 stores in 18 markets of which 40 are franchise stores. Lindex also provide online shopping in 30 countries. Lindex does not own any factories themselves, but work with around 150 independent suppliers and 250 factories globally. Local production offices are located in China, Pakistan, Turkey, India, Bangladesh, Myanmar and Hong Kong. The chain has around 5000 employees with a head office located in Gothenburg. Lindex had a turnover of 633 million Euro in 2016 making a profit of 55 million Euro. The chain was listed on the NASDAQ Helsinki Stock Exchange as a part of the Stockmann Group in 2007 (Lindex, 2018a).

The company sell fashion for women and kids, lingerie and cosmetics. Lindex state that it is a vision and value driven company and that sustainability is an essential part in order to grow and maintain a good level of profitability (Lindex, 2017:15). The sustainability work is based on a life-cycle perspective taking into account both upstream and downstream activities including; design, fibers and raw materials, production, providing better denim, transportation, stores, consumption, end-of-life: reuse and recycle. Lindex also communicate charity engagements and partnerships (ibid:3).

Lindex material aspects follows the structure of their products lifecycle and includes; design, production, transportation, store, usage, reuse and recycle, climate and charity. Each with several KPI's. In terms of the SDGs they embarked on the integration in the 2015 report stating that:

> "Businesses play a vital part in achieving the Sustainable Development Goals. This is just a beginning, and we are humble to meet the challenges that lie ahead, but we are also determined that if we work together with our suppliers, partners, customers and other players in the society we can make an important sustainable change" (Lindex, 2016:7).

4.1.1. Lindex and SDG 5 "Gender Equality"

In the sustainability reports between 2015 to 2017 an understanding that the cotton sourced by Lindex affect women working in cotton plantations and in factories is presented. Women are explained to have a key role throughout the value chain and SDG 5 is linked thematically by putting the symbol next the headings of specific indicators under the material aspect of production. In the 2015 report the link is only made to one indicator related to education of women, however in the following reports the links are also made to female cotton farmers and factory workers. In 2016 Lindex states: "In India, the worlds largest producer of cotton, women account for the majority of planting and hand-picking and yet have few opportunities to improve their livelihoods" (Lindex, 2017:27). The understanding of SDG 5 has in 2017 evolved:

> "Gender equality is a fundamental human right and women's empowerment is essential for global development and economic growth. Ensuring gender equality is crucial to the health and social development of families, communities and nations. Gender equality is highly connected to and a precondition for sustainable development" (Lindex, 2018:5).

Step two in the SDG compass, impact assessment builds upon step one, understanding the goals and linking their operations to the challenges and opportunities of women working in their value chain. SDG 5 is in the 2016 report linked to workers' empowerment, health and education however does not state

anything specific about gender differentiated wages. No goals are made related to gender equality. In the 2017 report however, an ambition to scale up *WE Women*, a three-year project that focus on "taking action for gender equality in the supply chain and work to create more equal and inclusive workplaces" (Lindex, 2018:46), to cover our entire supply chain in the future. Lindex state that through the We Women project:

> "We will integrate gender equality into supplier management systems to change the leadership and management style in factories so they become more inclusive for women and more aware of gender equality issues. The suppliers' work for gender equality will be evaluated and the aim is to include it in our sustainability score card" (Lindex, 2018:46).

Lindex does not have a specific gender equality policy, but have a diversity policy covering gender. Also they use Business Social Compliance Initiative (**BSCI**) Supplier Code of Conduct (**SCoC**). During 2016 Lindex participated in *Cotton Connect,* an educational project for female cotton farmers in Maharashtra, India for "cultivating cotton in a more sustainable way according to the Better Cotton principles" (Lindex, 2017:27). Except from the launch of WE Women in 2017, gender equality is further anchored according to step four in the SDG compass through the *HERhealth* & *HERfinance* projects, aiming to educate women in awareness and access to health services as well as financial planning and budgeting.

Step five in the SDG compass relates to data collection and reporting. In the 2015 report Lindex reported that since they started working with HERhealth in 2012, they have reached around 12000 women corresponding to 50% of the female workers that they work with in Bangladesh (Lindex, 2016:36). This number have in 2016 increased to 13000. In 2017, it is stated that the project will be extended to include new projects in nine factories which will reach additionally 8500 women leading to a total of 22000 women being reached in India, Pakistan and Bangladesh (Lindex, 2018:46). This means that 500 women were reached in 2017. The Cotton Connect project is stated to have reached 1600 farmers in 2016 (Lindex, 2017:27) and in 2017 "the project reaches almost 1600 female cotton farmers" (Lindex, 2018:32).

4.1.2. Lindex and SDG 6 "Clean Water and Sanitation"

> "Textile production consumes large quantities of water, which makes the water issue critical for a sustainable fashion industry. As a fashion company, our largest water impact lies in the production process, but we also affect through buying cotton that is water-intensive, and by selling products that are then washed by our customers" (Lindex, 2016:34).

In 2015, as stated above, Lindex provide an understanding that textile production is a water intensive business. Production is in the 2015 report only linked to water withdrawal and quantity and the sentence "saving water, energy and chemicals" is repeated throughout the report. In 2017 Lindex writes:

> "There is a saying that if climate change is a shark, then water is its teeth. It is through water that we will first feel the effects of climate change. Water related risks are some of the most significant facing businesses as well as communities. Access to clean water is a global challenge but the problems are always local and must be addressed with regard to local conditions, as water resources are unevenly distributed across the planet" (Lindex, 2018:9).

In the 2016 and 2017 reports the communicated understanding of textile production's impact on water is extended to a full understanding that production pollutes water which have health effects limiting availability of clean water and sanitation, demonstrated in the quite above, and is linked to the KPI related to fiber and material and production. Lindex also link SDG 6 clean water to the material aspect of transportation.

An impact assessment is made in 2016:

> "In our production there are several processes, such as washing, printing, dyeing and finishing, that

> require a lot of water, energy and chemicals. Access to clean water is a precondition for human life. Even though cultivation of cotton and washing by the consumer require a lot of water, our production process stand for the largest impact of our products" (Lindex, 2017:38) […] "Lack of access to clean water and sanitation has severe negative impact on local communities. As a result, people are trapped in a cycle of poverty and diminished opportunities" (*ibid*.:67).

In 2017 the impact assessment is connected to sustainable management processes:

> "The fashion industry is highly dependent on and risks having a negative impact on access to clean water. In many communities connected to the Lindex supply chain, the local water resources are becoming increasingly stressed because of higher demands as well as pollution of the available water" Women are in focus for us and they are one of the population groups most affected by water scarcity (Lindex, 2018:9) [...] "A more sustainable dyeing process may often evolve around the choice of chemicals, but this choice in turn can reduce the consumption of water and energy, result in less or cleaner waste water and improve health and safety for workers (*ibid*.:39).

In step three, the result of the impact assessment is reflected in Lindex goals that "by 2020 all cotton Lindex use will come from sustainable sources and at least 80 % of our garments will be produced with more sustainable manufacturing processes, using less water, energy and chemicals" (Lindex, 2016:6). "Sustainable sources" are defined as Better Cotton according to the Better Cotton Initiative (**BCI**), organic or recycled cotton. "More sustainable manufacturing processes" are defined according to Lindex sustainability score card which scores their suppliers on their sustainability performance on environmental, social and transparency criteria. Lindex are working towards having their core suppliers a score of 4 in this area. "This means that the supplier has a strategic and long-term goal to show significant and sustainable progress on water consumption and waste water production" (Lindex, 2018:48). In the 2017 report the company further state that "access to clean water is a basic human right and our ambition is that our business should not compete or compromise access to clean water in the local communities where we operate" (Lindex, 2018:9).

The link to SDG 6 is anchored in Lindex Environmental Policy containing requirements regarding waste water treatment (Lindex, 2017:21). To raise awareness of responsible water management Lindex explains that they are involved in long-term cooperation projects such as Partnership for Cleaner Textiles (**PaCT**) aiming to reduce ground water consumption and surface water pollution associated with textile and wet processing in Bangladesh and is a founding member of the Swedish Textile Water Initiative (**STWI**) which work with water management in production by reducing water consumption and to raise awareness (Lindex, 2016:32). Lindex is further using the *Avitera* chemical for dyeing which is stated to "cut down water consumption in the dyeing process by 30 per cent and results in lower energy consumption and a cleaner process with less chemicals, waste water and emissions" (Lindex, 2017:39). Efforts are made to substitute viscose with lycosell which is less water intensive (*ibid*:27). Lindex partner with Water Aid by donating 10% of a special baby collection to the organization (Lindex, 2018).

> "By choosing organic and better cotton, we want to contribute to a more sustainable cotton production using less water, chemicals and pesticides and to improve the life conditions of small holder farmers" (Lindex, 2016:39).

KPI's related to water are mainly connected to projects concerned with responsible water management. Regarding the PaCT and STWI, Lindex writes:

> "In total, 13 Lindex suppliers in Bangladesh participated in the program. These 13 suppliers represent 80 per cent of Lindex production capacity in Bangladesh and 100 per cent of our Bangladesh suppliers who have in-house wet process operations. All participating factories have implemented at least four recommended water- and energy-saving measures from the program" (Lindex, 2017:39).

Lindex scaled up their STWI projects in 2015 and reported in 2016 that they participated in nine STWI projects with reduction in water consumption equivalent to the amount of water needed daily to sustain 13 million people (Lindex, 2016:39). In the 2017 report, Lindex writes "21 suppliers participated in the STWI project corresponding to savings of 1500 million liters of water equivalent to the daily need of water of 30 million people" (Lindex, 2018:49), which is an increase from 13 million in 2016. The washing processes are reported to be made even more efficient, going from saving 45% water in 2016 to using 85% less water in 2017 (*ibid*:53). In 2015 25% of the sourced cotton was organic including 7% which was certified by the Global Organic Textile Standards (**GOTS**). In 2016 this had increased to 63% organic cotton including 28% GOTS, and in 2017 the portion was 64% organic cotton including 43% GOTS.

4.1.3. Lindex and SDG 8 "Decent Work"

In all three sustainability reports Lindex provide an understanding that supply chains in the textile and apparel industry are long and complex. Lindex link SDG 8 to the material aspect "production". In the 2015 report, they write that "we do not own a single manufacturing facility, relying instead on 160 suppliers, who in turn work with 290 production units, to produce our garments. We estimate that 125 000 people are involved in the production of Lindex garments" (Lindex, 2016:31). In 2016 they write that they "worked with 153 suppliers who worked with 258 factories. 40 suppliers correspond to 80% of Lindex production" (Lindex, 2017:32). In the 2015 report, impact assessment is made through a risk analysis concerned with working conditions along the supply chain. The risk analysis covers wages and compensation, working hours, management system, documentation, trade union affiliation and unauthorized subcontracting (Lindex, 2016).

As a response to poor working conditions, Lindex holds a membership in the BSCI, a business-driven initiative to improve working conditions in farms and factories and use their SCoC to set requirements in their supply chain:

> "This code of conduct sets out requirements for freedom of association and collective bargaining, fair remuneration, decent working hours, occupational health and safety, special protection for young workers, protection of the environment and ethical business behaviour, and prohibits discrimination, child labour, bonded labour and precarious employment" (Lindex, 2018:40).

Lindex states that the SCoC is essential to their procurement process. They also acknowledge that a significant share of their products are manufactured in high risk countries:

> "Minimum wage if often at a level that only provides a small income and does not cover the workers' basic needs. It is also common that incorrect wages are paid by suppliers. […] Overtime that exceeds the limits set out by the BSCI SCoC is a widespread problem in most of out production countries. The lead time in Lindex production contributes to the risk of excessive overtime. We have overtime projects where we work together with out supplier to understand what causes overtime. A safe working environment is essential to responsibly managed production" (Lindex, 2017:35).

Training and education is further emphasized as there if often a lack of awareness among workers and tools for maintaining knowledge in the 2016 and 2017 reports. Working conditions are further linked to garments that are increasingly being "touched" by a more sustainable process, meaning production methods which includes less chemical handling which damaging to workers' health (Lindex, 2017:38).

When it comes to methods for SDG integration, Lindex goal with regards to decent work is that 80% of their production units, consisting of 40 suppliers, will be scored as at least 4 "Best industry practice" by 2020 according to Lindex sustainability score card:

> "To accelerate development of sustainability in production, we have created a score card that enhances the business incentive for developing sustainability. With the sustainability score card, we score our

> suppliers on their sustainability performance on a scale of 1–5, with 5 being the highest. It is built on six criteria which reflect the suppliers' environmental and social performance as well as their level of transparency. The sustainability score is added to the business score card, which is our supplier management tool" (Lindex, 2018:39).

Methods for anchoring SDG 8 is communicated as achieved through supply chain management based on the Human Rights Policy and SCoC compliance, mainly through audits, however the 2017 report emphasize self assessment:

> "Factory audits have previously been a cornerstone of our compliance work in the supply chain. In recent years however, we have started to doubt the effectiveness of audits as they have not shown much improvement over time or driven change the way we want. We believe this is because the audit approach does not support our suppliers in developing their own ability to identify issues, locate the cause and take action to make improvements. Parallel to our regular compliance work, we are therefore developing self-assessment to move the responsibility for being legally compliant and following our requirements to our suppliers. This shift is aimed at developing the skills of suppliers to a point where they are motivated to improve conditions without constant external pressure. This type of self-reliance is part of our definition of a more sustainable supplier and a self-reliant supplier will score higher on our sustainable score card" (Lindex, 2018:40).

References are made in both the 2015 and 2016 reports to the Fair Wage Network and the Solidaridad project through which Lindex focus on purchasing practices and what impact the company have on workers' conditions when it comes to wages and overtime. In 2017 the pilot ended with the following results:

> "The pilot identified areas where continued progress is crucial, such as connecting wages to performance and skills in a clearer way. The pilot also identified areas where Lindex will improve to have a positive impact, such as improvements in production planning and sample handling, as well as enhanced transparency towards our suppliers during our planning of assortment" (Lindex, 2018:44).

As a response to the lack of awareness among workers, a digital training tool called *QuizRR* was established in 2015, through which factory workers in five Chinese factories are educated on rights, responsibilities and safe workplaces. Lindex further writes that they together with their suppliers, are working on "providing access to non-monetary compensation such as childcare, food subsidies and transport, as well as education and training such as HERfinance" (Lindex, 2018:44).

KPI's related to decent work are mainly concerned with audits and inspections. In 2015 to 2015 an annual amount between 183 to 229 internal and third party BSCI audits were conducted. Between 12-17% of the factories were scored as outstanding, 46-48% as acceptable, and 37-40% as insufficient. No factories were scored as unacceptable. Between 221 and 253 health and safety inspections were conducted annually between 2015-2017 with approximately 71 to 89% were remediated. The progress on the goal concerned with 80% sustainable garment production started in 2015 with the development of the score card, which was implemented in 2016 and during 2017 Lindex writes that they "developed a roadmap for consolidating and developing sustainability in our supply chain below tier 1" (Lindex, 2018:38). In 2016 Lindex had 22% sustainable garment production and in 2017 25%.

4.1.4. Lindex and SDG 12 "Responsible Consumption and Production"

Repetition of how production involves large quantities of water, energy and chemicals is made throughout the reports. In the 2015 report SDG 12 is linked to a chapter on sustainable fashion with an illustration of a circular business model explaining that sustainable fashion starts with sustainable design, materials and consumer awareness. In the following reports SDG 12 is extended and linked to all material aspects, particularly emphasized in design, fibers and materials, production, reuse and recycle. The understanding

of SDG 12 also evolves significantly in the 2017 report:

> "With a growing population and a growing middle class globally combined with unsustainable consumption patterns, we use up more natural resources than our planet can handle. To meet these challenges, we need to use resources in the best way and move towards a circular economy. The most resource efficient way is to prolong the lifetime of a garment" (Lindex, 2018:9).

Motives for responsible production is first made related to design:

> "In the design phase the fit, material, color, print and trim is chosen. Working together with the buyer, we determine the whole production of the garment and the suppliers we use. A sustainable garment is designed for minimal washing in the use phase and with garments end of life in mind. It is also a garment that you can use for a long time. A challenge is to design for the end of life and recycling if a mixed material has a more suitable comfort for that particular garment, but will be more difficult to recycle. Another example would be choosing threads. More sustainable options are not always the best options since they are not as durable as the conventional ones. Then we need to choose the durability, because if the garment does not last then ultimately it cannot be sustainable" (Lindex, 2017:23).

Impacts are then communicated in relation to fibers and raw materials:

> "Production of petroleum-based textile fibers and cotton fibers has already peaked and impacts the environment in various ways. Viscose is a material that can have a negative environmental impact in both the sourcing of wood pulp and the production process which requires a vast amount of chemicals" (Lindex, 2017:27).

> "Supply chains in the textile industry are complex and traceability is one of our biggest challenges. […] Identifying the source of material poses a traceability challenge, which means a risks of contamination by unwanted substances and chemicals in recycled material" (*ibid:*62).

Lindex writes that since 1980 production of textile fibers has tripled (Lindex, 2017:60). Correspondingly about 8 kg of textiles per person are thrown in Sweden each year. By reusing or recycling textile that has already been produced, the need for virgin material resource decreases, however a major part of textile consists of mixed material, which is harder to recycle (*ibid*:28). End-of life challenges with synthetic fibers is micro-plastics. "We do not have any methods to address this issue currently and there are no standards or systems in place in the industry yet" (Lindex, 2018:33).

The overall goal of making 80% of Lindex garments from more sustainable sources by 2020, which includes more sustainable fibers, more sustainable production scored as at least 4 "Best industry practice" according to Lindex sustainability score card, covers SDG 12. Lindex also have a goal to recycle 100% of the waste in own operations and to only have 30% of our products covered in plastic by 2030. In 2017, the company signed the 2020 Circular Fashion System Commitment to Global Fashion Agenda and a pledge with more than 45 textile-, apparel- and retail- companies, initiated by Textile Exchange, committing to:

> "By 2020, functional durability and ease of repair will be part of the design strategy for selected product groups and will add up to 10 per cent of our collection.
> By 2020 all designers, buyers and production teams will be trained in design for circularity and the training will be part of the introduction package for new staff as a basic requirement.
> By 2020 we will offer textile collection in all Lindex stores" (Lindex, 2018:9).

Methods to anchor SDG 12 in the company is linked to environmental requirements in the Environmental Policy. Lindex writes that it is substituting viscose with lycosell and using recycled material which consequently requires less chemicals, water and energy in production. The company further have a policy for man-made cellulosic fibers such as lycosell and viscose.

> "The BSCI SCoC is essential to our procurement process and all suppliers are required to follow the code. Before we start with a new supplier we perform a due diligence process whereby all BSCI aspects are controlled to make sure that the supplier follows our requirements" (Lindex, 2017:33).

Lindex chemical management is explained similarly in all reports. Lindex is a member of the Swedish Chemicals Group, and work with suppliers using the *Bluesign* organization system of certified chemicals. The company have a written agreement for "Limitation of Chemicals" that suppliers undertake which lists chemicals that present environmental or health hazards which are banned in production or the finished product. These include PVC, phthalates, PFAS and APEO (Lindex, 2015:33). During 2017 Lindex started sourcing *EcoViscose* made from wood sourced from traceable and responsible forestry with production certified according to the strictest guidelines of the EU Ecolabel where chemicals are recovered in a closed loop system (Lindex, 2018).

> "During 2017 we developed a Manufacturing Restricted Substances List (MRSL), which will be published and implemented during 2018. The MRSL is a list of substances that will be banned in all stages in the production of our garments. With the MRSL, we will expand our requirements to apply throughout the entire production chain with the aim of eliminating harmful substances from the beginning so they do not enter the production cycle at all" (Lindex, 2018:49).

Further methods for anchoring SDG 12 is effective transport, namely to fully load containers, filling up boxes, and space optimization (Lindex, 2017:46). This processes are recurrently explained in all three reports. Explanation of recycled materials are made more in detail in the 2017 report, where focus on circularity is much more prevalent. Labels and tags made from recycled paper estimated to save 55 tons of trees every year and plastic bags that are made from chalk from oyster shells and recycled plastic (*ibid:*51). Lindex further state that they wish to enable sustainable choices for customers:

> "To make it easier for our customers to find our more sustainable garments, we communicate which garments are more sustainable through our Sustainable Choice tags. The tags also explain in what way a garment is considered to be a more sustainable choice and if there are any certificates linked to the item" (Lindex, 2017:54).

They further state that purchasing quantities and distribution matches demand from customers in order to limit unnecessary production. Unsold products are donated to charity organizations according to Lindex Clothes recycling and donation policy. And in a waste management project aiming to reduce the amount of plastic bags used for replacement to the stores which started in 2015 led to establishment of guidelines for Lindex purchasing departments (Lindex, 2018).

In terms of data collection and presentation, KPI's related to SDG 12 are mainly focus on circularity, chemicals and waste. In the 2016 report 100% of Lindex denim is presented to be produced using 27% less energy as well as less and better chemicals than conventional methods" (Lindex, 2016:42). In 2017 the saved energy has increased to 70% (Lindex, 2018) 2,2 million pieces sourced from Bangladesh were made with Bluesign approved chemicals and almost 90% of the "better denim" is dyed with the so called "cleanest liquid indigo dye on the market DyStar Indigo Vat 40%" (Lindex, 2018:53). In terms of waste generation, a reduction of 62% of plastic bags in the kids wear business area was reported in 2017 and 27 ton of textiles were collected in stores. In 2017, together with Unifi, Lindex biggest suppliers of recycled polyester, 10 million PET bottles were recycled.

4.1.5. Lindex and SDG 13 "Climate Action"

Lindex present an understanding that SDG 13, climate action, involves more than direct carbon emission such as energy consumption throughout the lifecycle of a product. In the 2015 report, the SDG is placed in the corner to the whole environmental chapter, with a brief explanation after four pages under "emissions":

> "Climate change concerns us all, all regions of the world and all sectors of society, threatening global development and undermining the foundation of the global economy" (Lindex, 2016:48).

In 2017 the contextual reference is made to sustainable development:

> "Climate change is a threat to global development and will ultimately impact people's livelihoods. As it risks having a negative impact on resources, food and water, it will particularly affect marginalized groups such as women and children. Businesses can only achieve sustainable growth by both addressing the direct impacts on climate change and securing the resources that are at risk of disturbance. We need to ensure that we use resources in the best way possible, are energy efficient and reduce our CO2 emissions" (Lindex, 2018:9).

Lindex position themselves as having an impact on the climate through mentioning that their whole value chain is connected to climate change by mapping the bulk of their energy use:

> "Lindex energy consumption mainly consists of electricity, heating and district heating. Energy is consumed for lighting, ventilation, heating and cooling systems in the stores, warehouses and of offices, as well as for other equipment and machinery in these facilities, including lifts, escalators, refrigeration and IT equipment" (Lindex, 2018:65).

No specific goal related to climate action is made in any of the three reports, other than to "increase the share of rail transport" and to" be as energy efficient as possible" in the 2016 report. In the 2017 report they write that "reporting on greenhouse gas emissions serves as a management tool and provides a basis for future setting of reduction targets and identification of areas in which emissions should be reduced" (Lindex, 2018:9). In Lindex shipment procurement the company demand that 80% of the ships used for transport are Clean Shipping registered (Lindex, 2017).

Methods to anchor SDG 13 is based on the Lindex sustainability strategy and the environmental policy. "The management of environmental responsibility is coordinated by the Sustainability function and is part of the departments' day-to-day operations" (Lindex, 2016:45). As a routine practice, Lindex stores further follow an efficient energy consumption checklist (Lindex, 2017:65). Additional methods for climate action is the use of the Clean Shipping Index, a tool that registers shipping companies related to their environmental impact. "The index provides environmental ranking for ships and entire carriers based on their performance in five different areas: carbon dioxide emissions, nitrous oxide, sulphur dioxide and particulates, chemical products and fuel, water and waste control" (Lindex, 2016:52). In 2016 3% of Lindex goods were transported by rail, 7% by road, 1% air freight, 89% sea freight. In 2017 the air freight increased to 4% and decrease to 4% by road transport.

The company present their carbon emission in a table in all three reports. The table is placed next to the climate related texts in the 2015 and 2016 reports, however in the 2017 it is placed on the very last page after the GRI index. All procured electricity in Lindex offices and stores comes from renewable sources (Lindex, 2017). The KPI of carbon emissions have remained constant since 2015 on all categories, except for internal and external logistics, which has almost doubled from 2016 to 2017. It is explained as "due to unforeseen events" (Lindex, 2018:82).

4.2. Filippa K

Filippa K is a leading fashion brand with clothing for women and men as well as shoes, bags and accessories. The company is present in 20 markets globally, with 50 brand stores selling only Filippa K but also through more than 700 premium retailers and department stores employing 250 people. The Filippa K brand is also sold online (Filippa K, 2018). The brand does not own any factories. The company head office is located in Stockholm and had a turnover of 65 million Euro in 2017 with a loss of 4,2

million. Filippa K is partly owned by the investment firm Novax which is part of the Axel Johnson Group (Axel Johnson, 2017).

The company's vision is "fashion where sustainability is the guide to growth" (Filippa K, 2018) and states that planetary boundaries and ecosystems are their inspirations where the company wants to part of the solution rather that the problem (*ibid.*). The sustainability work includes sustainable design and sourcing, resource efficiency, respecting people throughout the value chain, adapting to circular models and partnerships (Filippa K, 2017). The strategy for circular fashion is grounded on the motto "reduce, repair, reuse and recycle".

4.2.1. Filippa K and SDG 5, "Gender Equality"

In the 2015 report, SDG 5 is linked to the material aspect "respecting people in our value chain", specifically to a segment on suppliers. The company state that there is a code of conduct, and "the audits help us and our suppliers to develop and improve their social compliance standards" (Filippa K, 2016:52). In the 2016 report, no link to SDG 5 is made, but a reference to gender composition:

> "We list everything from the name and address of the supplier to length of our working relationship, date of our last visit and the gender makeup of the supplier's workforce" (Filippa K, 2017:34).

In the 2017 report SDG 5 is back and linked to gender equality within the company and is anchored through the gender equality plan:

> "It is our belief that gender diversity among the leadership team should reflect the gender diversity in our company employees […] As part of our gender equality plan, salary audits are regularly conducted, the latest of which showed no discernable salary differences between women and men" (Filippa K, 2018:57).

In terms of targets, Filippa K's target for 2020 is to have a 65% to 35% ratio of women and men in leading positions. In 2015 women in leading position was 82% and in 2017 the number was 83%.

4.2.2. Filippa K and SDG 6, "Clean Water and Sanitation"

Filippa K provide an understanding that water consumption is an "issue of great importance for the fashion industry, since large amounts of water are used in both textile and leather production […] and one where we unfortunately leave too big footprints" (Filippa K, 2016:33). In the 2017 report the understanding is extended by connecting textile production to water as a precondition of life. "Water is life and a precious, scarce resource which is being consumed to excess within the textile industry" (Filippa K, 2017:46). The understanding however disconnects their company operations with the global impacts:

> "The biggest environmental risks are found outside our own company. Those are impact on climate change, water scarcity, negative impact on biodiversity, the use of hazardous chemicals and the release of micro plastics into rivers and oceans" (Filippa K, 2018:11).

The second step in the SDG compass is impact assessment and prioritization made by mapping the value chain. Stakeholder dialogues were made in 2015 and 2017. The result from the 2015 dialogue is not communicated, but in the 2017 report the issues raised was concerned with decreasing resource use in production, such as water and chemicals (Filippa K, 2018:19). Impact assessment related to SDG 6 is further made through a LCA made in 2016 together with TruCost using Natural Capital Accounting related to wool which is Filippa K's second largest fiber used in apparel production. In the 2015 report Filippa K communicated that wool:

> "[R]equires a lot of land, food, water and chemicals to produce–and then there's the animal welfare to consider (which is often, unfortunately, below international standards). Wool is in other words associated with high natural capital dependency" (Filippa K, 2016:27).

In 2016, the LCA of wool is extended to almost a whole page. In terms of water, Filippa K state that due to the natural repellence to stains wool garments can be used longer between washing cycles and in lower temperatures compared to fibers. Water consumption in the use phase is therefore lower (Filippa K, 2017:27).

> "The natural capital cost of organic wool compared to conventional shows a 4% decrease, though this is considered to be an underrepresentation due to limited data availability. The most significant reductions are apparent in water use (26%)" (Filippa K, 2016:27).

Water related issues is further made of polyester garments in the 2016 and 2017 reports:

> "There is one major challenge with all kinds of polyester fabrics: they shred micro fibers during washing. These micro fibers are too small to get caught by the filters in our washing machines and water purifying plants and therefore end up in our oceans and in the bellies of fish and eventually in the bellies of humans. Micro fibers in the oceans is a growing problem due to several reasons, textiles being one of them. According to an article in Nature (2015), 80% of all plastics in the analyzed fish from California, USA, were textile fibers" (Filippa K, 2017:31).

No specific goal related to water is communicated in any reports. The 2017 report do however communicate that the company "strive to find solutions and processes to limit the use of water in fabric and garment manufacturing" (Filippa K, 2018:15).

Initiatives to reduce impact on water and sanitation is made through partnership with the STWI which has deepened the company's knowledge of methods to minimize water consumption in the supply chain (Filippa K, 2016:33). Methods to anchor SDG 6 is further related to the SCoC containing SWTI's Guidelines and also through participation in a research project by Mistra Future Fashion. Short-term solutions for water related issues such as micro plastics are made by offering the Guppy Friend washing bag which filters out micro fibers and by using recycled polyester. In 2017, the company report that they are using *triacetate,* a yarn made from biomass. The production is made in a closed loop system, meaning that almost all water and chemicals used in production can be reused (Filippa K, 2018:39). No figure on the proportion of recycled polyester or triacetate is presented.

Data collected and communicated in the 2015 report related to 70 tons of saved water through a STWI project including four Chinese subcontractors (Filippa K, 2016:33). In the 2016, eleven Chinese suppliers in the STWI projects saved water equivalent to the daily water consumption of 15 million people (Filippa K, 2017:38). The number of suppliers was in 2017 extended to seven more and the water saved was equivalent to the daily water consumption of 10 million people (Filippa K, 2018:45).

4.2.3. Filippa K and SDG 8, "Decent Work"

In the 2015 and the 2017 report, SDG 8 is related to the material aspect "respecting people in our value chain". The company mention but does not go into detail of Filippa K as an employer related to training, professional development, gender, diversity, unions, corruption, occupational health and safety and ethical marketing. It further includes other stakeholders in their supply chain:

> "Our suppliers, agents, vendors and other business partners play an important part in realizing this aspiration. Therefore, we expect our partners to adhere to human rights, labor, environment and anti-corruption principles and standards similar to those of Filippa K's" (2016:52).

SDG 8 is in all reports further related to the material aspect "long-term sustainable success", concerned with economic growth, work opportunities and tax payments. "As the company is profitable, we pay tax and contribute to the societies in which we operate" (Filippa K, 2016:63).

In terms of impact assessment, the company list no socially related issues as a priority in the stakeholder dialogues made in 2017. They do write that "there are both environmental and social risks within our value chain and those are mainly found beyond our direct control and our own business, up streams of our value chain" (Filippa K, 2018:9). They further communicate that there are social risks associated with their supply chains:

> "The biggest social risks are that workers do not have fair working conditions in factories we are buying from, for instance too long working hours, not getting paid a living wage or not having the right to freedom of association" (Filippa K, 2018:9).

While the social issues of overtime and wages are made in all three reports, the 2017 report put emphasis on the challenges and risks such as working conditions for immigrants working in factories (Filippa K, 2018:65). The three reports are transparent on audits and issues discovered, and various case studies are included in the respective reports after which they communicate the same segments on the issues with overtime and fair wages:

> "Overtime is one of the biggest problems facing workers in our supply chain; it is found in more than half of the audited factories. We know that one of our key factors for success is long-term partnerships. 41% of our supplier volume is bought from factories for which we have substantial leverage (at least 10% of the factory production capacity). Our objective is to further deepen our collaboration with selected key suppliers over the years to come, in order drive change together in the area of sustainability. Our supplier base is stable and does not change regularly; 69% of our purchase volume comes from factories with whom we have worked for more than five years" (Filippa K, 2015:64).

> "Living wage is a very difficult and complex issue with no easy answers or fixes. Our Code of Conduct states that living wages should be paid, and it is also something that we discuss continuously with our suppliers. It is important to keep an ongoing dialogue to accentuate the importance of this issue. We strive to work towards transparent prices so that we know how much of the final price is reflecting material versus production costs" (Filippa K, 2015:60).

As a member of Fair Wear Foundation, Filippa K have set a goal to monitor at least 90% of their suppliers. In the 2015 and 2016 reports, the company communicate an ambition "to set a plan on how we can intensify our work to secure living wages for all workers in our supply chain" (Filippa K, 2016:60). References are made to the SCoC which states that living wages should be paid and is their method to secure good labor standards along with supplier dialogues. The SCoC is based on the Fair Wear Foundation Code of Labor Practices. Other policies related to decent work includes discrimination policy, sexual harassment policy, drug and abuse policy and stress policy (Filippa K, 2018).

> "Willingness to work in accordance with our social, environmental and other standards, as well as compliance with our code of conduct, is a crucial factor when evaluating and selecting suppliers for Filippa K" (52).

To address the issue with over time, Filippa K communicates the similar segment in all three reports:

> "…set up our production plans together with our suppliers so that the lead times can be discussed and the requested delivery times achieved. The lead times differ between different suppliers and also depend on the amount of orders placed over a certain period. We try to place orders in advance, based on estimated sales figures, to secure our planning. This careful planning process means that we can

> avoid peaks in production and minimize overtime. At the Chinese factories where this type of problem is most common, we are often just a small customer among many larger clients. Being a small company makes it challenging to improve the situation, but we keep trying. One solution might be to have a close dialogue with other clients at the same factory, so that we can join forces and work together to reach improvements (Filippa K, 2016:58; Filippa K, 2017;69 Filippa K, 2018;67).

The same is made with the issue with living wages in all three reports:

> "We strive to work toward transparent prices so that we know how much of the final price reflects material versus production costs (Filippa K, 2016:70 Filippa K, 2017;70 Filippa K, 2018;68).

Progress related to SDG 8 relates to audits where 91% of the suppliers were monitored in 2015 (Filippa K, 2016:53) reaching their goal. Other KPI's relate to production countries. In 2015, 68% of the company's production was placed in Europe and 57% in countries classified as low risk countries according to the Fair Wear Foundation. Between 62-69% of the production volume over the years comes from suppliers that Filippa K have had a business relationship with at during the least five years (Filippa K, 2016-2018).

In the results from the Brand Performance Check, Filippa K scored 74 points in 2017 compared to 66 in 2016 which was only one point from reaching "Leader-level" (Filippa K, 2018:66). They complement these figures by giving gratitude to the hard work and effort by both the company and and their suppliers (*ibid.*). In 2017, the company also report on "seven suppliers using QuizRR with a total of 2,481 employees trained and 8,098 completed training sessions since the start "(*ibid.*:69).

4.2.4. Filippa K and SDG 12, "Responsible Consumption and Production"

For Filippa K, SDG 12 is connected to their strategy called "circular fashion", and linked to their material aspects: "conscious design for a better future", "sustainable sourcing and manufacturing" and "initiatives and co-operations". The strategy focuses on the concept of "repair, reuse and recycle", however does not link SDG 12 to the aspect "resource efficient business". Filippa K does nevertheless communicate the content of responsible consumption and production throughout the reports. A wider understanding that a resource efficient business model is necessary to sustain the future:

> "The global population growth and a growing middle class in developing regions are increasing the pressure to manage the planet's finite resources. The business sector has a key role to play in this process of change. By developing resource efficient and profitable business models we can contribute to a long term and sustainable development" (Filippa K, 2016).

> "The future of fashion relies on brands being able to offer more sustainable clothing and services, to support more conscious consumer behavior. The idea is to have a multi-speed wardrobe with a mix of short- and long-life pieces, new and second-hand, rented or borrowed that is realistic, practical, and sustainable. That is why the clothing, defined by its lifecycle and speed of use, is central in this project" (Filippa K, 2018:25).

Understanding the goal is connected to impact assessments in the 2017 report, problematizing textile production as an actor with great impact on the environment by mapping the value chain of clothing:

> "Research say that the textile industry is the second most polluting industry after oil" (Filippa K, 2018:9). […] Understanding the lifecycle of a piece of clothing is key to create a more sustainable industry; the future is dependent on a new definition of 'fast' and 'slow' fashion" (*ibid.*:25).

According to the third step in the SDG compass, setting goals builds directly on the impact assessments in the second step. In all three reports Filippa K list their commitments to year 2030. The commitments

related to SDG 12 associated with resource efficiency, production processes, chemical use, waste management or consumer awareness include "only sustainable materials[4] class 1-2" according to the company's own classification system (Filippa K, 2016). Sustainable materials are based on Filippa K's fiber tool classifying fibers into four classes depending on their social and environmental impacts. Other goals are "only recyclable styles", "full transparency in our supply chain", "only sustainable production processes" according to Filippa K's definition defined as reduced use of water, energy and chemicals (Filippa K, 2016:58). Other goals are "accurate purchase precision in number of pieces produced" and "minimal footprint throughout our business" (Filippa K, 2016;2017;2018). While goals are quantifiable if "only" are interpreted as 100% some are more abstract in their presentation. In the 2016 report a target of 53% sustainable fibers was specified (Filippa K, 2017). In the 2017 report, Filippa K communicates that their efforts for a circular fashion system is advanced as a response to the Global Fashion Agenda call to retailers and brands to accelerate circularity. Thus, the commitments for 2030 are complemented with specific goals set for year 2020:

> "By 2020, all of our designers will have gone through training on circular design principles. (2017 50%)
> By 2020, circular design principles based on industry guidance will be part of every Filippa K design brief. (2017 only our Front Runner products)
> By 2020, 25% of our collection range will be made of mono-fibers. (2017 36%)
> By 2020, 60% of our collection range will be designed for reparability. (2017 50%)
> By 2020, Filippa K Care Concept will be shared with all our customers to help them care and extend the life for their products. (Care concept available in all stores and online)
> By 2020, we will increase the collected amount of used clothing by 10%. (2017 will be the starting year for measuring, figures will come)
> By 2020, Filippa K Second Hand will be expanded and offered to all our online customers. (2017 business plan and start-up during 2018)
> By 2020, 5% of our collection will be made from recycled post-consumer textile fibers. (2017 2%)" (Filippa K, 2018:32).

Methods to reach the set goals are in the 2015 report largely focused on research programs to create awareness, technology improvements, sharing best-practices, recycling initiatives and a project on resource efficient business models by 2050 (Filippa K, 2016:67). The company also participated in the "Forward Learning", project funded by the Swedish government body Vinnova. "The objective of this project is to create an e-learning tool for dye-houses, suppliers, and companies regarding chemical use" (*ibid.*:58). In the 2016 and 2017 reports, the communicated methods have significantly increased. In the 2016 report, the company introduce a new role, Sourcing Manager for Fabrics, within the production team. Methods to further integrate SDG 12 into business operations builds on lessons learned from analyzing the life cycle of some of the company's most popular garments, resulting in the Front Runner collection:

> "• Earlier we used safety pins to attach the hang tags. These have now been removed entirely.
> • We have started to implement bio-degradable plastics from corn starch for the plastic bags that are used for each garment during transport and warehouse handling.
> • We have removed the silky paper commonly used during transport on almost all products.
> • We will substitute our plastic bags with paper bags made out of corn starch during 2017.
> • The Collect and Lease concepts are both results of Front Runner insights.
> • For the latest Front Runners we offer a 10 year guarantee on the products — we will see if and how we can use that for other products in the future as well" (Filippa K, 2016:51).

[4] Class 1 fibers include: recycled cotton, crailar, organic linen, linen natural retting, organic hemp, hemp, mechanically recycled polyester, mechanically recycled polyamide, recycled wool, alpaca wool and silk. Class 2 fibers include: organic cotton, BCI cotton, lenzing modal, lenzing lycosell, triacetate, chemically recycled polyester, chemically recycled polyamide, polyactic acid, wool, milk fiber and monocel (Filippa K, 2014).

Criteria for becoming Front Runners are: sustainable materials, recyclability, transparent supply chain, minimal use of resources, minimal waste, less chemicals, minimal emissions, respect for people, respect for animal welfare, long-lasting in design and quality, perfect fit and comfort, and financially sound (Filippa K, 2018:23). In the 2017 report further progress were made including use of "Tencel thread for several of our Tencel products for making recycling easier, usually we use polyester threads which makes recycling more difficult when it is a mix of natural and synthetic fibers" (Filippa K, 2018:24). Other methods include:

> "Using recycled polyester lining for all outerwear and a large proportion of our suit jackets. We are using buttons made from the corozo nut for several outerwear and suits, for example on all our suits in the basic cool wool program. […] Trying out new resource streams, including using waste textile from one process as material for our tote bags or even for clothing in the future. We sourced a supplier using an innovate dye process. By adding the pigment to the spinning solution prior to extrusion, the pigment becomes a homogenous part of the fiber, eliminating the usual environmental hazards associated with the dyeing process. We are now looking into using this for not only our forthcoming Front Runners, but also for styles in our main collection" (Filippa K, 2018:24).

In terms of use and end-of-life of a garment, the company emphasize circularity by encouraging consumer to repair, reuse and recycle. The company communicates with their customers about methods to prolong their life for instance by giving laundry-tips and selling sweater stone, "an eco-friendly way to remove pilling on natural knits like cashmere" (Filippa K, 2018:26). Waste in the supply chain are further recycled:

> "Since 2015 a number of our suppliers are sending their cutting waste from wool fabric to our warehouse DHL, who gathers the waste and then ship it to a fabric manufacturer in Italy for reuse and recycling to become part of the Re.VersoTM cycle. Re.VersoTM sort the incoming cutting waste by color, which means we do not have to dye or finish the fabrics. This means we use 96% less CO2, 89% less water and 76% less energy than in a regular dyeing process, as per LCA study conducted with Prima Q" (Filippa K, 2016:28).

> "We are using recycled polyester as a more sustainable fiber and in autumn 2017, we were also able to introduce outerwear made from fabric which includes 30% bio-polyester from corn production waste" (Filippa K, 2018:39).

KPI related to track progress on the goals are related to fiber use. Between 2015 to 2017 the total use of class 1 and 2 fibers have fluctuated between 39% to 49%. The company also measure the number of styles that contain more than 50% fibers in class 1 or 2. In 2015, 42% of the collection contained more sustainable fibers, in 2016 it was 49 % and in 2017 the proportion was 42%. The decrease is explained due to the company's "strategic decision to focus on volume styles, which although they are fewer in number, they have a bigger overall volume and thus bigger impact" (Filippa K, 2018:34). In 2017, additional KPI's are 100% PFC free water-repellent treatments on Filippa K's outerwear, 2700 collected second hand pieces collected, 6,6 ton cutting waste shipped to Re.VersoTM.

4.2.5. Filippa K and SDG 13, "Climate Action"

In terms of providing a general understanding of climate change, Filippa K does not communicate such an understanding in any of the three sustainability reports. They do however link SDG 13 to the material aspects of "conscious design", "sustainable sourcing and manufacturing" and "resource efficiency". Climate is not mentioned in the 2015 report. In the 2016 report the company write that they participated in "a round table discussion at COP22, the Climate Change conference in Marrakech" (Filippa K, 2017:86). First in the 2017 report, an impact assessment according to the second step in the SDG compass is made:

> "Life cycle assessments done by Mistra Future Fashion research program shows that the absolute biggest impact on both climate change and eco-toxicity during a product's lifetime lays within fabric production and is out of our direct control" (Filippa K, 2018:11).

Climate action is also linked to waste. In the 2016 report Filippa K communicates an understanding that "packaging waste is a growing problem and we create 115 830 000 000 kilograms of packaging waste each year only in Europe. With the increase of online shopping this waste problem will grow even more" (Filippa K, 2017:48).

No goals related to climate action is made in any of the reports. In the 2016 report the company do however write:

> "We constantly strive to optimize the transportation of our products, in terms of both service level and efficiency. The aim is to decrease the company's CO2 emissions as well as costs while maintaining a high service level to our customers and stores" (Filippa K, 2016:39).

Methods for contributing to SDG 13 include transportation using shipments by boat and after an energy mapping for Filippa K's office and stores successful energy reducing initiatives such as changing to LED lights and introducing new energy practices with more optimized lighting hours were made (Filippa K, 2018:48) In terms of transportation they write that air freight is only used if production is delayed of market demand request tight schedule for goods supply. As a response to the packaging waste issue SDG 13 is further linked to the RePack project:

> "RePack has calculated their carbon footprint. Since RePack is designed to last at least 20 times they compare one RePack to 20 disposable packages that are thrown away after one use. If you choose to use RePack, your order will be sent to you in a reusable RePack, which you then simply return by dropping into any postbox, anywhere in the world. The comparison showed that RePack has a 50% smaller carbon footprint compared to throwaway packages" (Filippa K, 2017:48).

KPI's related to SDG 13 are carbon dioxide emissions and energy consumption. Filippa K's head office in Stockholm and all of the Filippa K brand stores located in Sweden operate on renewable energy (Filippa K, 2016:40). And the total amount of energy consumption has gradually decreased with 5-18% reductions between 2015 to 2017. In 2015 the the proportion of transportation by air freight is reported to be 34% sea freight: 39% and truck 27% with its respective carbon emissions. In the 2016 report a table presenting air, sea and road is presented, however does not indicate what units the numbers represent. In the 2017 report a chart dividing emissions per quarter is presented. The three reports communicate climate related KPI's in three different ways, making it impossible to compare. Additional KPIs in the 2017 report is stated that 3% of all shipments were made using RePack solution contributing to saving 100kg of packaging waste. Filippa K's plastic bag is further supplemented with a new 100% biodegradable bag made from corn starch (Filippa K, 2018:53).

5. Analysis and discussion

In this chapter key findings derived from the results is presented in a comparative analysis structured according to the conceptual model. First, the findings for the first two research questions: the communicated motives for working with the SDG linked to the companies' material aspects; and the methods used to measure and communicate on SDGs contribution; is presented. Secondly, the third research question: correlation between the level of SDG integration and perceived value creation, will be answered. All three research questions are discussed in relation to the existing research field

5.1. Communicated motives for working with the SDGs

The task of sustainability reporting is the practice of "measuring, disclosing and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development" (Belkhir, Bernard & Abdelgadir, 2017:139). In order to do so, companies must communicate its performance in a manner that appropriately represent its impact in the context where they operate (GRI, 2016). According to the SDG compass, this means that the reporting company must first understand the SDGs which the company seek to integrate into their business strategy and report contributions to, followed by an impact assessment made by mapping risks and opportunities in its value chain. Thus, potential motives for the selected SDGs are based on a broader understanding of how the SDGs relate to sustainable development, but also by evaluating how business operations contribute or conflict with it.

The discursive changes in Lindex and Filippa K's sustainability reports over a period of three years show several similarities but also distinct differences. Both companies are using the SDGs as a communicative tool to point to the conceptual motives which drives their sustainability work. While Filippa K mainly link the goals to the overall material aspects, Lindex link the goals to individual indicators. Rendering Fairclough concept of intertextuality, how texts draws upon elements of other texts and discourses, intertextuality is manifested by the use of concepts such as "decent work", "climate action", "responsible consumption" and "circular economy" prevalent in both Lindex and Filippa K's sustainability reports. The drivers of such discursive change can be seen through the debate between growth and development. While can be argued that "circular fashion" is driven by a reconceptualization of business by integrating shared values into business strategies as argued by Porter and Kramer (2011), or positive drivers as argued by Buelens (2015), its value is determined by the correlation between discourse and action.

5.1.1. Understanding the SDGs

By reproducing concepts with pre-established meaning related to the SDGs in economic discourses, value is created by providing a common language with a shared purpose and meaning in a new context. Correspondingly, by understanding the SDGs, it is possible to enhance the value of corporate sustainability, strengthen stakeholder relations and keep pace with policy recommendations. However, the general understanding of the respective SDGs differs between the apparel companies depending on the goal. Both companies problematize production processes which require large amounts of water, energy and chemicals which is relevant to SDG 6 water and sanitation, SDG 12 responsible consumption and production and SDG 13 climate action, and repeat the need for reduction efforts throughout all six reports. Lindex further tie SDG 6 to a KPI related to transportation by ships, although does not explain the linkage. As SDG 6 relates to local water quality and sanitation related to lakes, rivers and streams, SDG 14 "life below water" would be more appropriate SDG in this case. Both companies motive for integrating SDG 8 is connected to supply chains and issues with working conditions, wages and over-time. Filippa K also relates it to providing work opportunities and contribution of tax payments. Correspondingly, both Lindex and Filippa K also link SDG 5, gender equality, to their supply chain. Lindex link the goal to cotton production and empowerment of women and provide an understanding that women play a key role in their value chains and are a particularly vulnerable group. For Filippa K the goal is linked to a segment on

suppliers mainly stating that "audits help us and our suppliers develop and improve their social compliance standards" (Filippa K, 2016:52), however does not go into details about gender issues. As explained by English (2013), the textile industry has been an entry point for women into the formal economy in countries transitioning into an industrial economy. Due to the low-skilled requirements with low fixed costs, labor rights are often deprioritized and unsufficient. While Lindex state that women play a key role in their value chain and that gender equality is a fundamental human right where women's empowerment is essential for global development and economic growth (Lindex, 2018), gender structured wages or tasks are not mentioned. Filippa K does not provide either an understanding of the SDG 5 or impact assessment related to the issue. Given as 70% of the work force within the textile industry are women (Jönsson, Wätthammar & Mark-Herbert, 2013), special attention ought to be given to gender issues such as the extra burden for women having to take care of unpaid domestic work in addition to cotton picking or factory work according to the ILO Domestic Work Convention as stated by the SDG 5 target 5.4 "Recognize and value unpaid care and domestic work".

5.1.2. Impact assessment

Dissimilarities in terms of motive are further evident in the communicated scope of responsibility derived from evaluating impact areas. Lindex sustainability reports display discursive developments from the 2015 to the 2017 report. The texts develop from stating *that* issues such as material sourcing, water consumption, energy efficiency and chemicals are important to explain *why* working with these issues matter to their business. For instance, the motive for SDG 13, climate action, evolves between the 2015 and the 2017 report from stating that climate change is a threat to global development and is a foundation for the global economy (Lindex, 2016) to stating that businesses impact the climate by over-consuming resources and this use contribute to a risk of disturbance which may affect people's livelihood. Lindex then relate their value chain to its impact on climate change (Lindex, 2018). Lindex further include a list of key sustainability aspects from its respective stakeholder group in the 2017 report which aligns with Lindex material topics. The development of the content in Lindex sustainability reports related to the SDGs demonstrate a conviction that business must take a bigger responsibility in order to sustain growth which can be interpreted as a discursive change in sustainability communication from the discourse of "business as usual" where the main focus of business is to achieve economic growth and corroborates with Stevens and Kanie (2016) argument that the SDGs have a transformative potential in which the environment and social sustainability can be a defining characteristic of economic activity.

Filippa K similarly communicate motives to establish resource efficient business models which can contribute to a long-term sustainable development (Filippa K, 2016). Motives are interpreted as derived from risk assessments and stakeholder dialogue but also as by branding the company as a circular fashion brand which in the latter case can be interpreted as a positively driven motive. The extent to which a company can contribute to the SDGs and create value towards sustainable development will depend on factors such as assessing where the industry has greatest impact and direct efforts accordingly. Focused efforts may contribute to value creation towards strong sustainability if priorities which are defined by mapping the value chain is followed (BCtA & GRI, 2016). A list of what Filippa Ks stakeholder groups raised as their most crucial aspects is presented in the 2017 report with "decrease the use of resources" as the main concern which goes in line with motives for circular fashion. The stakeholder influence list did not include any socially related aspects. The company state that there are environmental and social risks within their value chain, which are mainly found beyond their direct control and business, located up-streams of their value chain (Filippa K, 2018). While Filippa K comprehend the connection between textile industry and its impact on resources consumption, the social and environmental impacts are disconnected from company control which reflect a disconnection of responsibility. In Filippa Ks case, the discursive motives change to include risks assessments specifically prevalent in the 2017 report. These motives can be either be interpreted as driven by utilitarian drivers where activities are driven by risk assessments or by negative drivers such as stakeholder demand as argued by Buelens (2015). It may also

be simply compliance of the amendment in the Annual Accounts Act (2016:947) requiring companies to report on social and environmental risks. The discursive changes demonstrate that the company develop an understanding of risks along their value chain over the three years with a prioritization of aspects with focus on environmental issues which goes in line with their business model of circular fashion. Given as the communicated motives are non-consistent, no conclusion of whether drivers are positive, negative or utilitarian can me made with certainty. Nevertheless, its corroborates with Porter and Kramer (2011) concept of CSV where shared values can be used as a driver for economic growth.

5.2. Methods to measure and communicate on SDG contribution

According to the SDG compass, methods to integrate the SDGs into business strategies are divided into three steps which builds on the first two steps presented above, namely understanding the SDGs and assessing business impact. The third step involves goal setting, step four include methods to anchor the SDGs within the business and step five involves reporting on sustainability performance.

5.2.1. Goal setting

Goal setting builds directly on outcomes from impact assessments in step two. To establish goals, the company must define scope, baseline and set level of ambition as well as selecting relevant KPIs. Setting specific, measurable and time-bound goals helps foster shared priorities and drive performance. By further aligning internal goals with the SDGs companies can advance contribution to sustainable development and thus create value, where the level of contribution depends on the set ambition.

Goal setting within Lindex and Filippa K differs depending on the SDG. In terms of SDG 5 gender equality, and SDG 13 climate action, neither of the companies have any specific goals related to the global issues. As a member of the Fair Wear Foundation, Filippa K has a goal to monitor at least 90 % of their suppliers which is connected to SDG 8, decent work, and was already reached in 2015. The company further have an "ambition to set a plan on how we can intensify our work to secure living wages for all workers in our supply chain" (Filippa K, 2016:50). Correspondingly, Lindex use formulations such as "the overall aim is to be as energy efficient as possible" (Lindex, 2016:65), "our goal is to increase the share of rail transport" (Lindex, 2016:47) and "or ambition is to scale up the project to cover our entire supply chain in the future" (Lindex, 2018:46). "Ambitions", "strives" and "overall aim" are neither specific, measureable or time-bound and has therefore limited value with regards to goal contribution.

The apparel industry's most substantial impact on SDG 6, water and sanitation, is related to water intensive cotton production and the "wet processing" stages, i.e., printing, dyeing, washing, and fabric finishing (Muthu, 2014b:10). As the the textile and apparel industries are considered to be the second highest consumers and polluters of water next to agriculture (Oecotextiles, 2012) there are many leverage points to reduce water consumption and water pollution. Reflected in the sustainability reports of Filippa K and Lindex, goals related to water is linked to what is communicated in the reports as "sustainable materials". Filippa K does not have a specific goal related to water but does in the 2016 report communicate a goal of "only sustainable materials" which includes recycled and organic fibers requiring less water. The internal goal also relates to SDG 12 and SDG 13 in combination with the goal "only sustainable production processes" which according to Filippa K is defined as processes requiring less water, energy and chemicals. Although these goals can be considered as quantifiable if "only" is interpreted as "100%", they are not time-bound.

Lindex goals are similar to Filippa Ks, except framed through a "sustainability score card". The company's goal is: "By 2020 all cotton Lindex use will come from sustainable sources and at least 80 % of our garments will be produced with more sustainable manufacturing processes, using less water, energy and chemicals" (Lindex, 2016:6). "More sustainable manufacturing processes" are defined according to Lindex sustainability score card which scores suppliers on their sustainability performance. Related to

SDG 6, score four out of five means that "the supplier has a strategic and long-term goal to show significant and sustainable progress on water consumption and waste water production" (Lindex, 2018:48). The score card is further used to frame energy and chemicals related to SDG 12 and SDG 13, as well as SDG 8 by stating that 80% of Lindex production units consisting of 40 suppliers, will be scored as at least 4 "Best industry practice" by 2020. The score card is Lindex supplier management tool and is added to the business score card (Lindex, 2018). Although the goals are quantifiable and in Lindex case time-bound, they are not communicated rather specific. Furthermore, "reduced amounts of water, energy and chemicals" does not reflect the level of ambition for which reductions must be made.

A common finding is that in 2017 both Filippa K and Lindex 2017 signed the Global Fashion Agenda commitments to accelerate circularity and include commitments such as reparability, fiber recycling and collection of second hand textiles (Filippa K, 2018; Lindex, 2018). The goals are specific, time-bound, quantifiable and realistic, however the ambitions (ranging between 5-25%[5]) are not groundbreaking. According to Quantis (2018) report on the environmental impact of the apparel industry, even if the apparel industry would reach a target of 40% of recycled fibers by 2030, it would only reduce emission by 3-6% (Quantis, 2018). Consequently, a crucial point in terms of value creation when it comes to goal setting is level of ambition. These findings support Michelon, Pilonato and Ricceri (2015) study on sustainability reporting practices and quality of disclosure, stating that having specific time-set goals demonstrates a forward looking ambition with qualitative proactive management.

5.2.2. Anchoring

Goal fulfilment depends on an effective integration of the goals into everyday business practices according to step four in the SDG compass. Integrating goals includes creating sustainability policies, education and training, aligning strategies with the sustainability goals, active management, and to engage in partnership. Thus, by anchoring the SDGs into business strategies and across all functions, goal fulfilment will be more successful. In this sense, anchoring reflect correlation between communication and action over time, subsequently creating values towards strong sustainability.

Discursive strategies to frame the companies' sustainability efforts are made by integrating the concept of "circularity" which has become a buzzword within the discourses of sustainability. While Lindex structure their material aspects according to the life-cycle of a garment (design, fiber and material, production, transportation, store, customer use and reuse and recycle), Filippa K frame the circularity through the motto "reduce, repair, reuse, recycle". Methods to carry out the strategies are in both cases made through policies such as the SCoC, educational projects aiming to provide information about labor rights, chemical restriction lists, audits, projects, inspections and research programs as presented in the results chapter. SDG 12, responsible consumption and production, particularly emphasize circular business models, waste and consumer awareness. Rendering Muthu (2014a), responsible consumer behavior is conditioned by the extent of consumer awareness of sustainability issues associated with production, distribution, and consumption of apparel. Methods to encompass SDG 12 must therefore take a garments end-of life in consideration. In terms of use and disposal initiatives there is a distinct difference over time between the two companies, namely methods to prolong the life and utility of a garment. Although both companies are looking into methods to recycle fibers and collect clothes in their stores, the acceleration of initiatives between 2015 and 2017 are most prevalent within Filippa K. The number of innovations, material efficiency methods such as utilizing cutting waste, removal of redundant packing material, 10 year guarantee on products, free repair services, educating consumers on washing and storage care tips tips to prolong their life and providing washing bags that filters out micro plastics, are more prevalent in the case of Filippa K. As the use and disposal of a garment is directly affected by consumer behavior with each option having more or less environmental impacts and benefits (Muthu, 2014), methods to prolong the life

[5] Excluding goals related to training and design.

of a garment creates value in support of Quantis (2018) conclusion that the only way to genuinely address circular fashion is to slow down the cycle of garment production and consumption.

While Lindex comparatively participate in more educational and empowerment projects for workers in manufacturing regions such as China and Bangladesh, Filippa K participation focus on industry dialogue. Both companies have a structured supply chain management carried out in partnerships. Filippa K conduct audits trough the Fair Wear Foundation and Lindex conduct some through the BSCI and some themselves. In the 2017 report, Lindex however introduce a new method; supplier self-assessment. It is justified as audits have failed "to shown much improvement over time or driven change the way we want" (Lindex, 2018:40). This finding reflect that audits are not necessarily the most effective way to secure labor rights and support conclusions from previous research arguing that the apparel industry is highly globalized with long and complex supply chains making compliance with SCoC difficult to manage effectively (Garcia-Torres, Rey-Garcia & Albareda-Vivo, 2017). The effectiveness of audits in the case of Filippa K can also be questioned. While the company problematize noncompliance with SCoC discovered through audits, specifically with regards to overtime and low wages, no strategies or plans to address these issues are communicated in any of the three reports. The results presented in both Filippa K and Lindex case confirm the characteristics of the fast fashion business model as built on high production volumes and rapid lead times which result in social sustainability challenges (*ibid.*). Consequently, although Filippa K are a small company comparatively to most apparel companies, making enforcement of standards more challenging, they state that approximately 41% of the supplier volume is bought from factories where they have substantial leverage (Filippa K, 2016:60). This leads to two conclusions. First, there is a correlation between companies purchase practices that push for reduction of production cost which may affect labor standards such as living wages and working hours negatively (Muthu, 2014b) but also that long-term relationships increase leverage which can facilitate consolidation of shared values such as human and labor rights.

5.2.3. Reporting

SDG 12 sub-target 12.6 encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle. By using acknowledged reporting and measurement tools, quality and comparability is strengthened. Reporting on goal fulfilment further stimulate internal changes as it triggers performance reviews (GRI, 2016). Disclosing information consequently creates value towards sustainable development in terms of keeping track of the global state fostering change in form of directed action. Presentation of data is made both through quantitative statistics, but also in terms of qualitative indicators. An important point when it comes to reporting is that for companies that are in the beginning of their sustainability reporting journey, a general challenge is to compile data that is representable and accurate. Obstacles can include absence of a common HR-system to compile data for employment indicators and lack of documentation of management such as safety inspections (GRI, 2011). Also, if a company is embarking on its first sustainability report, a baseline must first be set which means that no quantifiable data can be presented. In this case, the company is wise to communicate a management approach on the subject stating what is in pipeline to address the issue (GRI, 2016). Additionally, over time results from the communicated management approach should be evident over the course of a few years.

Both Lindex and Filippa K report on indicators with data derived from third party projects such as number of participants in QuizRR the educational project for workers, number of conducted audits and the amount of saved water and its equivalent to the daily consumption in millions of people through STWI projects. In both cases the KPIs relate to the material aspects. Lindex present data in a structured manner using acknowledged measuring tools such as the GHG-protocol, presented consistently over the years, making its easy to monitor performance over time. This is interpreted as a qualitative consequence that has evolved over time as the 2017 report is Lindex 13th sustainability report. For Filippa K was 2107 their 6th

sustainability report and the presentation of data that is not connected to an internal goal reflect potential for development in terms of structure and consistency. Goal related data is however communicated clear and transparent. Filippa K disclose complete lists of suppliers with names and country base, as well as proportions of fibers and materials. Unfavorable changes in data is explained. For instance, the slight decrease in use of sustainable fibers is explained to be due to the "strategic decision to focus on volume styles, which although they are fewer in number, they have a bigger overall volume and thus bigger impact" (Filippa K, 2018:34).

Data that is not connected to goals, such as Filippa Ks carbon emissions data, reflect a lower level of quality. The main reason is that the company's climate data presentation differs between the three reports. In the 2015 report a table representing emissions from road, air-, and sea-freight is presented with proportions and amount of emissions. In 2016 a table is also presented, however no ratios or units are used to indicate what the numbers represent. In the 2017 report a chart dividing emissions per quarter is presented. The three reports communicate climate related KPIs in three different ways, making it impossible to compare, thus affecting the value as it makes performance reviews difficult. Given as part of the value of the reported performance indicators is to be able to compare, it is important that the format for communication is clear and consistent over time.

In both Lindex and Filippa K's cases, the presented KPIs fail to provide a context as a benchmark for which the stakeholders may asses whether the performance is reasonable. According to the GRI, information disclosed in in sustainability reports should allow "internal and external stakeholders to form opinions and to make informed decisions about an organization's contribution to the goal of sustainable development" (GRI, 2016:3). For Lindex KPI regarding scope 3, indirect carbon emissions, the emissions have increased from 5088 CO2e[6] to 8479 CO2e between 2016 and 2017 (Lindex, 2018:82). However, the figures do not indicate if this increase is reasonable due to sensitive statistical presentation or poor climate management. According to KPMG, data presentation that lack information on context and impact is meaningless (KPMG, 2017:7) which limits the quality and effect of its proposed value. Furthermore, Lindex communicates that "2,2 million pieces sourced from Bangladesh were made with Bluesign approved chemicals and almost 90% of the "better denim" is dyed with the so called "cleanest liquid indigo dye on the market" (Lindex, 2018:53). In this case indicators are mixed between numbers and percentage leaving the reader wondering in what proportions the "sustainable products" are made in relation to the conventional stock. Consequently, data presentation regardless of if its is qualitative or quantitative should be presented so that stakeholders can make substantiated decisions. Given as stakeholder influence increasingly affect business decisions, well-educated stakeholder influence creates shared values motivated by the discourse of strong sustainability.

5.3. Correlation between level of SDG integration and perceived value creation

According to the GRI, UNGC and WBCSD, by utilizing the SDG compass business can accelerate the SDGs and create shared values (BCtA & GRI, 2016). This means that by first understanding the SDGs and then following the next four steps including impact assessment, goal setting, anchoring and report; sustainability performance may be accelerated as the processes is repeated over time. Thus, in theory, integrating the SDGs in the annual cycle of sustainability reporting and management shared value is created and progress should be demonstrated in company's sustainability report. However, as seen in the cases of Lindex and Filippa K, companies do not always follow the steps according to the SDG compass. This means that there may be a discrepancy between communication and the level of SDG contribution. As pointed out by Buelens (2015), the idealism of sustainability communication often diverges from the

[6] CO2e = Carbon dioxide equivalents.

day-to-day business operations. Given as it may be hard to distinguish between communication strategies and sincerity, level of motive and method may indicate correspondence between the level of SDG integration and perceived value creation.

In the case of positive drivers, action and sincerity, Filippa K's sustainability reports have shown that although they do not communicate an understanding of the sustainability issues they aspire to work with, the methods used to integrate sustainability into their business are similar to Lindex which in their reports provide an extensive and advanced communicated level of awareness over time. Filippa K also show progress over time in terms of accelerated initiatives motivated by participation in industry dialogue with regards to circular fashion. Nevertheless, if Filippa K would have conducted an extended impact assessment of their value chain, the low communicated focus on social aspects in their supply chain could possibly be increased. Given as the company chose to include SDG 5 and SDG 8 in their reports an awareness of the issues is evident, however the methods to integrate them are deemed as insufficient as limited progress is communicated other than a few points higher score in the Fair Wear Foundation rating. Consequently, the level of motive affects the level of methods to integrate SDGs.

In terms of goal setting as a method both cases show improvement over the three years, particularly in the 2017 report. In order to contribute to SDG fulfillment goals should, according to the SDG compass, be specific, measureable and time-bound. Thus, formulation such as "ambitions", "strives", "looking into in the future" and "overall aim" has limited value with regards to goal contribution. While they do serve valuable in terms of normative notions representing the will to work with sustainability issues, they also risk being interpreted as green washing as they allude on communication strategies without action which validates Buelens (2015) theory of the hypocrisy sincerity continuum. Filippa Ks goals "only sustainable materials" and "only recyclable styles" along with Lindex goal: "by 2020 all cotton Lindex use will come from sustainable sources and at least 80 % of our garments will be produced with more sustainable manufacturing processes" (Lindex, 2016:6) all aspire to reduce consumption of water, energy and chemicals. The goals per se are ambitious and highly relevant, quantifiable and in Lindex case time-bound, yet they are not communicated rather specific. Furthermore, "reduced amounts of water, energy and chemicals" does not reflect the level of ambition for which reductions are made. Hypothetically if 100% of the garments could be produced using 2% less water, energy and chemicals while at the same time the production volume increase 25%, the environmental impact would be higher than the potential outcome from the ambition of the set goal. Goals that are specific, measureable and time-bound are easier to track and advance as progress or stagnation becomes exposed. Consequently, ambition level affect value and the formulation of the goal risk limiting the value if not defined adequately.

Communicating on KPIs does not necessitate benchmarking against goals, as seen in the case of Lindex and Filippa K. Disconnection between data and goal does not limit contribution to the SDGs if they relate to the goals, however the quality of the data may affect the level of the value. Quality data correspond to information that is comparable, reliable, accurate and clear (GRI, 2016). Filippa Ks KPIs show both high and low levels of data quality. The data presented in relation to goal fulfillment, namely materials and fibers are clear, comparable and appear accurate. The company disclose composition of fibers in charts and tables with information on the proportion of materials and fibers used which is interpreted as transparent and reliable. On the other hand, as argued above, the KPI for climate action is not comparable, clear and consequently appear confusing. Lindex carbon emissions data is communicated in a table with progress over time presented in both figures and percentage. All Lindex data is compiled, calculated and presented according to the GRI G4 and GRI Standards, which consequently affect the quality of the disclosed information and is thus deemed as reliable. Quality data shows that by implementing sustainability performance data in the same measurement as acknowledged frameworks, sustainability benchmark is simplified. It may also facilitate internal changes as it triggers performance reviews. Consequently, data quality affects value in terms of more reliable data that measure true performance as requested by business leaders in the SDG consultations (Pingeot 2014).

6. Conclusions

The aim of this study has been to investigate the perceived value of SDGs integration in sustainability reporting within the apparel industry. Going back to the starting point of the SDG consultations with business leaders, two issues related to the success of the SDGs was raised. The first issue was to better measure and value true performance of business preconditioned by identifying the most significant impact areas. The second issue was concerned with integration of sustainability into core business strategies. Both issues lead back to the proclaimed paradigm shift built on shared values for a sustainable future as demonstrated by the SDGs. In this study both issues have been investigated through analyzing communicated motives and methods to measure and communicate on SDG contribution in six sustainability reports by Lindex and Filippa K between 2015 and 2017. In this chapter conclusions drawn from the analysis and previous research will be presented.

6.1. Value creation by integrating SDGs in sustainability reporting

The findings show that both Lindex and Filippa K are using the SDGs as a communicative tool to point to the conceptual motives which drives the sustainability work. Fairclough's concept of intertextuality is manifested by the use of concepts such as "decent work", "climate action", "responsible consumption" and "circular economy" prevalent in both Lindex and Filippa K's sustainability reports. By reproducing concepts with pre-established meaning related to the SDGs in economic discourses, value is created by providing a common language with a shared purpose and meaning in a new context. While Lindex display discursive changes related to motive between 2015 to 2017 representing an extended scope of responsibility which corroborates with previous research on the transformative potential of the SDGs, (Stevens & Kanie, 2016), Filippa Ks communicated motives are inconsistent. In Filippa Ks case, branding business operations as "circular fashion" goes in line with Porter and Kramer's (2011) argument and that shared values can be used as a driver for economic growth. Findings from Filippa K's sustainability reports further show that although the company do not communicate an understanding of the sustainability issues they aspire to work with, the methods used to integrate sustainability into their business are similar to Lindex which in their reports provide an extensive and advanced communicated level of awareness over time.

Discursive strategies to frame the companies' sustainability methods are made by integrating the concept of "circularity" which has become a buzzword within the discourses of sustainability. Although both companies are looking into methods to recycle fibers and collect clothes in their stores, the acceleration of initiatives between 2015 and 2017 are most prevalent within Filippa K who also communicate emphasis on responsible consumption. As the use and disposal of a garment is directly affected by consumer behavior with each option having more or less environmental impacts and benefits, methods to prolong the life of a garment creates value in support of Quantis (2018) conclusion that the only way to genuinely address circular fashion is to slow down the cycle of garment production and consumption.

The findings further show that goal setting within Lindex and Filippa K differs depending on the SDG. Neither of the companies have specific goals related to gender equality, water or climate change, but rather bigger overarching goals which encompass these issues. Goals that are specific, measureable and time-bound are easier to track and advance as progress or stagnation becomes exposed while communication of "ambitions", "strives" and "overall aim" are neither specific, measureable or time-bound and has therefore limited value with regards to goal contribution. Also "reduced amounts of water, energy and chemicals" does not reflect the level of ambition for which reductions must be made. Thus, a crucial point in terms of value creation when it comes to goal setting is level of ambition. Ambition level in turn affects the value and structure of the goals with risk of limiting the value if not defined sufficiently.

Findings from both Lindex and Filippa Ks reports reflect that audits are not necessarily the most effective method to secure labor rights and support conclusions from previous research arguing that there is a correlation between companies purchase practices that push for reduction of production cost which may affect labor standards such as living wages and working hours negatively (Muthu, 2014b). Findings from Lindex and Filippa K sustainability reports however show potential that long-term relationships increase leverage which can facilitate consolidation of shared values such as human and labor rights.

In terms of reporting, findings show that data that is not connected to goals reflect a lower level of quality. Although communicating on KPIs does not necessitate benchmarking against goal setting, as seen in the case of Lindex and Filippa K, the quality of the disclosed information may affect the value. Given as part of the value of the reported performance indicators is comparability, it is important that the structure of reporting is consistent over time. Data presentation that lack information on context is meaningless which limits the quality and effect of its proposed value. Consequently, data presentation regardless of if it is qualitative or quantitative should be presented so that stakeholders can make substantiated decisions. Value towards strong sustainability is created with clear, accurate, reliable consistent and comparable data.

To sum up, as seen in the case of Lindex and Filippa K, SDG integration does not necessarily need to be according to the steps in the SDG compass. It is possible to create value and contribute to the SDGs without having goals that direct actions or an impact assessment that direct methods. Nor should a low level of communication initially be regarded as valueless as companies with less reporting experience need time to create internal processes. SDG implementation depend on many factors, such as competence, knowledge and capacity to realize efforts. This however means that progress should be visible over time. As a company mature in its sustainability management processes the level of communicated motives and methods increase which consequently affect SDG contribution and value creation towards strong sustainability.

6.2. Contributions and suggestions for future research

This study corroborates with previous research arguing that the business world is more complex than something that can be assessed in a black and white dichotomy of hypocrisy versus sincerity and needs a much more sophisticated approach to the gap between promise and performance (Buelens, 2015) and that the SDGs have a transformative potential (Stevens & Kanine, 2017; Wieland, 2017). It also provides insights on how the integration of the SDGs (BCtA & GRI, 2016) can be seen through a spectrum between weak and strong sustainability depending on the maturity of a company's sustainability management. It could further be used as starting point for continued research on implementation of the SDG in business core-strategies. For instance, would an in-depth study on the correlation between specific internal goals and specific SDG sub-targets be interesting. While this study was conducted by analyzing sustainability reports, it could be valuable to perform interviews with sustainability managers, communication managers, board members and management, to provide insights in justifications for choices and performance reflected in the reports.

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Appendices

Appendix A GRI guiding principles

Guiding principles for defining report content	
1) Stakeholder inclusiveness	a) The reporting organization can describe the stakeholders to whom it considers itself accountable; b) The report content draws upon the outcomes of stakeholder engagement processes used by the organization in its ongoing activities, and as required by the legal and institutional framework in which it operates; c) The report content draws upon the outcomes of any stakeholder engagement processes undertaken specifically for the report; d) The outcomes of the stakeholder engagement processes that inform decisions about the report are consistent with the material topics included in the report.
2) Sustainability context	The organization presents/describe: a) Its understanding of sustainable development, drawing on objective and available information, and authoritative measures of sustainable development, for the topics covered; b) Its performance with reference to broader sustainable development conditions and goals, as reflected in recognized sectoral, local, regional, or global instruments; c) Its performance in a manner that communicates its impacts and contributions in appropriate geographic contexts; d) How economic, environmental, and/or social topics relate to its long-term strategy, risks, opportunities, and goals, including in its value chain.
3) Materiality	In defining material topics, the reporting organization has taken into account the following factors: a) Reasonably estimable economic, environmental, and/or social impacts (such as climate change, HIV-AIDS, or poverty) identified through sound investigation by people with recognized expertise, or by expert bodies with recognized credentials; b) The interests and expectations of stakeholders specifically invested in the organization, such as employees and shareholders; c) Broader economic, social, and/or environmental interests and topics raised by stakeholders such as workers who are not employees, suppliers, local communities, vulnerable groups, and civil society; d) The main topics and future challenges for a sector, as identified by peers and competitors; e) Laws, regulations, international agreements, or voluntary agreements of strategic significance to the organization and its stakeholders; f) Key organizational values, policies, strategies, operational management systems, goals, and targets; g) The core competencies of the organization and the manner in which they can contribute to sustainable development; h) Consequences for the organization which are related to its impacts on the economy, the environment, and/or society (for example, risks to its business model or reputation);

	i) Material topics are appropriately prioritized in the report.
4) Completeness	a) The report takes into account impacts the reporting organization causes, contributes to, or is directly linked to through a business relationship, and covers and prioritizes all material information on the basis of the principles of Materiality, Sustainability Context, and Stakeholder Inclusiveness; b) The information in the report includes all significant impacts in the reporting period, and reasonable estimates of significant future impacts when those impacts are reasonably foreseeable and can become unavoidable or irreversible; c) The report does not omit relevant information that substantively influences stakeholder assessments and decisions, or that reflects significant economic, environmental, and social impacts.

Guiding principles for defining report quality	
5) Accuracy	a) The report indicates the data that have been measured; b) The measurements for data, and bases for calculations, are adequately described, and can be replicated with similar results; c) The margin of error for quantitative data is not sufficient to influence substantially the ability of stakeholders to reach appropriate and informed conclusions; c) The report indicates which data have been estimated, and the underlying assumptions and techniques used for the estimation, or where that information can be found; e) The qualitative statements in the report are consistent with other reported information and other available evidence.
6) Balance	a) The report covers both favorable and unfavorable results and topics; b) The information in the report is presented in a format that allows users to see positive and negative trends in performance on a year-to-year basis; c) The emphasis on the various topics in the report reflects their relative priority.
7) Clarity	a) The report contains the level of information required by stakeholders, but avoids excessive and unnecessary detail; b) Stakeholders can find the specific information they want without unreasonable e ort through tables of contents, maps, links, or other aids; c) The report avoids technical terms, acronyms, jargon, or other content likely to be unfamiliar to stakeholders, and includes explanations (where necessary) in the relevant section or in a glossary; d) The information in the report is available to stakeholders, including those with particular accessibility needs, such as differing abilities, language, or technology.
8) Comparability	a) The report and its information can be compared b) Any significant variation between reporting periods in the list of material topics, topic Boundaries, length of reporting period, or information covered in the report can be identified and explained; c) When they are available, the report utilizes generally accepted protocols for compiling, measuring, and presenting information, including the information

	required by the GRI Standards.
9) Reliability	a) The scope and extent of external assurance is identified; b) The organization can identify the original sources of the information in the report; c) The organization can provide reliable evidence to support assumptions or complex calculations; d) Representation is available from the original data or information owners, attesting to its accuracy within acceptable margins of error.
10) Timeliness	a) Information in the report has been disclosed while it is recent, relative to the reporting period; b) The information in the report clearly indicates the time period to which it relates, when it will be updated, and when the latest updates were made, and separately identifies any restatements of previous disclosures along with the reasons for restatement.

Appendix B UNGC principles

UN Global Compact 10 Principles	
Human rights	1) Businesses should support and respect the protection of internationally proclaimed human rights; 2) Make sure that they are not complicit in human rights abuses.
Labor	3) Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; 4) Eliminate of all forms of forced and compulsory labor 5) Effective abolition of child labor; and 6) Elimination of discrimination in respect of employment and occupation.
Environment	7) Businesses should support a precautionary approach to environmental challenges; 8) Undertake initiatives to promote greater environmental responsibility; 9) Encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	10) Businesses should work against corruption in all its forms, including extortion and bribery.

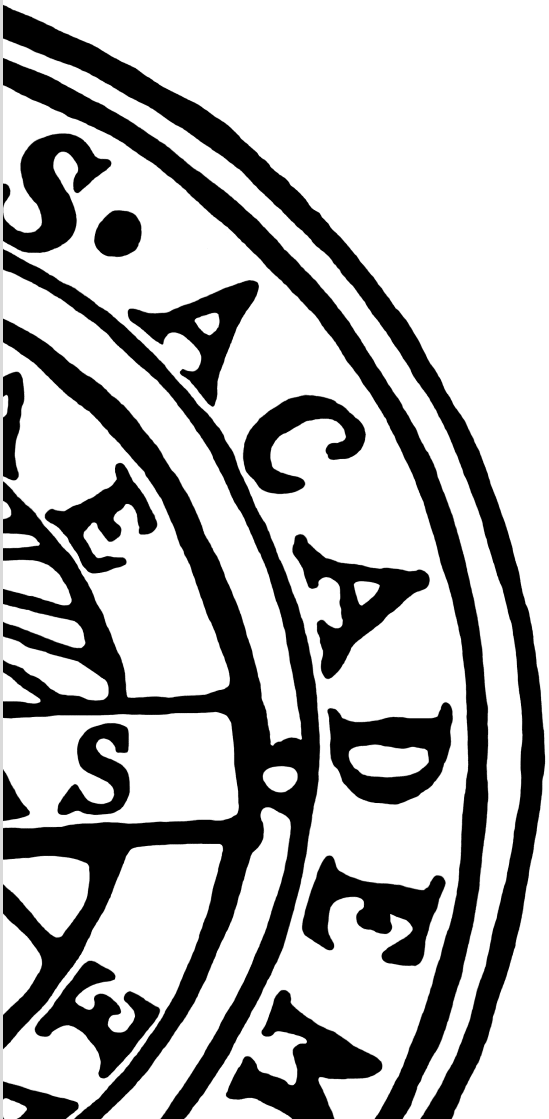
Appendix C List of Sustainable Development Goals

Overview of the Sustainable Development Goals with relevant targets related to the selected SDGs related to the textile and apparel industry	
1	End poverty in all its forms everywhere.
2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
3	Ensure healthy lives and promote well-being for all at all ages.
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5	Achieve gender equality and empower all women and girls. Relevant targets for companies in the textile and apparel industry are: 5.1 End all forms of discrimination against all women and girls everywhere. 5.4 Recognize and value unpaid care and domestic work 5.5 Ensure women's full and effective participation and equal opportunities for leadership. 5.5 Ensure universal access to sexual and reproductive health and reproductive rights, 5.B Enhance the use of enabling technology, in particular information and communication technology, to promote empowerment of women. 5.C Adopt and strengthen sound policies for the promotion of gender equality and the empowerment of women and girls at all levels.
6	Ensure availability and sustainable management of water and sanitation for all. Relevant targets for companies in the textile and apparel industry are: 6.3 Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated waste water, and increasing recycling and safe reuse. 6.4 Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity, and substantially reduce the number of people suffering from water scarcity. 6.5 Implement integrated water resources management at all levels, including through trans-boundary cooperation. 6.6 Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.
7	Ensure access to affordable, reliable, sustainable and modern energy for all.
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Relevant targets for companies in the textile and apparel industry are: 8.5 Achieve full and productive employment and decent work for all women and med, including young people and persons with disabilities, and equal pay for work of equal value. 8.7 Eradicate forced labor, modern slavery, child labor and human trafficking. 8.8 Protect labor rights and promote safe and secure working environments for all workers.
9	Build resilient infrastructures, promote inclusive and sustainable industrialization and foster innovation.
10	Reduce inequality within and among countries.
11	Make cities and human settlements inclusive, safe, resilient and sustainable.

12	Ensure sustainable consumption and production patters. Relevant targets for companies in the textile and apparel industry are: 12.2 Achieve sustainable management and efficient use of natural resources. 12.4 Achieve the environmentally sound management of chemicals and all wastes, throughout their life cycle, in accordance with internationally agreed frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impact on human health and environment. 12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse. 12.6 Adopt sustainable practices and integrate sustainability information into their reporting cycle. 12.7 Adopt procurement practices that are sustainable. 12.8 Ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyle in harmony with nature.
13	Take urgent action to combat climate change and its impacts. Relevant target for companies in the textile and apparel industry is: 13.3 Improve education, awareness-raising, human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.
14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
17	Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Appendix D Excerpt of data analysis matrix

Goal	Variable	Indicator	Lindex			Linkage to aspects
			2015	2016	2017	
SDG 13: Climate action	Motive	Understand	Thematic link to chapter "environment"	Understanding that climate action involves more than direct carbon emission. But also enegry during production and downstream processes.	Climate change is a threat to global development and will ultimately impact people's livelihoods. As it risks having a negative impact on resources, food and water, it will particularly affect marginalised groups such as women and children. Businesses can only achieve sustainable growth by both addressing the direct impacts on climate change and securing the resources that are at risk of disturbance. We need to ensure that we use resources in the best way possible, are energy efficient and reduce our CO2 emissions (9).	Fibres and material (man-made cellulosic fibers, reused and recycled fibres) Transport Reuse and recycle Climate
		Impact assessment	Climate change concerns us all, all regions of the world and all sectors of society, threatening global development and undermining the foundation of the global economy (48)	Climate change concerns all regions of the world and all sectors of society, threatening global development and undermining the foundation of the global economy. Businesses can only achieve sustainable growth by addressing both the direct impacts on climate change and securing the resources that are at risk of disturbance. Resue and recycle of synthetic materials limit the demand for resources. index energy consumption mainly consists of electricity, heating and district heating. Energy is consumed for lighting, ventilation, heating and cooling systems in the stores, warehouses and of ces, as well as for other equipment and machinery in these facilities, including lifts, escalators, refrigeration and IT equipment (65). Energy efficiency (43).	Our entire sustainability work from design to when a garment is no longer wearable and all the actions we describe throughout this sustainability report are highly connected to climate change (9). Lindex energy consumption mainly consists of electricity, heating and district heating. Energy is consumed for lighting, ventilation, heating and cooling systems in the stores, warehouses and of offices, as well as for other equipment and machinery in these facilities, including lifts, escalators, refrigeration and IT equipment" (65)	
	Method	Goal setting	Our objective is to reduce the environmental impact of the company's business operations.	Aim to increase our share of rail transport Overall aim is to be as energy efficient as possible.	Overall aim is to be as energy efficient as possible.	
		Anchor	We take the environmental aspects into consideration in the management and development of our business operations. We comply with valid environmental legislation and require the same from our suppliers and partners. Environmental work at Lindex is based on the Sustainability strategy and on the environmental policy. The management of environmental responsibility is coordinated by the Sustainability function and is part of the departments' day-to-day operations. The departments independently set specific environmental targets, define indicators for monitoring the achievement of these targets and establish appropriate management practices (45).	Environmental policy. All procured electricity comes from renewable sources in our offices and stores. Lindex stores follow an ef cient energy consumption checklist as routine practice (65). As a member of the network, Lindex uses the Clean Shipping Index, a tool that registers different shipping companies and their environmental impact. The index provides environmental ranking for ships and entire carriers based on their performance in ve different areas: • Carbon dioxide emissions • Nitrous oxide • Sulphur dioxide and particulates • Chemical products and fuel • Water and waste control. The Clean Shipping Index supports our decision- making in the buying of sea freight. By being a part of this network we can act to minimise the negative environmental impact related to our products. In Lindex shipment procurement we require that 80 per cent of the ships are Clean Shipping registered.	PaCT: All participating factories have implemented at least four recommended water- and energy-saving measures from the programme (48). EcoViscose: The production is more resource efficient with less impact on climate, water pollution and air pollution compared to conventional viscose (33).	
		Report	KPI : table of emissions scope 1-3 KPI: energy use	KPI: 3% of our goods were transported by rail, 7% road transport, 1% air freight, 89% sea freight KPI: Table of carbon emission Scope1-3 KPI: The better denim washing process used up to 27 % less energy.	KPI: During 2017 we produced approximately 1.7 million pieces with Avitera, which resulted in an estimated saving of 1040 kWh of energy. KPI: The better denim washing process used up to 70% less energy. KPI: Scope 3: internal and externa logistocs have doubled since 2016. All other numbers are the same.	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