

CBS



**COPENHAGEN
BUSINESS SCHOOL**

HANDELSHØJSKOLEN

Measuring Social Sustainability in Global Supply Chains

Master Thesis

For the program International Business

Date of Submission: 15th of May 2019

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Number of Characters incl. spaces: 181 976

Number of Standard Pages: 80

Abstract

In a highly international business environment global supply chains are becoming increasingly dispersed across borders and continents (Gereffi and Fernandez-Stark, 2016), with emerging markets as one of the fastest growing players (Abiad et al, 2015). In these highly complex supply chains the focus seem to be on competitiveness, leaving potentially negative social impacts behind (Wieland and Handfield, 2013), and children are one of the groups shown to have to bare many of the negative consequences (Unicef, n.d.). In recent years several disastrous events have highlighted the dangers of not addressing these issues (Wieland and Handfield, 2013), and there is increased recognition of the need to work with *Sustainability* and *Corporate Social Responsibility (CSR)*. However, the social pillar of sustainability has been constantly neglected (Ajmal et al., 2018) with ongoing discussion on how to measure it in practice (Staniskiene and Stankeviciute, 2018).

This study therefore deals with how to measure social sustainability in global supply chains, with a special focus on the impact on children in emerging markets. To fulfil the purpose of this thesis a qualitative multiple case study has been conducted, where the empirical material has been collected through semi-structured interviews and document collection. By analysing this material the study aims to gain a better understanding of how to measure social sustainability in global supply chains, looking at what aspects of social sustainability that are important for children and companies, to see if there is any common ground for *Shared Value* to be created (Porter and Kramer, 2011).

The empirical evidence shows that aspects considered important by children are *Child Protection, Education, Family Relations, Work and Employment, Community Infrastructure, Basic Needs, Leisure and Rest, Health Care, Awareness and Respect, Involvement and Equality*. In practice companies work with measuring social sustainability through *Audits, Project specific targets*, and through *Certified raw-material*. For companies aspects of high importance are *Income, Education and Human rights*. Furthermore, some motivations on why to engage in measurement and communication of these issues were suggested to be to *show stakeholders, build the brand*, respond to *consumer expectations*, justify the *investments, learn and understand* and *adhere to legal and international frameworks*. The study shows that companies are currently not adhering to Porter and Kramer's (2011) framework on *Creating Shared Value (CSV)*, even so some common ground was found, suggesting that it should be possible in the future.

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1. Introduction

1.1 Background

With an increasingly international business environment the global economy and trade patterns are now to a great extent structured in the form of *Global Value Chains*. Employment, production patterns and industry interactions are becoming highly complex, with the implication of most supply chains being globally dispersed, reaching across borders and continents, establishing different activities in different locations (Gereffi and Fernandez-Stark, 2016). Some of the fastest growing players in this new international environment, that have shown immense improved performance throughout the last 20 years, have shown to be developing economies and emerging markets (Abiad et al, 2015). In these regions they offer substantially lower costs, in terms of raw materials and labour supply, which has promoted a global explosion of Multinational Corporations' (MNC) outsourcing to these regions. With these changing dynamics, emerging markets are increasingly taking on the role as the main drivers of global production in these international value chains (Gereffi and Fernandez-Stark, 2016).

In this international market, global supply chains have become extremely responsive, with the main focus being cheap prices and quick delivery times. With these highly responsive global supply chains it seems like the focus is solely on effectiveness and competitiveness, leaving social aspects and potential negative impacts behind (Wieland and Handfield, 2013). In recent years, several devastating incidents have brought attention to the business community of the danger of ignoring these issues, highlighting potential risks and negative impacts associated with not dealing with sustainability when managing global supply chains (Wieland and Handfield, 2013). Examples of such incidents were in 2012 when attention was brought to two deadly factory fires resulting in the loss of several lives, first 300 workers in Pakistan and later the same year 112 workers in Bangladesh. Following that, in 2013, the business community faced one of the deadliest and most scrutinised and debated incidents so far, the collapse of Rana Plaza, Bangladesh, killing more than 1100 people (Lund-Thomsen and Lindgreen, 2013). Accidents like these point to an attitude where unsafe working conditions and the loss of human lives are not a priority, coming second to competing against other global supply chains on an international level.

Recent events like these and many more have sparked intense discussions, leading to recognition of the inadequate efforts focused on these issues in an appropriate and effective way (Lund-Thomsen and Lindgreen, 2013). MNC's doing business in these parts of the world, allocating their production in emerging markets, are now facing an urgent need for change, where they have to incorporate *CSR* and *Sustainability* practices into the management of their global supply chains, or face the negative impacts the neglect of these issues will have on their business (Wieland and Handfield, 2013).

In these global supply chains, children are one of the groups that are most affected by these negative impacts (Unicef, n.d.). Children are in general more vulnerable than adults to the damage created, and the effect is often long-term and permanent, leading to harm beyond repair. Attention has traditionally mostly been given to business responsibility with regards to child labour (Children's Rights and Business Principles, 2013a). Children are however also greatly impacted indirectly by more subtle factors, such as the working conditions of the parents, the availability of childcare facilities (Unicef, n.d.), parents migrating to work (Children's Rights and Business Principles, 2013a), and the impacts of climate change, through for example pollution, natural disasters and the availability of green playing areas (Unicef, 2014). Even though children represent approximately one third of the world population, and often suffer substantially from both direct and indirect factors of business and global supply chains, they seldom get a say in the global debate (Children's Rights and Business Principles, 2013a).

There has been increased recognition of the importance of acknowledging the impact business has on children (Children's Rights and Business Principles, 2013a), and the discussion has been supported by the creation of international initiatives, such as for example the United Nations (UN) *Convention on the Rights of the Child*, dating many years back to the creation in 1989 (United Nations Human Rights, 1989). However, according to the UN *2030 Agenda for Sustainable Development*, there is still need for future focus and emphasize on improving the global situation for children worldwide. They here state that even though the *Millennium Development Goals* did achieve partial success, it was highly uneven, and inadequate with regards to some areas and groups, such as developing countries and children. Children are therefore still classified as a vulnerable group in need of attention, support and empowerment (United Nations, 2015a).

1.2 Problem Discussion

Following above discussion it can be seen that globalisation and international trade has led to new challenges for business, with an increased need to face *CSR* and *Sustainability* challenges throughout global supply chains, especially with a focus on emerging markets, and the impact on children. Adhering to this need many companies are now publishing *Sustainability Reports* to address these topics more specifically. The most commonly used framework for this is the *Global Reporting Initiative (GRI)*, that serves as an international guideline and support. It is in this framework suggested that companies should include all three aspects of sustainability; *Economic*, *Environmental* and *Social*. However, the environmental and economic factors are continuously getting most of the attention, and little effort is normally put on the social aspects (Ajmal et al., 2018). That this pillar is the one that has received the least attention is however not surprising, since the concept of social sustainability in itself is still relatively vague, lacking sufficient theory and a common terminological definition (Ajmal et al., 2018; Eizenberg and Jabareen, 2016). Generally speaking social sustainability has to do with social concerns and issues regarding human well-being (Ajmal et al., 2018; Eizenberg and Jabareen, 2016; Mani and Gunasekaran, 2018). Commonly included aspects are for example safety, equity, health and education (Ajmal et al., 2018; Eizenberg and Jabareen, 2016; Mani and Gunasekaran, 2018), as well as other aspects such as human rights, child labour, philanthropy (Mani and Gunasekaran, 2018), urban planning (Eizenberg and Jabareen, 2016), social development, social growth and social justice (Ajmal et al., 2018).

Even though there has been a documented increase of companies engaging in producing these sustainability reports, the measurement of the actual performance and concrete impacts of sustainability is not an easy work, due to the complexity of the concept and the lack of consensus on exactly how and what ought to be measured (Delai and Takahashi, 2011). Even today there is still an ongoing discussion with regards to the practical aspects of actually measuring sustainability efforts, especially so for social sustainability. The social aspect of sustainability requires substantially different analytical methods from the environmental and economic ones, since it deals with issues related to subjective aspects (Staniskiene and Stankeviciute, 2018). The choice of which social sustainability indicators to include in practice is further seldom selected based on theoretical grounds, and is instead often used to suit political interests (Eizenberg and Jabareen, 2016). Some

companies use pre-determined indicators to measure the impact of social sustainability, while others instead design their own. A consensus or international framework to evaluate this pillar is therefore still lacking and in need of further exploration (Ajmal et al., 2018).

One of the problems with measuring the social aspects of sustainability has to do with the importance of the different motivations and interests of a company's many different stakeholders (Ajmal et al., 2018). There is a general disagreement on what stakeholder groups should be considered, and on what level the measurement of impact should be done. Only looking at direct impacts, or also covering the indirect aspects, spanning throughout the whole global value chain (Delai and Takahashi, 2011). However, even though there is no consensus on the exact stakeholder group to include, Delai and Takahashi (2011) still highlight that the involvement of stakeholders in the management and measurement of impact is crucial to obtain long term sustainability. Another problem relates to the fact that social sustainability issues are highly dynamic, characterised by time dependant and contextual factors (Mani and Gunasekaran, 2018), and it is often difficult for stakeholders to interpret and understand the social efforts presented in the sustainability reports. Furthermore, there is the issue about the difference between presenting sustainability reports, and actually making a difference. Just producing sustainability reports publishing the companies CSR efforts does not per se mean that they are actually generating a positive impact towards society where and how it is actually needed (Ajmal et al., 2018).

To bridge this gap between the social sustainability work carried out in practice, and the way of measuring and communicating the results and effects, it is of crucial importance to look at the measurement process. To be able to design an effective way of measuring the impacts of CSR work focusing on social sustainability it is further important to consider and take into account different stakeholder groups, and their motivations behind what is of interest to measure and communicate.

1.3 Purpose and Research Question

The purpose of this study is to achieve a better understanding of how to measure social sustainability work in corporations' global supply chains in emerging markets. In order to obtain a

measurement system that is built upon creating mutual value for several stakeholders involved it is important to consider the underlying motivations and aspirations of both children affected by the global supply chains as well as companies actively working in these areas. To be able to study this in more depth it is therefore of interest to look at organisations and companies working with implementing sustainability and CSR strategies in global supply chains, in the setting of emerging markets, especially with a focus on the impact on children. For the purpose of this study a multiple case study of companies and organisations actively working with CSR strategies throughout global supply chains will therefore be carried out, together with a study of reports consulting children on what is important for them in their lives to create social well-being.

This topic is of special interest for private business, NGO's, private-public partnerships, academics and anyone interested in gaining a deeper understanding and knowledge about how to design an efficient way of measuring CSR efforts focusing on social sustainability, that will ensure the incorporation of the underlying stakeholder motivations of what to measure and communicate and why. By creating a deeper understanding of this topic, this will hopefully inspire further discussion on how to measure and communicate the impact of social sustainability work in practice. In order to achieve this purpose, this thesis aim to answer the following research question:

How do you measure social sustainability in global supply chains and what are the reasons behind measuring and communicating this way?

In order to answer this question the first step needed is to attain knowledge of what is done in practice today, and specifically what aspects are considered of importance by both companies and children. Furthermore, it is important to gain a deeper understanding of the different motivations behind what to measure and communicate and why, to see if there is a common ground of mutual interests where shared value can be created. Focusing on shared value will aim to ensure that the actual impacts benefit the need of the local communities and children, while also suiting private companies' requirements and wishes on what to measure and communicate. Therefore, the following sub-questions will be answered subsequently in order to respond to the overall question;

- *What aspects of social sustainability are important for children affected by global supply chains in emerging markets?*
- *How is social sustainability measured in practice by companies with global supply chains in emerging markets?*
- *What aspects of social sustainability do these companies consider important to measure and communicate and why?*
- *How is social sustainability communicated and presented through companies' Sustainability Reports?*
- *Are there any differences between what aspects that are important for the children, for the companies and what is actually measured and communicated in practice?*
- *Is there any common ground of mutual interests where shared value can be created for both parts, and what are the most important challenges that need to be taken into consideration when designing a measurement system?*

1.4 Delimitations

Based on the Problem Discussion and Purpose presented the delimitations considered relevant for this study are to look at the social pillar of sustainability, since this is the one in most need of further exploration. Furthermore, the focus will be on looking at measuring these issues, with special attention paid to the impact inflicted on children in emerging markets, since they are often the most affected. The companies considered relevant to include in the study will be companies who have actively worked with addressing sustainability, and that have supply chains including some sort of food and/or drink sourcing or foodstuff production throughout their global supply chains, covering emerging markets.

1.5 Structure

This chapter has introduced the purpose and research question. Following this comes Chapter 2, where the most important Methodological aspects and decisions will be presented and justified. Chapter 3 will conduct a critical literature review presenting the concepts of CSR and Sustainability, introducing the frameworks of *Social Sustainability* and *Creating Shared Value* that

will serve as a base for the discussion and analysis of the empirical material presented in Chapter 4 and 5. Chapter 4 will present the empirical material, and Chapter 5 will analyse and discuss the empirical material in relation to the theoretical frameworks. Chapter 6 will present the conclusions drawn from the analysis in Chapter 5, presenting an answer to the research question, and Chapter 7 will make suggestions on further research.

2. Methodology

This section will explain the most important considerations made with regards to the methodological aspect. First a general discussion on *Research Philosophy* will be held, resulting in the presentation of the research philosophy for this particular research. Following that a description of the *Research Design* will be made, explaining the research method, research approach, level of analysis and empirical data collection method. Furthermore, a practical description of the *Research Process* will be given, explaining the steps followed throughout the process. Finally, a critical discussion will follow on *Data Quality*, discussing reliability, validity and limitations.

2.1 Research Philosophy

When conducting research it is important to consider what research philosophy to adopt, since the position on this affects and guides the overall process as well as the way of thinking when looking at and interpreting the world and the knowledge within it. Which one that will be adopted is particularly related to the way in which the researcher associates the relationship between knowledge in it itself, and the way in which it is established. However, it also depends on the researchers personal values (Saunders, Lewis and Thornhill, 2009) and different researches have different preferences (Bryman and Bell, 2011). The field of research philosophy is normally discussed from two points of view: Epistemology and Ontology (Saunders, Lewis and Thornhill, 2009).

Epistemology relates to what knowledge that can be seen as acceptable within a specific research field (Saunders, Lewis and Thornhill, 2009), with the most crucial aspect according to Bryman and Bell (2011) being “...*the question of whether or not the social world can and should be studied*

according to the same principles, procedures, and ethos as the natural sciences.” (Bryman and Bell, 2011, p. 15). Based on the characteristics of the subjects studied, together with personal values and beliefs, this thesis takes an epistemological position leaning towards *Interpretivism*. In the interpretivism view the business world studied is considered to be substantially different from the natural science, and hence call for a different way of conducting research (Bryman and Bell, 2011). This means that instead of looking at the business world through a set of “laws”, similar to the physical science, the business world is seen as more complex, where the differences and relationships between different humans as social actors has importance. In the interpretivist view the focus is to understand a complex situation from the point of view of the subject being studied, and it is acknowledged that this varies between different social actors, times and circumstances (Saunders, Lewis and Thornhill, 2009). This view of complex situations differing between social actors, times and circumstances captures well the underlying characteristics of how the understanding of CSR and Sustainability is both complex and debated. This thesis therefore takes an interpretivism stance, agreeing with the view that when studying the business world in practice, solely relying on methodical approaches based on natural science will not sufficiently capture the underlying reality and knowledge desired to study.

Ontology instead deals with beliefs and thoughts about how the world works, and is concerned with reality, in the sense of what is its real essence (Saunders, Lewis and Thornhill, 2009). According to Bryman and Bell (2011) the most important question here is “...*the question of whether social entities can and should be considered objective entities that have a reality external to social actors, or whether they can and should be considered social constructions built up from the perceptions and actions of social actors.*” (Bryman and Bell, 2011, p.20). According to Saunders, Lewis and Thornhill (2009) there are mainly two aspects of ontology that can be seen as generally accepted viewpoints; objectivism and subjectivism (normally associated with social constructionism). The objectivism view takes the stance that social entities are external to and independent of social actors, while the subjectivism view instead argue that perceptions and actions of the social actors do influence the social phenomena. The *Social Constructionism* position is here deemed most suitable since this way of looking at the world is based on the idea that reality is something that can be seen as socially constructed, where there is constant social interaction and continuous change. Different individuals and actors here have their own specific interpretations and

views, and what is important to understand is the deeper underlying motivations behind these interactions and interpretations (Saunders, Lewis and Thornhill, 2009). When studying CSR and Sustainability this way of looking at the world makes sense, since both these concepts can be seen as socially constructed and highly changeable over time, and because the purpose of this study is to understand the underlying motivations behind why organisations work in a specific way.

To be able to fully understand and investigate the research question in a coherent and logical way, the research philosophies guiding the process have to mirror both the way in which the researcher views the world on a personal level, as well as the best way of handling the topic at hand. As argued above, an interpretivism and social constructivism view of the world and the knowledge within it will therefore be applied, in order to capture the reality on CSR and Sustainability in the best possible way.

2.2 Research Design

It is also crucial to consider the more practical aspects, such as the choice of Research Design and Research Method, to ensure a coherent research process tailored to the specific problem in question. According to Bryman and Bell (2011) these two concepts are often confused. In order to avoid confusion this thesis will hereby define these according to the terms suggested by Bryman and Bell (2011), where the Research Design is the overall structure or framework that guides the process, while the Research Method is the specific form of technique chosen for the collection of data. The actual steps followed in practice will later be referred to as the Research Process. This section will start with presenting the *Research Approach*, and then move on to introducing the *Research Design* and *Research Method*.

2.2.1 Research Approach

The goal of this thesis is to attain a deeper understanding of how to measure social sustainability in global supply chains as well as the motivational reasons behind this. To reach this goal it is necessary to start with an element of *Descriptive* characteristics, to develop a basic understand of what can be seen as CSR and Sustainability as well as what the practice looks like today, with regards to measurement and communication. Since the sub questions also aim to further understand

underlying motivations and reasons for companies to act in a certain way, the thesis will then also take on a more *Explanatory* approach, to try and explain and understand what are the motivational aspects to if certain aspects are considered more important than others, and if there are any similarities and differences between the perspectives. The combination of the two has been deemed necessary, since it is important to first create an understanding of the concepts studied, to then be able to move towards a more explanatory approach on the reasons behind (Saunders, Lewis and Thornhill, 2009).

This thesis will take on mainly an *Inductive* research approach, which means that the research will have its base in using empirical data as the starting point, that will then be analysed and used to generalize the observations and conclusions drawn, leading to the creation of theory (Bryman and Bell, 2011). This approach has been chosen in order to enable a more open exploration of how to understand the situation and problem at hand, allowing for alternative explanations to be revealed throughout the process (Saunders, Lewis and Thornhill, 2009).

The first sub-questions of this thesis aims at creating a theoretical framework on what aspects that can be seen as indicators of what children consider important aspects of social sustainability. In order to create this, the child consultation reports will be analysed in an inductive way, using the empirical material to put forward a set of *Child Indicators*. To make sure that these are all in line with the social aspect of sustainability an element of deductive reasoning will be added, to make sure that the categories and elements found are in line with the social sustainability framework presented by Ajmal et al. (2018). The second, third and fourth sub-questions will also be analysed using an inductive approach, where the empirical material will be the base for establishing what aspects of social sustainability that are important for companies to measure and communicate and why, and how this is done in practice.

The fifth sub-question will use a more comparing approach between the three perspectives found, where the created framework on *Child Indicators* will be put in relation to the aspects found about what is important for companies, and what is presented in practice. The last sub-question will attempt to analyse if there is any common ground between the perspectives where shared value can be created. Here a more *Deductive* research approach will be applied, meaning that the research will

take its starting point in already existing theory, that will be analysed through the empirical material (Bryman and Bell, 2011). Here Porter and Kramer's (2011) theory and framework on *Creating Shared Value* will be used, to see if there is any common ground between the perspectives where shared value can be created.

2.2.2 Research Design

Many scholars distinguish between a quantitative and qualitative way of conducting research. Quantitative research is normally associated with applying numerical measurements, while the qualitative approach does not. Furthermore, the qualitative approach is more concerned with words, with the aim of gaining a deeper understanding as well as interpreting underlying meanings (Bryman and Bell, 2011).

The purpose of this thesis is to attain a deeper knowledge and understanding of how to measure social sustainability in global supply chains, as well as understanding the underlying reasons and motivations to why to measure and communicate in this specific way. The focus here is not on trying to quantify social life into results and relationships that can be generalised to a larger population. Instead the aim is to analyse the question from the perspective of the subjects being studied, to truly understand and explore their perspective and point of view on what they consider relevant and why. To achieve this discussion it is therefore crucial to get in close contact with the subjects studied, so that the researcher can be involved in a face-to-face discussion with the subjects, in order to really understand the question and motivation from their specific point of view. As described by Bryman and Bell (2011) these aspects are normally better catered for when applying a qualitative approach, and in order to be able to reach the purpose of this thesis in the best possible way a *Qualitative* approach will therefore be applied.

The Research Design deemed most suitable for this purpose is a *Multiple-Case Study*, looking at companies and organisations working with social sustainability throughout global supply chains. As explained above, the goal is to attain a deeper knowledge and understanding of the complex situation and motivations on how to measure social sustainability. Therefore, the choice of a case study has been deemed as the most relevant approach, since this is often suggested to serve well for gaining a deeper understanding of a specific context, and helps answering questions related to why

a certain behaviour occurs (Saunders, Lewis and Thornhill, 2009). In line with Saunders, Lewis and Thornhill (2009) reasoning about a single case study being the most relevant choice when the aspect of interest is to focus on one specifically extreme and unique case, the alternative of a multiple case study was instead chosen over the single case study. This decision was made since the purpose is here more focused on exploring several possible ways and motivations to measuring social sustainability, rather than on a one context specific extreme case. It was therefore considered relevant to attain several different inputs on the topic, and to be able to compare between different companies perspectives.

The level of analysis is focusing on the *Micro aspect*. The subject of analysis in every case is the organisations as a whole, as one entity, and it does not take into account different departments and sub-hierarchies within each organisation. Therefore, the multiple case study has been conducted with the level of analysis focused on a *Holistic point* of view rather than an embedded (Saunders, Lewis and Thornhill, 2009).

2.2.3 Research Method

Following the choice of applying a research design of a Multiple Case Study, the data collection technique, or Research Method, deemed relevant for this was established as conducting *Semi-structured Interviews* in combination with *Document collection*.

To gain a deeper understanding of how social sustainability is measured in practice and what aspects that are considered important by companies to measure and why *Primary Data* will be collected through *Semi-structured Interviews*. Primary data refers to original work, where new data is collected (Saunders, Lewis and Thornhill, 2009). One of the advantages and main reasons for choosing to collect primary data through qualitative interviews, as suggested by Saunders, Lewis and Thornhill (2009), is because the purpose of the study requires an understanding of reasons and motivations for the participants general attitudes or decisions made. Through the use of semi-structured interviews the researcher will be able to apply a highly flexible structure, with the possibility of asking probing questions to further develop and follow up on areas and topics where further explanation and a better understanding is needed. This is further extra important in studies like this one, where an interpretivist epistemology is applied (Saunders, Lewis and Thornhill, 2009).

Since the sub-questions of this thesis aim at understanding what attitudes and motivations companies have on what aspects of social sustainability that are considered important to them, the collection of primary data through semi-structured interviews has therefore been chosen, in order to enable a deeper discussion where the researcher has the possibility of really examining the interviewees underlying motivations in a more complete way.

In combination with this additional material will be compiled through *Document Collection*, in order to see what is actually measured and communicated in practice through companies Sustainability Reports. Here the use of *Secondary Data* will be made, which is defined as data that has previously been gathered for another purpose (Saunders, Lewis and Thornhill, 2009). The secondary data that will be collected are the sustainability reports published and produced by the chosen case companies.

When looking at gaining insight into what aspects of social sustainability that are important for children the use of *Secondary Data* will be applied, in the form of *Document Collection*. This choice was made because of several reasons. First, there are several restrictions and ethical questions involved when wanting to interview children, making it a delicate and sensitive topic. Secondly, as a general advantage with secondary data, more time and effort can be put on analysing a larger amount of data if already published reports are used, rather than spending precious time and resources to collect primary data on your own. Finally, another highly appreciable advantage of secondary data is that it is probable that the quality of already produced reports is substantially higher than what any individual researcher would manage to produce within the limited time frame and resources given (Saunders, Lewis and Thornhill, 2009).

A negative aspect and possible disadvantage with secondary data pointed out by Saunders, Lewis and Thornhill (2009) is that the data is collected with a different purpose, and that it therefore might not be well suited for the overall purpose of another study. Furthermore, they argue that it might be difficult to control the quality of the data, and that the use of definitions and aggregations might be different. Even so, the positive benefits of using secondary data to gain insights on children's opinions have here been considered to outweighing the possible negative drawbacks. Secondary data collection in the form of published reports from highly legitimised organisations will therefore

be used, with the motivation to ensure a more efficient use of resource within the given time frame, as well as ensuring access to more high quality data. In order to minimize the possible disadvantages the methodological section of each report will be read, to create awareness of how the data was collected, analysed and presented, and to ensure as much coherence and consistency to the purpose of this specific thesis as possible.

2.3 Research Process

2.3.1 Development of Theoretical Framework

The theoretical framework was put together by conducting a critical literature review of published material related to Sustainability, CSR, and its measurement and reporting practices. The CBS library search function was used to search for material on relevant key words and topics. The abstracts of the search results were scanned to look for relevant material, and when a topic of interest was found the article was further read in more detail. Based on interesting references and articles mentioned and recommended for further reading additional articles were read and added to the review. This process was continued until a substantial amount of literature had been obtained, and authors and articles started to appear as re-occurring references and search results. The articles that had been selected as relevant were then read with more detail, and a further reduction of material of actual importance was made. From the remaining material the written literature review was then conducted.

2.3.2 Data Collection

Child Consultation

The aim of analysing reports on child consultations was to attain knowledge about what aspects that are of importance for children in their lives and social well-being, both now as well as in the future. Since children normally don't talk along the lines of social sustainability per se, a search for consultations on topics that could serve as proxies for social sustainability was conducted. To ensure a result that could be as representative and generalisable as possible the choice was made to focus on child consultations adhering to several criteria. The most important criteria was to search for reports where the children had been actively involved through consultations. Therefore reports presenting research and success stories about specific projects were not included. The reports

chosen were only considered relevant if dealing with children in emerging markets, including both boys and girls, and not consulting children in specific situations, such as for example children in war or affected by emergencies, since these children would not reflect the overall opinions and preferences in children's everyday lives. Furthermore only reports from 2010 and onwards, published in English were selected.

The data collection was conducted by searching online for databases and research sources from well-established organisations, such as for example Save The Children, UNICEF, Plan International, Amnesty and SIDA. When a resource data base was found searches were made on relevant key words, such as children, child consultation, child participation and social sustainability. The abstract of all relevant reports found in the searches were read, and if considered interesting the report was downloaded and saved. The saved reports were then read through completely in more depth, and where available the methodology was checked to make sure the consulting process had been conducted in a reliable way. A total of 17 reports were chosen, the full list can be found in Appendix I. The chosen reports were all slightly different in their approach to what explicit topics they addressed, but in general they included the way CSR impacts families and communities, the way business impacts children and their families and communities, aspects on what a successful childhood entails, priorities for the post-2015 framework, and the world children would like to have by 2030.

Case Companies and Organisations

In order to gain insight on how to measure social sustainability in global supply chains it was crucial to get in contact with companies having actively engaged in working with Sustainability and CSR, with supply chains and sourcing covering emerging markets. As a way of getting in contact with relevant companies to study a guest lecturer of the university, working with CSR related projects in emerging markets, was contacted. After discussing possible options of companies that could be considered relevant three companies were chosen. These specific companies were chosen based on the criteria to; 1) have a global supply chain partly covering emerging markets 2) actively work with CSR issues 3) produce or source food and/or drinks (since specifically coffee, spices and cocoa are extra relevant with regards to social sustainability questions). The guest lecturer provided

the relevant contact information, and all three companies were approached and asked if they were interested in participating, which they all confirmed.

Interviewee	Professional Title	Company	Industry	Interview Date	Interview Length	Interview Location
Veronica Rossi	CSR and Sustainability Specialist	Lavazza	Coffee	12 th of April	53 min	Skype Call
Sandra Flodström	Group Senior Sustainability Specialist	Paulig Group	Coffee and Food	17 th of April	58 min	Company Facilities
Greg Priest	Head of Sustainability Policy	Inter IKEA Group	Furniture and Food	18 th of April	47 min	Skype Call

Table 1. *Presentation of Interviewees Companies*

Since Sustainability and CSR questions are normally addressed through several branch initiatives and international collaborations two additional non-profit organisations were contacted, after contact details were given by the guest lecturer. These interviewees were included to add an additional perspective, since they through their work have been in contact with several companies involved in working with these questions. They were included with the hope that they can contribute with a broader picture of the overall industry views and trends, that might be easier to observe from a non-profit organisation perspective. The interviewees were contacted over email and both accepted the request to participate.

Interviewee	Professional Title	Organisation	Industry	Interview Date	Interview Length	Interview Location
Viveka Risberg	Program Director Sustainable Production and Consumption	Axfoundation	Non-profit organisation working for more socially and environmental sustainable business practices	11 th of April	60 min	Skype Call
Interviewee X	n/a	Organisation X	Non-profit organisation working with the cocoa industry	23 rd of April	34 min	Skype Call

Table 2. *Presentation of Interviewees Non-Profit Organisations*

The interviews were executed in order to be adapted to each interviewee in the best possible way. Four interviews were therefore conducted over Skype, and the fifth interview took place at the company's office. To avoid the interviewer steering the conversation the use of open end questions were applied, with a lot of time for the interviewees to talk freely, to really capture their own

reasoning and motivations, without applying any pre-determined perceptions from the interviewer. However, this approach could easily lead to difficulties in attaining answers relevant to the purpose of the thesis. Therefore, to ensure that the material gathered would still be in line with the purpose of this study, an interview guide with questions within the four topics *Social Sustainability, Measurement, Communication and Challenges and Opportunities* was prepared and used as a guideline throughout the interviews. Two separate interview guides were conducted, one for the companies, presented in Appendix II, and one for the non-profit organisations, presented in Appendix III. One of the interviewees desired to have the questions beforehand and they were therefore emailed to the interviewee the day before.

The interviews lasted between 34-60 min, and were terminated when the subjects had been touched upon to a sufficient amount, or in one case when the interviewee had to cut for the next appointment. Before the interviews were conducted the interviewees were informed about the possibility to stay anonymous if required, to enable and encourage a more open and honest discussion. One of the interviewees expressed the wish to remain anonymous, in order to talk more freely, without having to be concerned about any possible misunderstandings that could in any way harm the organisation he/she works for. To respect this both the interviewees name and organisation has been kept anonymous, with only a short description of the industry published, which was approved by the interviewee to include. The interviewees all gave their permission to conduct a voice recording of the conversations, but the anonymous interviewee requested it to be kept for the researchers use only.

Sustainability Reports

In order to analyse what is presented and communicated in practice through companies sustainability reports the latest sustainability report, available at the time, published by the three companies were chosen for analysis. The reports of the non-profit organisations were not included, since the purpose of including their inputs was to gain further knowledge with regards to companies views and trends within the industry, rather than analysing their individual approach on measuring and communicating social sustainability.

2.3.3 Data Processing

The empirical material on the child consultations and the material contained from the interviews were processed in a similar way. In order to ensure an accurate examination of the content of the interviews the audio files were transcribed and saved (Bryman and Bell, 2011) using oTranscribe. The empirical presentation of this material is based on these transcripts, that are in the possession of the author. The choice was made to not attach these, since some interviewees preferred the complete material not to be public. Since CBS only offer full disclosure or no disclosure, and since the author still values transparency and the possible academic contributions of this study, the choice was made to disclose the thesis fully, but without the transcripts made publicly available.

In order to analyse and make sense of the qualitative material collected the approach of *Categorisation* or *Grouping* was used (Saunders, Lewis and Thornhill, 2009). Firstly, both the reports and the transcripts were read through completely, to try and establish overall categories and themes. These categories were then given a specific colour each. The material was then read through again, this time colour coded based on categories. The categories and aspects of interest were then processed and summarised for the data presentation on the empirical material in Chapter 4. The process of categorisation and colour coding was done in the same way for both the reports and the transcripts. However, the processes were kept separate from each other, each containing their own categories and coding. When compiled into a presentation of the data set for Chapter 4 all of the data relevant for presentation was emailed back to the interviewees interested (four out of five) to make sure of a correct interpretation of the meanings of the aspects discussed and a correct translation of citations. Since two of the interviews were held in Swedish both the Swedish statement and the English translation were in these cases sent for revision.

The empirical material on the sustainability reports were processed somewhat differently. Initially the reports were read through briefly, to get an overall impression of the content and design. After that a set of guiding questions were created, specified in Appendix III. These questions were held as the base of analysis when reading through the reports again in more detail, and the resulting answers were then used when compiling and presenting the empirical material on these reports.

2.4 Data Quality

There are several aspects and possible problems with regards to data quality that needs to be addressed when conducting research (Saunders, Lewis and Thornhill, 2009). In order to assure credible conclusions and results this section will therefore hold a critical discussion on the *Reliability, Validity* and *Limitations* of this study.

2.4.1 Reliability

The issue of *Reliability* deals with the possibility of repeating the study, and thereby attaining the same results. This concept is further closely related to *Replicability*, whereby it is necessary for the researcher to explicitly describe the steps taken during the research, in order to enable the study being replicated (Bryman and Bell, 2011). Bryman and Bell (2011) point out that the aspect of reliability is somewhat problematic with regards to qualitative research, and in general more tailored to quantitative studies. Saunders, Lewis and Thornhill(2009) state that through the use of semi-structured interviews, as applied in this study, there are some concerns about being able to attain reliability, because of the lack of a well-structured and standardized approach. They therefore suggest that reliability is here more concerned with if another research would show similar information.

In order to address this problem explicit effort has been made to provide detailed explanations on how the research in this thesis has been conducted, to ensure the possibility of replication by future researchers. One example of this is the Interview Guide, attached in the Appendix, enabling the possibility of constructing similar interviews based on the same themes in the future. However, because of the semi-structured design and execution of the interviews, there is still a high possibility that interviews conducted with the same guide in the future will not lead to similar results, since the use of semi-structured interviews is a highly flexible process, where the order of the questions and the specific topics touched upon will be dependent on the interaction between the interviewer and the interviewee. However, this does not have to pose as a critical problem, since the purpose of this thesis is to attain a greater understanding of how to measure social sustainability and why. The goal here is not to attain a completely replicable result, but rather to generate a deeper understanding of possible ways and motivations to measure this in practice, viewed through the

specific context and individuals connected to these cases. To generate this kind of understanding with regards to a topic as complex as social sustainability, semi-structured interviews were therefore deemed most appropriate, even with the remaining problem of reliability.

Another concern connected to the use of semi-structured interviews, is the question of *Bias* (Saunders, Lewis and Thornhill, 2009). To reduce the risk of interviewer bias the questions were designed in an attempt to try to avoid imposing personal beliefs and references into the interview as suggested by Saunders, Lewis and Thornhill (2009). During the interviews the questions were further as much as possible asked in a neutral tone of voice, in an attempt to not influence the interviewees answers. The Interview Guide made use of open ended questions to try not to steer the conversation, and through that further also reduce the possibility of bias. However, the aspect of interviewee bias still remains, where there is the possibility that the answers given by the interviewees are only presenting a partial picture of the actual situation, thereby putting themselves in a more socially desirable situation or picture (Saunders, Lewis and Thornhill, 2009).

2.4.2 Validity

Another aspect necessary to consider is validity, which has to do with if the findings of a study are actually related to the things they seem to be (Saunders, Lewis and Thornhill, 2009). Bryman and Bell (2011) describe validity as concerning “...*the integrity of the conclusions that are generated from a piece of research.*” (Bryman and Bell, 2011, p. 42). They further present four different types of validity; *Measurement Validity*, *Internal Validity*, *External Validity* and *Ecological Validity*, where they express that most of these are somewhat problematic to address with regards to qualitative research. Especially the aspects of *Measurement Validity* (does the measure of a concept really reflect that concept which it is supposed to measure) and *Internal Validity* (the question of causality between the dependent and independent variable) are specifically related to quantitative studies they explain (Bryman and Bell, 2011).

With regards to *External Validity*, which concerns the generalisability of the results of the study to other settings, organisations and populations (Bryman and Bell, 2011), the author of this thesis acknowledges and is aware of that the generalisability of this study is rather limited, based on the small amount of companies and organisations included. However, a study of these companies and

organisations can still be considered as highly relevant and interesting, since they are all actively working with social sustainability in global supply chains, which can generate a better understanding of possible motivations and ways of measuring social sustainability in practice.

With regards to the generalisability of the *Child Indicators* presented, based on the consultation reports, the generalisability can be assumed to be somewhat higher here, since a larger amount of reports and children, from several different parts of the world, have been included. However, a larger amount of reports would have still increased the generalisability. Furthermore, since the individual reports have not specifically used sampling methods adapted to being statistically representable for the whole population a statistically representable sample cannot be said to have been used. Even so, since the reports are all based on consultation actively involving children expressing their own views, it is still deemed interesting to increase the knowledge about aspects that children can find important.

2.4.3 Limitations

One problem encountered while conducting this thesis was the access to recent material on child consultation reports. Even though a substantial amount of reports were found in the search process, most of the child consultations produced by trustworthy organisations seem to have been conducted around the period leading up to the creation of the *UN Sustainable Development Goals*, around 2012-2015. This lack of access to more recent material is a clear limitation of this study. However, because of the fact that these reports were conducted as child consultations, involving children to participate and express their actual views on aspects highly relevant to the purpose of this thesis, they were still considered as highly relevant even with the limitation of the time span.

Another limitation with regards to the empirical data collection was that four interviews had to be conducted as Skype Calls instead of as face-to-face interviews, because of long distance and interviewees physically based in other countries. This led to the fact that it was not possible to observe the non-verbal behaviour of the interviewees, as well as possibly making it more difficult to establish personal contact, which are both of high importance when conducting interviews according to Saunders, Lewis and Thornhill (2009). Here a trade-off had to be made, where the valuable insights and knowledge obtained by the interviewees in questions had to be put in relation

to the positive benefits of meeting face to face. It was here considered of more importance to get input and access to knowledgeable interviewees and organisations rather than to base the selection on physical distance.

2.5 Ethical Questions

Research Ethics can concern several things, and Bryman and Bell (2011) highlight that it is a subject in constant debate and discussion, where different academics take different approaches on what to include and how to deal with it. Bryman and Bell (2011) present four topics that summarise aspects normally included, that concern the fact of whether the research process contains any aspect of; *harm to participants*, *lack of informed consent*, *invasion of privacy* and *deception* (Bryman and Bell, 2011, p.128). In order to adhere to these principles it was made sure that the participants of this study participated on completely voluntarily grounds, and in the design and execution of the interviews relevant consideration was taken to ensure that the interviewees felt as comfortable as possible. They were all asked permission to do a voice recording of the conversations, and before the interviews were conducted the interviewees were informed about the purpose of the study to avoid the aspect of deceit. They were further offered complete anonymity if desired, both to ensure to adhere to ethical standards, but also to enable a more open and free conversation. It was further explicitly expressed that they could at any time choose to not give an answer to any topic or question.

3. Literature Review

This section will conduct a literature review related to Sustainability and CSR, where the origin and definitions will be presented and discussed. First, the concept of *Sustainable Development* will be presented, where the aspect of *Social Sustainability* will be discussed in greater detail. Following that comes a discussion about *Corporate Social Responsibility*. Finally, a presentation of the more recent concept of *Creating Shared Value*, introduced by Porter and Kramer (2011) will be made. Every section will end with a short summary, intended to clarify the aspects of particular interest for the specific purpose of this thesis.

3.1 Sustainable Development

3.1.1 Sustainability

Sustainability is a concept that in its contemporary form bloomed during the 1990s, but with roots dating several years back in history. It is today a term covering various different and highly interlinked aspects and ideas, with no one clear definition. Instead several definitions and paradigms representing alternative viewpoints and opinions exist, expressing a wide variety of opinions and thoughts on what it actually entails and what is included (Vos, 2007). In the literature there is a vast amount of publications discussing different aspects of sustainability and its related concepts, from varying perspectives. A reoccurring definition mentioned by several authors as having played a crucial part in the initial evolution of these concepts is the UN report *World Commission on Environment and Development: Our Common Future*, commonly known as the Brundtland Report. This is often seen as the starting point of the modern term *Sustainable Development*, where the report defined the term as a concept that “...meets the needs of the present without compromising the ability of future generations to meet their own needs.” (WCED, 1987, p. 16).

One example of an author presenting a review of the different ways to define sustainability is Vos (2007). In his article he presents several alternative paradigms and ways to look at sustainability. Even though he does not present or conclude upon any one agreed way of defining sustainability, he finds that there are in general three core concepts that are normally accepted by most authors to be included in the concept. Firstly, there is an established connection between the environment, society and the economy, and it is acknowledged that there is a systematic interconnectedness between these three aspects. This results in the need of working with sustainability along the aspects of environmental, social and economic questions, as a three legged tripod. This way of describing sustainability was originally introduced by John Elkington, who started talking along these lines in his publications in 1994, and he is normally recognised as the one who coined the term “*Tripple Bottom Line*” (Carroll, 2015). Secondly, sustainability seems to incorporate some sort of intergenerational equity aspect, where time and the distribution of resources between generations has importance, as originally indicated by the Brundtland Report. Finally, it is important to highlight that sustainability covers a more broad set of actions than only complying with existing rules and regulations. Sustainability entails being concerned with questions on a broader scale, and

outside the scope of just following legal requirements (Vos, 2007). To conclude his discussion Vos (2007) points out that the ambiguity of the concept, and the existence of several different and conflicting terms and definitions should not be seen as a problem. Instead he argues that this is a necessary trait, inherent in the concept, that can actually help and improve working with it in practice. He further concludes that sustainability is a topic that is both complex and dynamic in itself.

3.1.2 Social Sustainability

Social sustainability is one of the three aspects normally included in the concept of sustainability presented above. According to Ajmal et al. (2018) it is crucial for companies working with sustainability to take on an integrated approach, and they agree with the argument that all three aspects need to be considered together, stating that social sustainability cannot be kept separate from the economic and environmental perspectives. Even so, it is widely recognised that the social aspect of sustainability has been largely neglected, and is the pillar that has received the least attention throughout the years (Ajmal et al., 2018; Tang, 2018), since especially the environmental aspect has long been acknowledged (Tang, 2018).

Social sustainability has further been deemed the most difficult pillar for organisations to work with and incorporate into their policies and business activities in practice (Ajmal et al., 2018). One of the problems organisations face when working with the social pillar is the lack of a clear definition on what it actually entails and what should be included. In the literature several definitions and multiple concepts can be found, and there are many opinions and ways to approach what aspects should be included and addressed (Ajmal et al., 2018; Eizenberg and Jabareen, 2016). There is a growing interest and increased recognition of the importance of working with the social aspect of sustainability (Ajmal et al., 2018; Mani and Gunasekaran, 2018), and stakeholders are becoming increasingly aware of the devastating results of not addressing these kind of issues, especially with regards to emerging markets (Mani and Gunasekaran, 2018). A substantial increase in the amount of literature addressing the subject has flourished within many fields (Ajmal et al., 2018). Even so, it is still a subject that is to some extent undertheorized, with a lack of empirical research, in need of further exploration (Ajmal et al., 2018; Eizenberg and Jabareen, 2016).

Broadly speaking the social aspect of sustainability deals with social issues concerning human well-being (Ajmal et al., 2018; Eizenberg and Jabareen, 2016; Mani and Gunasekaran, 2018). Social sustainability therefore has its emphasis and focus on people, and in particular it is concerned with the right to an equal and acceptable standard of living (Ajmal et al., 2018). This can then be interpreted to include different aspects and focal points in practice. Some authors, like Mani and Gunasekaran (2018), frame it in the context of companies minimizing their negative impact on society, while others interpret it as a way of dealing with mitigating risk (Eizenberg and Jabareen, 2016). Others still instead put it into a supply chain context of trying to improve the conditions of underprivileged communities within the emerging countries they source from (Tang, 2018). Some of the more commonly included aspects, seen in several articles and often used definitions, are for example safety, equity, health and education (Ajmal et al., 2018; Eizenberg and Jabareen, 2016; Mani and Gunasekaran, 2018), human rights, child labour, philanthropy (Mani and Gunasekaran, 2018) and urban planning (Eizenberg and Jabareen, 2016).

When working with social sustainability issues there are several positive benefits that organisations can reap, and much research exists trying to prove these relations. For example, as suggested by Ajmal et al. (2018), organisations working with social sustainability often become more respectable through increased reputation, as well as decrease their vulnerability to risks. Other positive benefits have been suggested by Mani and Gunasekaran (2018) putting it into a supply chain perspective. They suggest that working with improving *Supply Chain Social Sustainability* will lead to tangible impacts on a firm's operational and social performance. On the supply side they suggest that this can generate positive outcomes with regards to manufacturing, such as for example better working conditions, superior wages, and a more well educated workforce. This can then lead to increased employee motivation, that in the long run will have a positive effect on the operational performance through for example superior product quality, higher staff retention rate, increased productivity, and better lead time and reliability (Mani and Gunasekaran, 2018).

3.1.3 Conceptual Framework on Social Sustainability

One conceptual framework found in the vast literature on trying to conceptualise *Social Sustainability* is the framework by Ajmal et al. (2018). In their article they argue for the importance of including sustainability into the core business of organisations, focusing specifically on the social

aspect. They conduct a substantial literature review to present a conceptual framework for *Social Sustainability Indicators* important for business to work with. Overall the authors conclude that social sustainability in general has to do with how sustainable a society is in itself, as well as how it deals with social equity. The framework presented in their article looks at social sustainability from two perspectives; a *Societal Perspective (External)* and a *Company's Perspective (Internal)* (Ajmal et al., 2018). Ajmal et al. (2018) also conclude by saying that all three aspects (economic, environmental and social) are necessary foundations of sustainability, thereby highlighting that organisations need to work with them in an interconnected and integrated way, if they are to achieve true sustainability.

External Indicators

In the societal debate the social aspect of sustainability has been consistently neglected. However, looking at community based research, a strong practice can be seen, even though not directly linked to the phrase “sustainability”, suggesting what aspects social sustainability might consider (Ajmal et al., 2018). The authors have therefore from their literature review concluded a set of *Social Sustainability Indicators* seen from the societal perspective, describing the aspects that society wants from organisations. Figure 1 shows how these have been grouped into three categories; *Social Development*, *Social Growth* and *Social Justice* (Ajmal et al., 2018).

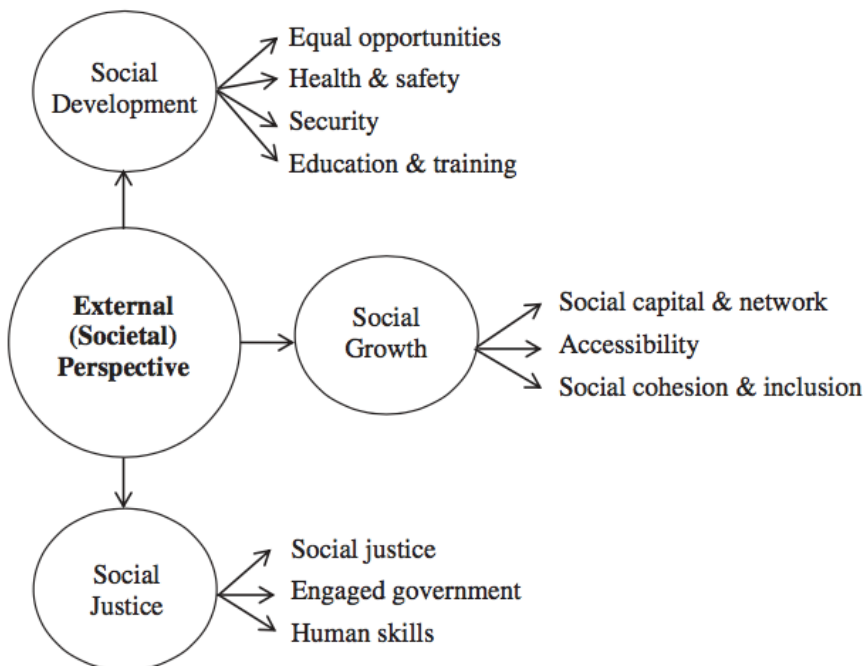


Figure 1- *Social sustainability indicators from the societal perspective.* Ajmal et al. (2018, p. 333).

Internal Indicators

Also from a company's perspective the social aspect has not been a focus, and it was only recently introduced into the discussion. The environmental and economic pillars have instead been acknowledged and incorporated into business practices for some time already, for example being actively used in marketing efforts of both companies and products (Ajmal et al., 2018). An increased pressure from society has led to more effort being put on corporations' impact on society, and Figure 2 shows the way in which the authors summarize how companies now view social sustainability grouped into three categories; *Learning & Growth*, *Community Development* and *Safety & Security*. These categories reflect the way in which organisations see themselves and their role in working with social sustainability on a broader level (Ajmal et al., 2018).

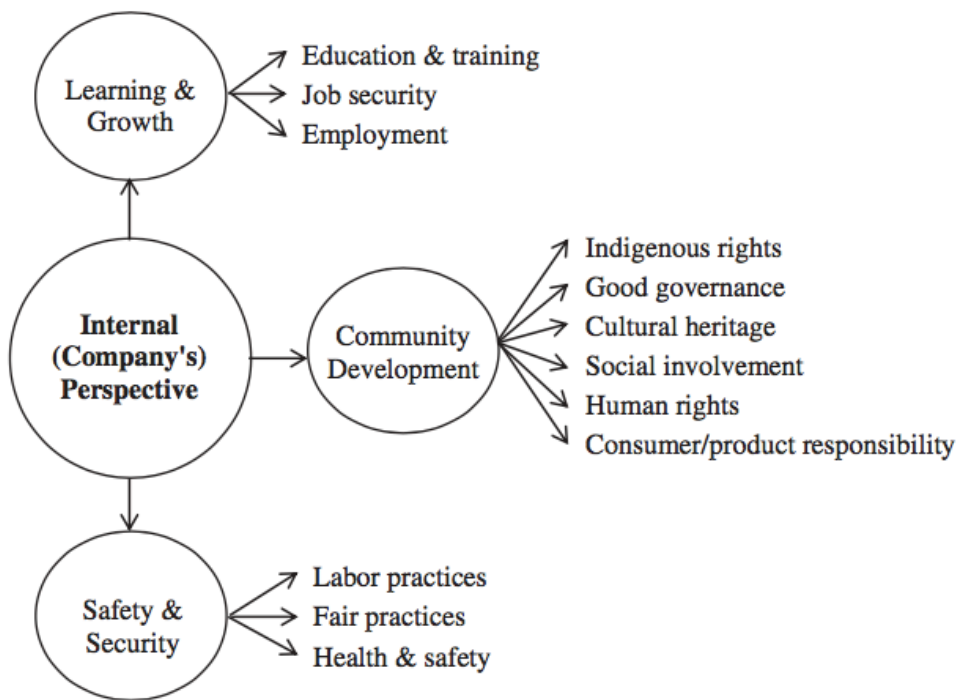


Figure 2- Social sustainability indicators from companies' perspective. Ajmal et al. (2018, p. 333).

3.1.4 Summary

Following the reasoning of both Vos (2007) and Ajmal et al. (2018) the term *Sustainability* will for the purpose of this thesis be defined as containing the three highly interconnected basic foundations of *Social Sustainability*, *Environmental Sustainability* and *Economic Sustainability*. Inherent in the term Sustainability is the notion of intergenerational equity, with regards to the distribution of

resources, as suggested by the Brundtland Report. Furthermore, it goes beyond only catering for the immediate action required to follow current laws and regulations, as suggested by Vos (2007).

Social Sustainability will be seen as any action or initiative taken by an organisation or company focusing on people, concerned with human well-being. The more specific aspects considered as included in this will be based on the indicators presented by Ajmal et al. (2018); *Social Development, Social Growth, Social Justice, Learning & Growth, Community Development and Safety & Security*. These categories will be used as the base for conducting the deductive analysis on information found in the child consultation reports, in order to make sure that the *Child Indicators* cover only the social aspects of sustainability.

3.2 Corporate Social Responsibility

3.2.1 Definition

In the business world the question of sustainability and sustainable development is often interpreted and put into practice in the form of *Corporate Social Responsibility* (Staniskiene and Stankeviciute, 2018), which according to the European Commission is defined as “...a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.” (European Commission, 2001, p. 6).

Over the years several concepts and terms similar to CSR have emerged, where different supporters have taken distinct stances on their preferences. While some prefer one over the other, others have used them interchangeably (Carroll, 2015). Some authors, such as Carroll (2015), suggest that the term CSR is “...the benchmark and centerpiece of the socially conscious business movement.” (Carroll, 2015, p. 87), arguing that the term in practice actually incorporates several aspects, such as *Sustainability, Business Ethics, Corporate Citizenship and Stakeholder Management*, commenting that most of them refer to the same thing, but in different wordings.

3.2.2 The Evolution of CSR

Just like with Sustainability CSR has been broadly covered in the literature, with a history that can be traced far back in time (Latapí Agudelo, Jóhannsdóttir and Davídsdóttir, 2019). The most commonly given introduction of CSR is normally suggested to be in the early parts of the 1900,

with the first real academic definition of the modern term CSR introduced around the 1950's (Carroll, 2015). Latapí Agudelo, Jóhannsdóttir and Davídsdóttir (2019) describe CSR as a dynamic and responsive subject, where the understanding of the concept has changed over time, as a response to the changing societal expectations of what behaviour that is expected from corporate organisations. They therefore argue that the evolution of the concept over time has to do with the way in which social and international movements, academic material, governmental regulations as well as public figures have influenced the understanding of what it actually entails and includes.

In an extensive literature review Latapí Agudelo, Jóhannsdóttir and Davídsdóttir (2019) summarise the way in which the concept has evolved. During the early parts of the 1900 the discussion started to take form about the impact of business on society. During the 1950s when the concept was more formally introduced the understanding of the concept evolved mostly around actions of CSR as individual decisions of business actors, with the main purpose of a corporation still seen as making profit (Latapí Agudelo, Jóhannsdóttir and Davídsdóttir, 2019). During the 1960-70's increased social pressure towards corporations' responsibilities towards society and the environment started to emerge. A broader set of responsibilities were now included in the concept, and the view that organisations could actually serve society started to take form (Latapí Agudelo, Jóhannsdóttir and Davídsdóttir, 2019). One of the early writers particularly active in discussing the topic at the time was Archie B. Carroll, who in 1979 introduced the notion that a corporation is not only responsible for its economic success and legal adherence, but also has a wider responsibility to cater for ethical and philanthropic interests (Carroll, 1979). An increased popularity of the term, in combination with several alternative definitions, now resulted in some uncertainty about the actual meaning (Latapí Agudelo, Jóhannsdóttir and Davídsdóttir, 2019). Moving into the 1980's a discussion about the operationalisation of CSR started to take place, and the understanding of the concept moved into viewing CSR as a decision making process. Throughout the 1990's this understanding became stronger, and frameworks for implementation started to emerge. It was now that globalisation started to escalate, leading to an increased international interest and several important international agreements (Latapí Agudelo, Jóhannsdóttir and Davídsdóttir, 2019).

At the beginning of the 2000's it was increasingly accepted that organisations should take on a new and stronger role in society, initiating the discussion about strategic CSR (Latapí Agudelo,

Jóhannsdóttir and Davídsdóttir, 2019). Arguments were made that several strategic benefits can be associated with CSR, such as for example creating a competitive advantage, strengthening the reputation and legitimacy of the organisation as well as mitigating risk and reducing costs (Carroll, 2015). Throughout the 2010's and moving into present time it is increasingly accepted to put even higher pressure on private business and corporations, demanding them to play an even more active role in global efforts to achieve international sustainability goals. It has been increasingly suggested by many scholars that the purpose of today's organisations should be on creating shared value rather than only making profit, and the current understanding of CSR as a concept is centralised around viewing it as a strategic necessity (Latapí Agudelo, Jóhannsdóttir and Davídsdóttir, 2019).

3.2.3 Summary

In line with the reasoning presented by Staniskiene and Stankeviciute (2018) and Carroll (2015) this thesis takes the stance that the term *CSR* can be used interchangeably with the term *Sustainability*, since it's definition has varied substantially over time, and are by many suggested to cover and overlap with several other concepts and definitions. When addressing the question of sustainability work in practice this thesis will therefore use these concepts interchangeably, applying the opinion that these two terms can be used to label and describe more or less the same thing. Following the reasoning presented by Latapí Agudelo, Jóhannsdóttir and Davídsdóttir (2019) the viewpoint of this thesis is that the most recent evolution of the concept of CSR is the most relevant one to consider when working with the topic in practice. Therefore, in the following section, a more in depth discussion will be held on the recent introduction of the concept of *Creating Shared Value*.

3.3 Creating Shared Value

One recent topic that has evolved in the discussion on CSR and Sustainability is the discussion on *Creating Shared Value*, initiated by Porter and Kramer (2011). They argue that the business world has lost its legitimacy, and that companies are getting the blame for thriving at the expense of society at large, causing severe social, economic and environmental problems. For Porter and Kramer (2011) the main problem lies in the way in which companies look upon value. They state that organisations today get stuck in a short term thinking, where the decision making process is guided by short-term financial objectives, rather than taking into account real customer needs and

what is actually important for the organisation to prosper in the long-run. According to Porter and Kramer (2011) there has been an institutionalisation of creating a trade-off between what is good for society and what is good for the economic benefit of organisations. Aspects such as CSR and Sustainability have only been dealt with in a peripheral way they argue, keeping it separate from the core business, and this is NOT the way forward according to them. Instead of keeping this narrow mind-set they advocate the introduction of the new framework of CSV, as a completely new way of thinking, substantially different from both Philanthropy, CSR and Sustainability (Porter and Kramer, 2011).

3.3.1 Defining Shared Value

Economists have long argued that for organisations to be able to do good for society they need to do a trade-off, where they decrease their economic profit in order to obtain societal gain. This added constraint on the organisation that has been associated with creating social progress means that these kind of initiatives have been associated with decreasing profits and increasing costs (Porter and Kramer, 2011). Porter and Kramer (2011) argue that initiatives such as CSR have therefore only materialised as a way of trying to enhance a company's reputation, as an answer to increased pressure from external stakeholders, and not as a way of actually changing the way the business works. CSR has not been part of a business core activities, and has so far only been seen as a necessary cost (Porter and Kramer, 2011).

This traditional way of thinking has stated that "business as usual" is enough, since this contributes to society in terms of profit making, which has a positive effect on wages, employment and investment. Anything outside of this scope has been deemed outside the responsibility of business. This way of thinking has been further hyped in the process of globalisation, where the increasing internationalisation has led to an even more de-coupled way of looking at business and society. The outsourcing of production and offshoring to far away locations has made the connection between companies and the communities where they operate even more vague, and many have completely lost connection to any location at all. In this way companies have not managed to properly understand and evaluate the possible effects that societal issues may evoke on these value chains. This narrow way of looking at business has led to organisations not understanding the importance

of the overall business environment in which they operate, leading to missed opportunities and higher costs (Porter and Kramer, 2011).

In Porter and Kramer's (2011) new framework the solution lies with private business, acting as profit driven business rather than engaging in donations and charity, combined with a new way of looking at value creation. They urge the need to re-establish the connection between private business and society, where the success of a company has to go hand in hand with societal development. For them CSV is a way in which organisations can obtain economic accomplishment, and it is something that has to be included in the core business rather than as a separate add on. They explain that *"The solution lies in the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges."* (Porter and Kramer, 2011, p.64).

When thinking along the lines of CSV Porter and Kramer (2011) explain that this way of looking at value creation takes into account the way in which social problems and deficiencies often affect business, resulting in internal costs. To demonstrate this they explain that some costs associated with social issues are for example expenses to handle effects of accidents, waste of raw material and energy, and the need to make up for lack of employee skill and education. Furthermore, they argue that working with addressing these problems does not have to result in extra costs. Instead it can actually lead to better productivity and the possibility of serving new markets. In this way of thinking, the aspect of value is addressed as benefits in relation to costs, rather than just focusing on the benefits by themselves (Porter and Kramer, 2011).

In order to re-connect a company's competitiveness with the general well-being of the communities in which it operates Porter and Kramer (2011) therefore present the concept of CSV defined as; *"...policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress."* (Porter and Kramer, 2011, p.66)

3.3.2. Creating Shared Value

Porter and Kramer (2011) suggest three ways in which companies can actively work with CSV;

Reconceiving Products and Markets

Society at large has a great amount of unmet needs that can possibly be served by companies. This could lead to opportunities, if companies addressed the question of if their product is beneficial for the customer, and if it serves society in a positive way. Many companies today have re-directed their focus, from trying to sell large quantities or high quality flavour, to design products that are doing something good for their customers, such as environmental friendly products or healthy food. Others instead try to serve unmet needs in previously non-traditional markets or underprivileged communities, such as poor regions or developing countries. This way of changing the way you manage markets and products can often lead to opportunities with regards to new and un-explored markets or differentiation and re-positioning within existing ones (Porter and Kramer, 2011).

Redefining Productivity in the Value Chain

Another way to address possible opportunities of CSV suggested by the authors is to look at a company's productivity throughout the value chain. The reason for this is that companies' value chains are highly affected by several social concerns, and is in itself affecting society in a wide array of aspects. There are many externalities that can lead to internal costs for companies, such as humanitarian working conditions, the use of natural resources, equality, and health and safety. These aspects can all in one way or another inflict internal costs to the company, and it is therefore of vital importance for organisations to address these issues, to instead create positive opportunities by creating shared value (Porter and Kramer, 2011). Porter and Kramer (2011) therefore present several areas they consider important for companies to work with when trying to redefine their productivity. For the purpose of this thesis the most relevant aspects to explore further are *Procurement* and *Employee Productivity*.

Procurement practices have traditionally focused on sourcing to suppliers with as low wages as possible, aiming at high bargaining power and low costs for the company. However, Porter and Kramer (2011) suggest that this might not be the best way to approach this, since marginalised suppliers will not be able to guarantee consistent quality and good productivity. Therefore they

argue that it might be better for both the suppliers and the company to instead focus on enabling the suppliers in the value chain. This can be done through for example supporting them with financing and technology, to help them improve both productivity and quality, which will also lead to a more secure supply of larger quantities. This they suggest will offset the low costs, by offering benefits such as improved innovation, better lead time, more flexibility and better quality.

The same thinking is further applied to *Employee Productivity*, where companies are starting to realise that cutting down costs related to the well-being of employees will actually cost them substantially more in the long run than spending some time and money on providing good benefits for the workers from the beginning. Working with things such as employee safety, wellness benefits, living wages and employee opportunities and training are therefore suggested to have a positive effect on the actual productivity of the employees (Porter and Kramer, 2011).

Enabling Local Cluster Development

The last suggested way to work with CSV acknowledges that companies are not isolated entities, but instead highly affected by the communities and surrounding infrastructures within which they operate. Well working communities and surrounding clusters will help benefit a company's operations, for example through increased productivity, while shortcomings and weaknesses will impose internal costs and obstructions for the functionality of the operations (Porter and Kramer, 2011).

Porter and Kramer (2011) therefore suggest that it should be in a company's self-interest to work with promoting well-functioning local clusters. Aspects where organisations could possibly work proactively are for example local trade associations, academic institutions, promotion of fair competition laws, well-functioning standards organisations, access to clean water, transparent markets, a functioning logistics infrastructure and related business and service providers. When these aspects do not function many of the negative effects will directly influence organisations active in that community. Increased transportation costs will for example arise if the logistics infrastructure is not working. There will be a reduced pool of labour supply if there is strong discrimination within the community, and increased training costs will occur if the educational system is poor. Furthermore, problems such as poverty have severe impacts on companies working

in the area, since this affects the health of the workers and adds large security costs (Porter and Kramer, 2011).

To summarise Porter and Kramer (2011) conclude that the concept of CSV is going to be one of the most important ways to approach economic growth in the highly globalised world of today. They argue that this approach is more sustainable in the long-run than the traditional way of approaching improvements of quality and costs, highlighting the possibility of new competitive advantages resulting from adhering to this approach. They further stress the importance of understanding that CSV is not an act of philanthropy, but instead has to do with business acting in their own best interest, where creating societal value and economic value go hand in hand. They argue that through the framework of CSV market competition and the survival of the fittest will still be present, just with the small change that if all companies followed the approach of CSV specifically linked to their own organisation and self-interest, the societal needs would be catered for and the competitiveness of the market would also serve in the best interest of society (Porter and Kramer, 2011).

3.3.3 Summary

The concept of *Creating Shared Value* presented by Porter and Kramer (2011) will be used to analyse the last sub-question of this thesis, to see if there is any common ground on which a measurement system of social sustainability can be designed, to cater for the interests of both the children affected and the companies and organisations working with CSR throughout global value chains. Even though Porter and Kramer (2011) present this framework as something completely different from CSR, most private companies today are still communicating and working along the lines of Sustainability and CSR, and the term CSV has not yet been institutionalised in business activities in practice. Therefore, this thesis will take the stance that CSV can be seen as an extension and future development of CSR and Sustainability work. Rather than something completely different it is here seen as the latest development of CSR, as a response to society's latest expectations on business responsibility towards society.

3.4 Social Impact Measurement and Sustainability Reporting

3.4.1 Social Impact Measurement

The process of measuring social sustainability work is not an easy task, and there is a lack of consensus regarding what to include and how to measure it in practice (Delai and Takahashi, 2011). Still today there is continuous discussion regarding the practical implementation of how to actually measure the results of social sustainability initiatives, especially since the social issues require substantially different analytical methods from the economic and environmental ones (Ajmal et al., 2018; Staniskiene and Stankeviciute, 2018). The non-physical aspects are acknowledged to be particularly difficult, and one of the biggest issues is the problem with how to identify and measure success (Eizenberg and Jabareen, 2016).

While some organizations adopt pre-determined indicators, others instead try to create individual ones specific to their organization (Ajmal et al., 2018). Eizenberg and Jabareen (2016) point out that when working with choosing what indicators to use to measure the actual impact, the choice is not always made based on theoretical grounds, but quite often instead suited to fit specific political interests. Furthermore, there is also a discussion about what stakeholders to involve and consider when designing the measurement, and what level that should be measured, only direct or also indirect effects (Delai and Takahashi, 2011). There seems to be no general consensus regarding this aspect, but Delai and Takahashi (2011) highlight that it is still of crucial importance to involve stakeholders in the discussion when designing and managing impact measurement, in order to achieve long-term sustainability. The impact measurement of social sustainability issues is still a topic that is surrounded with substantial confusion and vagueness, where there is no consensus or globally accepted international framework to follow (Ajmal et al., 2018).

3.4.2 Sustainability Reporting

With the growing global interest and stakeholder efforts many corporations and private business have started to feel heightened pressure to change the way in which they conduct their business, increasingly catering for more than just their own economic interests (Delai and Takahashi, 2011). This has led to many of the world's largest corporations communicating also non-financial results, reporting on their advances upon sustainability issues (Ajmal et al., 2018; Carroll, 2015). In some parts of the world it has even been made mandatory for larger corporations to provide some sort of

non-financial reporting. In the European Union (EU) for example *Directive 2014/95EU* specifies that after 2018 all large corporations are obliged to publicly disclose information about their non-financial and diversity performance (European Commission, n.d.).

Several different terms and wordings have been applied for naming this display of non-financial information, however the most common one, adopted by a substantial amount of business actors, is to refer to it as a *Sustainability Report* (Carroll, 2015). Among the world's 250 biggest companies around 97% of them produce some sort of sustainability reporting today (GRI, n.d.a), and the most widely adopted framework used when conducting these reports is the *Global Reporting Initiative* (Ajmal et al., 2018; Carroll, 2015). The *GRI* is an independent non-profit organisation working internationally to produce reporting standards that are made available to the public free of charge (GRI, n.d.c). The *GRI* initiative adopts the term *Sustainability Report* as the one used throughout their practices, pointing out that they see the terms as interchangeable with the terms and definitions existing in other practices (GRI, n.d.b).

Even though there has been a substantial increase in the sustainability reports produced (Delai and Takahashi, 2011) the main focus so far has still been on the environmental and economic aspects, while the reporting on social sustainability issues have been widely underrepresented and are still far behind (Ajmal et al., 2018). Furthermore, even though there has been an increased focus on producing these reports (Delai and Takahashi, 2011), many stakeholders are still struggling to actually understand the material and data presented, particularly with regards to the social initiatives (Ajmal et al., 2018). Ajmal et al. (2018) point out that many of the indicators used in the corporate world today are mostly designed to comply with the requirements and needs of investors and management boards. The material presented is further often communicated in generally broad terms, with surprisingly non-specific information and detail. At times it can even give a misleading impression of the corporations performance along the sustainability field, since many organisations continuously lean towards focusing more on presenting positive aspects while not truly acknowledging also the negative impacts (Ajmal et al., 2018).

Another relevant aspect that is often confused and overlooked by the corporate world is the fact that reporting on sustainability activities per say does not ensure an actual positive impact and a more

sustainable world. Just because a company produces a report on sustainability related issues does not mean that they are actually becoming more sustainable and are contributing to a better society and environmental progress through their business activities (Ajmal et al., 2018).

3.4.3 Summary

Since the GRI, the most widely adopted standards used in non-financial reporting practices today, are using the term *Sustainability Report*, and since Carroll (2015) similarly expresses this to be the most frequently used term, this term will also be used for the purpose of this thesis.

4. Empirical Data

This chapter will present the empirical data collected. First comes a presentation of the data found in the reports on *Child Consultations*, followed by the data achieved from the interviews with the *Case Companies and Organisations*, and lastly the presentation of the data found in the *Sustainability Reports*. This data will serve as ground for the analysis carried out in Chapter 5. In this chapter the data will therefore solely be introduced as it is, without any evaluation or analysis.

4.1 Child Consultations

This section will present the data found in the child consultation reports.

4.1.1 Child Protection

Almost all of the reports mentioned children's concern about physical violence in different forms affecting them in their everyday lives, and the need to urgently address this to work for a world without violence against children. Some specific forms of violence that children expressed their concerns about were domestic violence, excessive alcohol consumption leading to physical abuse (Family for every child, 2013c), the use of weapons (Family for every child, 2013b), abusive employers (Save the Children, 2011a), sexual abuse, trafficking, children exposed to pornography (Save the Children, 2011h), corporal punishment, female genital mutilation (ChildFund Alliance, 2014) and child marriage (Save the Children, 2013).

4.1.2 Education

One of the most frequently mentioned aspects of importance was access to learning and education, included in most reports, often several times and in different settings. A consultation in Africa concluded that children see education as a way of being able to achieve a better future (Family for every child, 2013a). Many children expressed problems with not being able to attend school, often in association with poverty and families making children work instead of attending school (Save the Children, 2010). As a response to the imminent need of education several children expressed clear views on how business could directly impact their lives, helping them improve the possibilities of successfully attending proper schooling. One suggestion was financial support for children not being able to afford schooling (Save the Children, 2011b), another was funding and donations to educational institutions (Save the Children, 2011d). A boy from Pakistan urged business to help, stating that *“They [business] should build schools in the areas where there are no schools.”* (Save the Children, 2010, p. 7). Children from India pointed out the importance of skill-based training, such as language and computer courses, to improve the chances of future job possibilities (Family for every child, 2013c). Another suggestion was made by children in Ethiopia, where the importance of alternative times being available for working children was put forward (Save the Children, 2011h). Further aspects of importance mentioned were qualified and supportive teachers (ChildFund Alliance, 2014) and access to material (Save the Children, 2010).

4.1.3 Family Relations

Stated in several reports was the wish for a united family, where children can live in proximity to parents and siblings, with loving and caring relationships and a good family environment. The importance of having family close is clearly showed in *“The World We Want”*, where a girl expressed her opinion about migrant workers, saying that *“Mothers going abroad and leaving children should be avoided and it has to be treated as crime”* (Save the Children, 2013, p. 7). In the same report a boy said that *“Parents should take personal care of their children and not send them to institutions or homes”* (Save the Children, 2013, p. 9). The report also concluded that no matter the reason, children generally do not accept the explanation of any parent abandoning them for work. Many children expressed that the love of a mother is far more valuable than the economic benefits a migrant job abroad might bring, and many pointed out the increased risk of abuse when leaving children in homes and institutions (Save the Children, 2013).

4.1.4 Work and Employment

In most of the reports children talked about how business and work impact their life. One of the most frequently recognised factors, as mentioned in a report from India, was the importance for business to not make use of child labour (Family for every child, 2013c), as well as concerns about unsafe working conditions (Save the Children, 2011b). A positive aspects of business mentioned by children in Bangladesh was the opportunity of employment and earning an income, improving the economic situation for a family or person (Save the Children, 2011c). Many children pointed out the importance of companies paying fair wages, as expressed by an Indian boy saying: *“Pay our parents adequately so that children do not have to drop out of school”* (Save the Children, 2010, p. 4). Children also found it important for employers to respect normal working hours, since extended hours were seen as having a negative impact on the children giving them less time with their parents (Save the Children, 2011a). Concrete suggestions of aspects important for business to work with were for example child safe factories, making sure children playing around factories do not get hurt (Save the Children, 2011b) and providing day-care centres for the children of their workers (Save the Children, 2011d).

4.1.5 Community Infrastructure

The importance of a properly developed community infrastructure was mentioned in almost all of the reports, with several specific suggestions on what to improve. The most reoccurring desire was the need for safe recreational spaces for children, as for example stated by children in Peru (Save the Children, 2011d). Specific suggestions for these recreational spaces were parks and green areas (Save the Children, 2011e), playgrounds (Save the Children, 2011c), and basketball courts and skate parks (Save the Children, 2011f). Another frequently mentioned concern was the problem of business space grabbing (Save the Children ,2011g), where business grab land that could have otherwise been used benefiting the community (Plan, 2011; Save the Children, 2011c; Save the Children, 2011g). Wishes for tarmac ground (Family for every child, 2013b), good roads to get to school safely (Save the Children, 2010) and a public transportation system (Family for every child, 2013c) were also expressed. Other infrastructural aspects considered important were a functioning supply of water and electricity (Save the Children, 2011g) as well as waste management (Save the Children, 2011e; Save the Children, 2011f).

4.1.6 Basic Needs

Many of the reports mentioned the importance of being able to cater for basic human needs, such as having enough food, a safe place to sleep, proper clothes, certain material things (Family for every child, 2013a) and a reliable supply of electricity and water (Family for every child, 2013c). These aspects were often linked to children being able to sustain a basic minimum health level (Family for every child, 2013b), and many children expressed a wish of eradicating poverty (Child Protection in Crisis, 2011). In Africa children highlighted that hunger and the need for food was closely linked to children's performance and abilities in school (Family for every child, 2013a).

4.1.7 Leisure and Rest

One aspect constantly highlighted as making children happy was to get time for recreational activities, such as to rest and play. A consultation from Guyana identified having friends as a crucial part in making children happy (Family for every child, 2012), and in Argentina children highlight the importance of having fun (Save the Children, 2011e). In Africa children pointed out that their need to rest and play did not mean that they had something against working and helping out with household duties, instead it was more an expression of their need to also recharge and relax (Family for every child, 2013a). Some examples of recreational activities mentioned were sports (Family for every child, 2012), playgrounds (Save the Children, 2010), drawing, cycling (Family for every child, 2013c), dancing and singing (Family for every child, 2013b).

4.1.8 Health Care

Another concern frequently mentioned was the desire to have access to proper health care. In Africa children expressed that knowing that health care is readily accessible and available for them and their families if and when needed makes them feel more secure and less exposed to risk (Family for every child, 2013a). Many suggested initiatives aiming at improved and affordable access to quality health care for all as a concrete way in which business could impact their communities. One example of this was in Senegal where free medical consultations, health insurance and medication to factory workers and the surrounding community were suggested (Save the Children, 2011b).

4.1.9 Awareness

In several reports children expressed the belief that to have a better future, and to create change regarding the problems they face, there is a need to create awareness, both amongst children

themselves, but even more so amongst the important adults in their lives. Some of the aspects mentioned in need of creating a wider awareness of were to educate parents about the importance of education, the negative impacts of child marriage and child labour (Save the Children, 2013), as well as the dangers of consuming alcohol, drugs and cigarettes (Save the Children, 2011g). Many children also expressed a need to promote and educate people about children's rights (ChildFund Alliance, 2014).

4.1.10 Respect, Involvement and Equality

Children also talked a lot about how they want to be treated, where words such as respect, dignity and tolerance were frequently used. They further also expressed a desire for kindness, fairness and understanding (Family for every child, 2013a). Children in India expressed a strong concern about discrimination (Family for every child, 2013c), and the wish for equal treatment was also found in several other reports, as expressed by this young Peruvian person urging business and the adult world to “...listen to us, accept our opinion, we want equal treatment.” (Save the Children, 2010, p.4). The desire of being heard and listened to was further found in many reports, such as “*The World We Want*”, where children express their need of getting their voices heard (Save the Children, 2013). A strong wish to be involved in the decision making process and to be given the opportunity to participate was also put forward by children in Zambia (Save the Children, 2011g), and in Paraguay a young person said “*The right way is for companies to take the initiative to approach us.*” (Save the Children, 2010, p. 6).

4.1.11 Other Aspects

Several aspects on top of the ones presented above could further be found in the reports, but to a much lesser extent. Some of the aspects mentioned were the importance of church and religion (Family for every child, 2013b; Family for every child, 2012; Family for every child, 2013c), corruption (Plan, 2011), the effect of pollution on people's health (Save the Children, 2011e), community relationships (Child Protection in Crisis, 2011), destruction of historical heritage and development of the motherland (Save the Children, 2013). The question of environmental challenges and emergency preparedness were further also raised in most.

4.2 Case Companies and Organisations

This section will summarise the empirical material collected through the interviews.

4.2.1 Measurement Practices

Viveka Risberg explained that the most common way of working with social sustainability and the practice of measuring and reporting on the results is to work with audits, either through internal audit practices, or by external third party organisation. She described that checks and reports are produced to make sure that the suppliers are following the minimum requirements connected to the company codes. These codes she further commented are normally based on for example the ILO Fundamental Conventions (explained in Appendix V). Sandra Flodström expressed similar thoughts when she described their way of working, stating that they have their own internal audit system. She explained that their internal audit department conducts audits on chosen suppliers, to make sure that they adhere to their Code of Conduct. This Code of Conduct includes aspects such as for example no child labour, safe working conditions, acceptable working hours, wage requirements and equal treatment (Paulig, 2018). Greg Priest described a similar way of working, where they have their Code of Conduct, connected to several aspects such as child labour, discrimination, accommodation, safety at the workplace, wages and working hours (IKEA, 2012). When collecting data for the measurement and reporting of results Priest explained that they use a mix of internal and external personnel, but that the majority of the data is quantitative. Risberg however expressed that her perception is that it is not enough to only work with quantitative numbers, saying it is also necessary to include qualitative measures, and that so called “story telling” is common.

When working with audits Risberg pointed out that it is normal to do a risk assessment, since the supply chains are both long and complex, and to prioritize audits in the most risk prone countries or suppliers. This was confirmed by Flodström, who explained that the suppliers they perform audits on are normally first tier suppliers, where prioritization is given to those active in high risk countries. The specific aspects they normally look at in the audits she explained are for example working conditions in the production, use of overtime, living conditions of the workers, salary payments, and a large amount of documents confirming these aspects, together with interviews with management and workers.

Priest expressed that their social sustainability work today is still very much project based, saying:

“...it’s probably more project dependent than I would like it to be.” (Interview, Greg Priest, 18th of April 2019)

Flodström similarly explained that they work both with audits as well as more specific projects, to make sure that they cover both the general aspects as well as the more specific ones related to different areas of interest. One of the projects she mentioned involved working with children’s education in India. Another aspect that Flodström pointed out was their way of working with buying certified raw materials, such as for example Fair Trade, and looking at in what proportion their raw material comes from certified sources. Veronica Rossi also described how they work on a project base, through the Lavazza Foundation, working with coffee growing farms in local communities. These projects are independent from the Lavazza Company she explained, in the sense that there is no obligation for them to actually supply and sell the coffee to Lavazza specifically. She described that in the projects she conducts occasional visits about twice a year, while the overall data collection is generally handled by the local partners, and the specific targets can therefore vary depending on local partners and the project.

Important Aspects

When asked about what aspects they consider most important to measure when working with measuring social sustainability all three companies mentioned income, however none of them seemed to have implemented living wages in practice yet. Rossi described how the main aspect they measure today in their coffee projects is the family income, where she explained that they set specific targets for each project, together with the local partner. Rossi described that they then follow the family’s progress throughout the lifetime of the project. Here she highlighted the importance of making observations on the ground, where their local partners normally work with basic observations while making visits and longer stays with the families. She described that the initial family income and the decided upon targets are then put into relation to the observations and progresses they can see. They often look at very practical and simple aspects such as do the children go to school, do they have a roof, a TV, a car, a bicycle, a smart phone, access to electricity and water. They further collect data on productivity she said, and look at how the family is conducting

their basic economy, handling and spending the money they actually make, to see if an increase in productivity and income is leading to actual change in social conditions. The importance of income was also expressed by Flodström, who answered the following when asked what she considered most important:

“It’s all about money... that you have a decent possibility to live, to provide for yourself and your family. That is the most important thing.” (Interview, Sandra Flodström, 17th of April 2019)

Flodström further stated that they have recently started working on how to address the question of living wages. Priest expressed a similar point of view when asked what he considered most important, first highlighting the importance of human rights, then adding that:

“...at the end of the day, in most areas of the world, how much money I have in my pocket is always going to be an incredibly important measurement.” (Interview, Greg Priest, 18th of April 2019)

However, Priest pointed out that what is important to measure vary substantially depending on the specific project, and what they look at and measure therefore depends. Their focus at the moment is however on things that you can actually measure he added. Risberg also talked about the importance of income for families, when expressing her thoughts about the systematic problem present within the globalized trading system. She expressed that workers in production countries are systematically not getting paid enough, pointing out the especially negative impact on children:

“...it is always minimum pay, and speaking of children, children to people in the supply chains, they are actually the biggest victims in this, because if you don’t have a living wage, then you also can’t afford spending money on children’s health and schooling.” (Interview, Viveka Risberg, 11th of April 2019)

Apart from income Flodström also added that education is a close runner up, since she expressed that without education you will never truly be able to move forward and help yourself. This opinion was shared by Rossi, who answered education as the most important aspect to measure:

“...this kind of data on education would be really the one telling you the truth, about how the social impact is being achieved, more than the motorbike, more than the TV.” (Interview, Veronica Rossi, 12th of April 2019)

Reasons and Motivation

When working with measuring the results of social sustainability work Risberg explained that companies are normally interested in showing the different stakeholders that they are actively doing something, that they are proficient in what they are doing, and through that build their brand.

Interviewee X expressed similar thoughts, stating that there is definitely a component connected to consumer expectations involved in the motivation to why companies engage in measuring and reporting on their results, however, suggesting it is probably not the biggest driver.

Rossi explained that an important aspect for them in why they want to obtain and measure this data is to use it primarily internally, to see if the investment was worth the effort, for the CSR team themselves to see if they have actually created a change. Priest talked in similar terms, stating that:

“...you don't want to do something just to do it” (Interview, Greg Priest, 18th of April 2019)

Priest further explained that what companies want is a KPI (Key Performance Indicator) that can be used to report on, to analyse if the project has managed to achieve what it was supposed to achieve, to show that there has been a change. Risberg talked about the importance for companies to be able to show that their investment into the CSR work has achieved results, to report this to the management and to argue for a new or continued budget. She further highlighted the importance for the management to have this:

“...it is also very important for the management in the company, to be able to show that our money is actually making a difference.” (Interview, Viveka Risberg, 11th of April 2019)

Flodström also mentioned the need to report results to the management, and Interviewee X talked about the importance of being able to present results showing that the investment is paying off. Since companies are investing an increased amount of money into their sustainability work, they

need to justify and legitimize the budget he explained:

“... they're still companies, and they still have to justify that to their shareholders and their management against bottom line.” (Interview, Interviewee X, 23rd of April 2019)

The biggest reason why Paulig have decided to do audits and reports themselves Flodström explained is because they want to learn and better understand these questions, with the aim to develop in collaboration with suppliers and local communities. Priest similarly talked about their wish to use the information to learn and understand, and to improve their work to the better. Interviewee X similarly talked about a growing awareness and mindset among companies, that are starting to think along the lines of using these measurements as feedback into the projects.

When talking about motivational aspects to why companies engage in measuring and reporting on their results Risberg talked about international guidelines, which she suggested puts pressure on companies to behave in this way. This opinion was shared by Interviewee X, who expressed the belief that legislation is one of the major driving forces motivating companies to engage in these activities, and that it will probably be even more so moving forward. Priest similarly expressed his belief that legislation on human rights, in several aspects, is going to increase, concluding that companies will have to measure and report on these aspects increasingly in the future.

External Partnerships and Collaboration

A general feeling of being too small, powerless and incapable of achieving change and impact alone was described by Risberg as common among companies, where she explained that many feel the need to collaborate and work together with sustainability questions. Rossi described how they always strive to work with local partners on the ground, since they have a better understanding of the specific country in question, and she highlighted collaboration as an important aspect to achieving any results at all:

“...if you don't work with others, if you don't open the doors of the company to NGOs, to other companies in a pre-competitive approach to projects, you will never have any kind of impactful results.” (Interview, Veronica Rossi, 12th of April 2019)

Both Flodström and Priest also mentioned working in collaboration with other organisations in external partnerships. Priest expressed the opinion that it is of crucial importance to work with external organisations, since they bring a different perspective and a better understanding of the local environments.

4.2.2 Communication of Results

Internal

Rossi described that the main way in which they use and communicate the measurement data and results from the social sustainability work they do in the Lavazza Foundation is to communicate it internally. Mostly she explained it is used for the CSR department themselves, and Lavazza as a company in general do not like to shout about what they are doing. Rossi described that their approach to sustainability work is that first they do the work, and after that they communicate the results. This view of measurement results mostly being a means of communicating internally was shared by Priest, who expressed the opinion that the internal communication is probably the most important one, used to create a better understanding and inspiration. Flodström described their approach as using the measurement and data to follow up internally, and to inform externally.

External

Risberg expressed a different view, arguing that she thinks the external communication is definitely the most important aspects for companies. This is where they build their brand she explained, and it is also something that is seen both externally and internally. Risberg further acknowledged her concern regarding what is actually communicated externally through public reporting saying that:

“...of course everybody is only writing a lot of good things in their sustainability reports, and it probably often also looks a little more than it actually is [...]. You don't write about the things you don't do, you don't write about all the things that failed, for natural reasons.” (Interview, Viveka Risberg, 11th of April 2019)

However, she expressed the opinion that she still thinks it is a positive aspect to have the public

reporting, and especially with the increasing legislative framework, since it drives and motivates companies to work with and report on these issues.

Rossi talked a lot about Lavazza's very low profile approach on communication, and furthermore explained that they generally do not communicate the results of their impact measurement in their external communication. In the Sustainability Report she said the focus is more on informing about what they are doing, as well as presenting the necessary metrics required by the international guidelines they are following in their reporting, which is normally more based around HR and equality information with regards to the Lavazza Company employees, together with several environmental measurements. She further expressed sometimes feeling uncomfortable in communicating results externally, because of the lack of a common language, and mutual definitions of words such as impact and beneficiary. When talking about their external communication Rossi highlighted that historically they have not really had the need to market themselves on impact. However, with an increasing customer movement, together with the international development of the company, she expressed a desire to start communicating a bit more, since she thought this could benefit the company:

"If you don't communicate you lose markets now." (Interview, Veronica Rossi, 12th of April 2019)

When talking about his view on external communication Priest expressed that it should be used to communicate the company's level of commitment, and be seen as a beacon leading the way, rather than presenting an end result. He also highlighted the importance of being open and transparent:

"...where do we want to be as a company, and being really very open and transparent with what we have done well, where we haven't done well, where we need to see movement, and where we don't know just what to do." (Interview, Greg Priest, 18th of April 2019)

Interviewee X described how he feels that companies are communicating and reporting on the things where they feel familiar, where they can stay in their comfort zone, and that most of the time what they are trying to do is to tell good stories.

4.2.3 Challenges and Opportunities

Challenges

When talking about the measurement practices in place today Risberg highlighted several problematic aspects where companies experience substantial challenges. When conducting audits for example she explained that this only gives a “snap picture”, and might not capture the actual everyday circumstances. She further highlighted that these audits and company codes only address the problems on a very basic minimum level, and normally only include first tier suppliers, and that many companies experience problems with corruption.

Another problematic aspect Risberg mentioned is the fact that when working with these issues it normally takes a long time to achieve and see the actual change. Priest also highlighted this as a problem, questioning how companies should deal with reporting short term results, when many of the impacts are related to long-term solutions:

“...you could make short term decisions that would look good, you would maybe hide the problem, but that wasn't actually solving the problem.” (Interview, Greg Priest, 18th of April 2019)

He further explained that they often experience difficulties in trying to define how to set their targets when working with these issues, and that they often work with best guesses and beliefs on what the impacts will be, and that it is very difficult to decide upon and actually quantify these targets in practice. Risberg talked along similar lines saying that companies often struggle to prove a causal relationship between their work and actual results, to derive the actual impact, and that it is therefore common to work with assumptions.

Rossi expressed that one of the main problems they experience when working with social sustainability measurement is that there is still no common universally recognised methodology. Priest further questioned if it would be possible to find one overriding measurement of social impact, and Interviewee X mentioned the challenge of getting private companies together, to agree on the metrics to use, and then stick to that.

Opportunities

Rossi mentioned several opportunities that could in her opinion possibly lead to an improved way of dealing with measurement of social sustainability. One possibility where she expressed great hope of a future revolution within the field was through the use of technology and internet connectivity. In many places in Latin America today she explained, the internet connectivity is actually higher than in some places in Italy, and constantly increasing. She further talked about work already in the progress, with a project based on collecting data through smart phone applications, as a way of providing farmers with technical assistance, while simultaneously collecting data, which could possibly be done on a future daily basis:

“...if this works, if this connectivity, internet connectivity in this context really work, we could really have a revolution in impact measurement.” (Interview, Veronica Rossi, 12th of April 2019)

The use of technology in already existing projects was also mentioned by Risberg, who talked about a start-up company working with a digital training tool on iPads, available for fabric workers in Asia, that has received great results creating awareness on workers' rights. Risberg also talked about that one of her hopes for the future is to find a more systematic channel for workers throughout the supply chains to get their voices heard, to give feedback, make demands and put forward concrete suggestions and solutions.

Another possible way to approach an improved measurement system that Risberg talked about was to argue from the point of view of the approximated costs that would occur if not dealing with the problem accurately. She gave the example of a Swedish way of working with social exclusion, where they in the communities calculate how much it would cost society if one person ends up being excluded. They then use that as an argument she explained, to put this cost into the equation in how to argue for investing money in preventing this from happening. A similar approach could be applied on social sustainability initiatives she suggested.

4.3 Sustainability Reporting in Practice

This section will summarise the data presented in the companies' Sustainability Reports.

4.3.1 Design and Layout

All three companies produced Sustainability Reports separate from their annual financial reporting, and both Paulig and Lavazza adhered to the GRI framework. The design and layout varied, but the overall structure showed similar characteristics, with divisions into segments based on the different aspects of sustainability. Both IKEA and Paulig presented a clear separation based on environmental, social and customer related issues. Lavazza presented a less clear division where the first three chapters dealt with Lavazza as a company, the fourth chapter focused on People and Communities and the fifth chapter addressed Environmental Sustainability. The fourth chapter did not explicitly label it as dealing with social sustainability, but addressed issues connected to people's well-being, employee initiatives and community engagements. On top of this, an initiative involving car-pooling was also mentioned, where the resulting reduction in CO2 emission was presented. The possible economic benefits of creating jobs and contributing with tax payments was mentioned by Paulig and Lavazza included a small summary of the financial performance of the year, but no further connection to the other parts was made. All three reports mentioned and specifically addressed several stakeholders throughout the reports.

4.3.2 Language and Message Communicated

The Lavazza report used a very informative tone and educational language, presenting and describing processes and projects in an almost neutral way, with detailed descriptions and information. The focus was on introducing the projects, and only in a few cases quantitative data on the actual results was presented (Lavazza, 2017). The language and communication used in the Paulig report gave a promotional feeling, with an upbeat tone, presenting general ambitions and beliefs (Paulig Group, 2017). The language used in the IKEA report was characterised by a hopeful tone, conveying an optimistic view about the future. The focus seemed to be on presenting ambitious goals for the future (the ones regarding environmental issues were consistently more well defined than the social ones, often by numerical measures) together with some information on how to get there and the challenges expected on the way. The focus was on where they want to be in the future, rather than presenting past performances and results. The report also encouraged an open and honest discussion about their progress along the way, highlighting the importance of creating a wider discussion to create new solutions:

“These are big ambitions. To take the lead we will go beyond setting commitments and be open about the challenges we face and our successes and failures along the way. We don’t have all the answers, and we will join forces with others to be part of a wider conversation to find new solutions” (IKEA, 2018, p. 10)

4.3.3 Qualitative vs Quantitative

Both qualitative and quantitative information was presented in all reports. However, a reoccurring structure was that the reports were highly focused on presenting descriptive texts and qualitative aspects, while the quantitative data was presented more as a complement. The Paulig report had a short presentation of key figures in the beginning, as well as a short quantitative summary in the end. Here substantially more metrics were presented from the environmental perspective, and the social indicators that were included were mostly focusing on in-house employee well-being and health and safety (Paulig Group, 2017). Also in the IKEA and Lavazza reports more data was presented on the environmental measurements, and also here the quantitative information presented on the social issues mainly evolved around in-house employee related aspects, such as training, gender ratios and salary gaps (IKEA, 2018; Lavazza, 2017). Other than the quantitative data added throughout the reports all three also made use of story-telling, normally through a project perspective rather than focusing on individuals.

4.3.4 Action Based and Positive Achievements

The overall focus in all the reports was mostly descriptive and action based, rather than conveying real measures of social impact and long-term effects. Furthermore the focus was mainly on presenting positive aspects and results, and very few examples of negative impacts or insufficient outcomes were presented. Some attempts of addressing this were made by Paulig, stating that their employee survey had showed that there is room for improvement on internal communication (Paulig Group, 2017). Lavazza also showed a few environmental metrics that had increased slightly when it would have been desired to see a decrease (Lavazza, 2017). The IKEA report was the only one actively admitting that they do not at this time have the answers to many of their challenges, and that they do not always know what to do to solve these issues:

“We are phasing out all single-use plastic products. [...] We want to replace these with more sustainable alternatives. But we don’t yet know exactly how we will replace each single-use plastic product. This may mean that in some cases, we are not able to offer an alternative immediately.”
(IKEA, 2018, p. 23)

The IKEA report also presented some environmental metrics that increased, and acknowledged two fatal work accidents. Overall however these parts are only very small in all the reports, and the overall focus is still on presenting positive achievements or ambitious future targets.

4.3.5 Collaboration and International Frameworks

All the reports mentioned the importance of the *UN Sustainable Development Goals*, describing how their work relates to them, and Lavazza also described how they work with the *UN Global Compact*. Working in collaboration with partner organisations and NGOs was proudly presented in all of the reports, and both the IKEA and Paulig reports highlighted the importance of working together.

5. Analysis

This section will analyse the empirical material in Chapter 4, and discuss it in relation to the theories and frameworks in Chapter 3.

5.1 Child Indicators on Social Sustainability

This section will present an analysis on the aspects found in the child consultations, resulting in the presentation of a framework of *Child Indicators*, describing what aspects that are important for children with regards to social sustainability. An inductive approach will be taken to identify possible aspects of importance in the empirical material. In order to ensure that the indicators reflect only the social aspect of sustainability a deductive element will also be added, based on the framework by Ajmal et al. (2018).

5.1.1 Child Indicators

One of the aspects described in the framework by Ajmal et al. (2018) is the problem of the lack of a clear definition of what social sustainability entails. Consistent with this theory the empirical material on children's perspectives shows a substantial amount of different aspects and factors that children consider important for themselves, their families and their communities, to achieve a decent life and a better future. In accordance with the theory the empirical material therefore suggests and confirms the complexity of the topic.

The empirical material shows that most of the aspects that children mentioned could be grouped into ten categories that summarise the most frequently mentioned topics *Child protection; Education; Family relations; Work and Employment; Community infrastructure; Basic needs; Leisure and rest; Health care; Awareness; Respect, Involvement and Equality*. Apart from these the empirical material also showed several additional aspects, that did not fit as clearly into the ten categories, such as for example religion, historical heritage and corruption. On top of this many aspects of environmental issues were also frequently mentioned.

Ajmal et al. (2018) summarise that social sustainability in general deals with issues regarding the overall sustainability of a society. More specifically, they suggest that social sustainability entails aspects within the areas of *Social Development, Social Growth, Social Justice, Learning & Growth, Community Development and Safety & Security*. The ten categories of most frequently mentioned topics found in the empirical material above are all well in line with these categories on what social sustainability entails. Several of the additional aspects presented in *4.1.11 Other Aspects* are also in line with these. However, since these aspects were only mentioned sporadically by one or a few children or reports they are considered having low generalisability, and are therefore not deemed an appropriate representation of children's opinions in general. The aspects on environmental issues can however be seen as highly representable, since they were a constantly re-occurring concern. Neither of the environmental aspects can however be seen as in line with the indicators on social sustainability presented by Ajmal et al. (2018), since they are highly focused on environmental issues.

Based on above analysis, the aspects deemed the most relevant and somewhat generalisable ones to include in a framework of child indicators for social sustainability are considered to be the ones that fit into the categories of the most frequently mentioned topics, and are in line with the framework on social sustainability presented by Ajmal et al. (2018). Based on this the following framework of *Child Indicators on Social Sustainability* is hereby suggested:

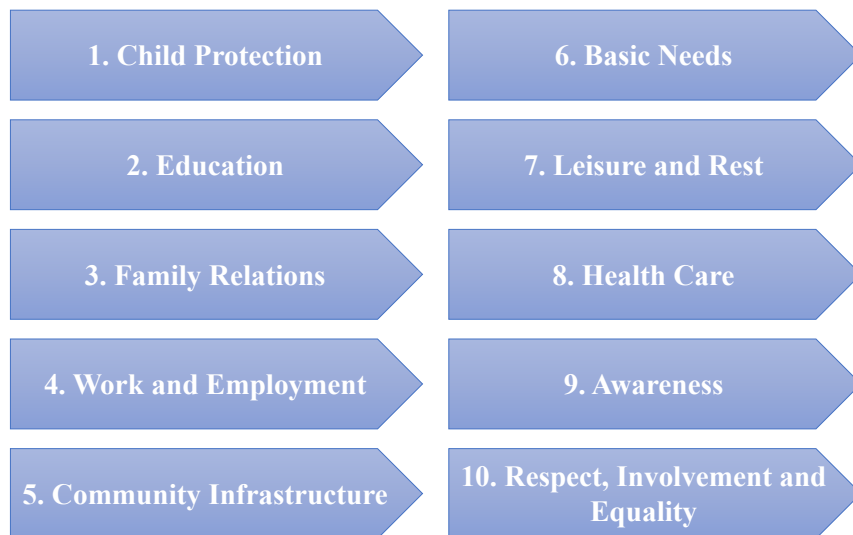


Figure 3- *Framework of Child Indicators*

5.2 Measurement in Practice

This section will discuss how companies work with measurement in practice, based on the empirical material presented in section 4.2 *Case Companies and Organisations*, contained from the interviews.

When discussing how they work with measuring social sustainability in practice similar processes could be recognised between the interviewees. Risberg explained that the most basic way of working with social sustainability is to have a company code, often based on international frameworks, and conduct **audits** on the suppliers to make sure that they adhere to these. This way of working was confirmed by both Flodström and Priest. Flodström described having an internal audit system, while Priest stated that they use a mix, but mostly external. The practice of having risk assessment and prioritisation in place when choosing what suppliers to audit was mentioned by

Risberg and further confirmed by Flodström. It also became evident from the empirical material that another common way of working today is through **project specific targets**, where Flodström explained working with several specific projects in addition to their audits. Rossi described how they through the Lavazza Foundation work with and measure results in specific projects, where the farmers are not necessarily selling to their actual supply chain. A third way of working with social sustainability measurement was added by Flodström, who explained how they look at their use of **certified raw-material**. What becomes evident from these discussions is that the measurement practice today is mostly based on fairly basic forms of data collection, where companies through audit reports or by buying certified raw material collect data that can confirm that basic minimum requirements are met throughout their supply chains, and that they are following international guidelines such as for example the ILO conventions.

5.3 Important Aspects

Based on the material presented in *4.2 Case Companies and Organisations* this section will conduct an inductive analysis to identify what aspects of social sustainability are considered important by companies to measure.

5.3.1 Income

The importance of measuring **income** was mentioned by all three interviewees when discussing what they consider the most important aspects to include. Flodström specifically expressed the opinion that this is the most important one, and both Priest and Rossi also agreed on its necessity. Rossi described how income is one of the aspects they focus on when measuring the social impact of their projects, making observations on income and material living standards, putting this in relation to progress on productivity, quality and prices. The empirical material showed that none of the companies today have an up and running process on implementing living wages. However, Flodström stated that they have recently started working with how to address the question, and Risberg highlighted the importance of families earning a decent income, since not having this often affects children, since the family cannot afford investing in the child's well-being and education. Looking at the empirical material it can be seen that companies do consider income as a crucial aspect to measure, and there seems to be an awareness that even if companies today are still mostly

looking at compliance to minimal wage requirements, this is not enough to capture the actual impact. The empirical material shows that there is a wish to work with living wages, and that some companies like Lavazza, are trying to connect the link between an increased income actually leading to better social living conditions.

5.3.2 Education

Another aspect frequently mentioned in the empirical material was the importance of looking at **education**. Rossi explicitly expressed education as the one measurement able to tell the truth about if social impact has actually been achieved. Flodström also stated education as a close runner up after income, since this is an aspect that is of crucial importance for any individual trying to improve their future. The empirical material here suggests that education is considered an important aspect to measure, both because it is of high importance to an individual's life, as well as because of the possibility to really capture a measurement of actual real social impact.

5.3.3 Other aspects

An additional aspect highlighted by Priest as one of the most important things to look at was **Human Rights**. However, Priest also pointed out that what they consider important to measure varies **depending on the project**, and what is of actual importance is to focus on the things that you **can actually measure**. Rossi explained how they set different targets together with the local partners for every individual project. This suggests that what aspects that are important for the companies to measure might actually have more to do with what projects and aspects of social sustainability they choose to work with, as well as the practical possibilities available at hand, rather than any internal underlying motivations from a pure business perspective.

5.4 Motivation

Now that the aspects of importance have been established this section will discuss reasons behind why companies consider several aspects as important. This analysis will mostly be inductive, based on the empirical material from the interviews, presented in section *4.2 Case Companies and Organisations*, with some additional deductive elements.

5.4.1 Motivation of Aspects

When discussing motivations and reasons with regards to measurement of social sustainability the empirical material shows that the discussions mostly turned into talking about reasons for why to measure and communicate at all, rather than motivation behind why to measure specific aspects. The analysis above showed that the three concrete aspects considered most important to measure with regards to social sustainability are income, education and human rights. The motivations behind why these specific aspects are of importance were only briefly touched upon indirectly. *Income* was discussed by Rossi in connection to the impact it can have on material living standards and Flodström mentioned it in connection to the possibility to cater for the needs of your family, and as part of their company code. Risberg talked about how not having a decent income can negatively affect children of workers with regards to health and education. When discussing the importance of *education* Flodström expressed the view that it is crucial to have to be able to help yourself in the future, and Rossi said that for her it is one of the best indicators of actual social impact.

The analysis here clearly shows that the arguments put forward for the importance of these aspects are mostly based on the **importance for the individuals** they affect, and possibly also grounded in the wish to adhere to **international frameworks, standards and legislation** rather than on motivations from a pure business perspective. This together with several comments about that what is important varies between projects suggests that what is important for companies might have more to do with the motivation behind why they measure anything at all, rather than what specific aspects they choose to measure. This section will therefore also discuss companies motivations from a more business related perspective, first on the point view of why to measure these results at all and then from the perspective of communicating the attained results.

5.4.2 Motivation on Measuring

Stakeholders and Consumer Expectations

The empirical material shows that one important aspect of measuring anything at all is to show **stakeholders** that you are actively doing something to address the question of social sustainability. Risberg expressed a belief that companies often want to show their stakeholders that they are

actively doing something, and through this **build their brand**. Similar thoughts were expressed by Interviewee X, stating **consumer expectations** as a motivating factor.

Justification of Investment

Ajmal et al. (2018) discuss how many of the indicators used as measurements today are often designed in a way to adhere to requirements from management and investors. Being able to show the management that the **investments** into sustainability work has paid off was stated by several interviewees as an important motivation to why they want to engage in measuring and reporting their results. Risberg expressed the thought that for many companies it is important to be able to show the management the results of their CSR work, in order to argue for a continued budget. Interviewee X talked along similar lines, saying that since companies are investing increasing amounts of money into their sustainability work it is of crucial importance to be able to legitimize the budget and justify for both the management and shareholders against the bottom line. Flodström confirmed the need to report results to the management and Rossi stated that it is an important aspect for them to use the data internally to show that the investment was worth the money, and has made a difference. Priest similarly expressed that companies want a KPI to report on, to see if the project has achieved what it was supposed to accomplish. The empirical material here seems to be in line with Ajmal et al. (2018) theory, and the need to report and justify to both management and investors seem to be a great motivational force to why companies measure and report their results the way they do.

Learn and Understand

The empirical material also shows another strong motivational factor to be the desire to **learn and understand** how to improve the work on these issues. Interviewee X described a growing mindset among companies to increasingly view the measurement process as a way of feeding back information as feedback into the projects. Flodström confirmed this stating that the biggest motivation for them to conduct their own audits is to learn and better understand these questions in collaboration with local communities and partners. Also Priest shared this opinion, expressing how they wish to use the data to learn how to improve their work.

Legislation

Another strong motivational force shown in the empirical data is the way in which **legislation** puts pressure on companies to work with and report on these issues. Interviewee X expressed his belief that this is one of the strongest reasons to why companies engage in this at all, and that it will be increasingly so moving forward. Risberg talked about several international frameworks putting pressure on companies, and Priest confirmed this belief stating that he thinks that legislation around human rights will increasingly make companies work with and present results on this in the future. The way in which legislation and international frameworks motivate and influence companies in their work with the measurement of social impact could also be seen in how companies work with this in practice, where the use of company codes that have strong connections to international frameworks is common practice today. Both Flodström and Priest described working with audits on Code of Conducts, where several of the aspects included in the codes could be recognised in for example the ILO Fundamental Conventions. The empirical material here shows a possible area of conflict with existing theory, since Vos (2007) talk about that sustainability should be considered as something where companies engage in activities outside the scope of only adhering to legal requirements. The empirical material suggests that in practice, the aspect of following legal requirements and international frameworks still seem to be of great importance.

5.4.3 Motivation on Communication

When talking about the main use of the data collected different opinions and reasons were expressed. Priest and Rossi expressed the opinion that the use of the data as **internal communication** is the most important aspect. Rossi further explained that the reason why they collect this data is for the internal CSR department to see if their work is giving results. Flodström described that they use the information to inform externally and to follow up internally.

Risberg instead expressed the belief that the **external communication** of results is definitely the most important aspect for companies, since it is through this they can build their brand. She highlighted her concern regarding the use of sustainability reporting today, expressing that most companies only communicate positive aspects, but also adding that she still thinks it is important to have the public reporting, since it motivates companies to work with these issues. Interviewee X talked along similar lines saying that companies mostly report on things that are in their comfort

zone. The empirical material here shows a divided view, where companies seem to have different opinions on how to use and communicate the results of their social sustainability work in practice.

Also when talking about how to use external communication of social sustainability a divided view can be seen. Priest expressed the opinion that external communication, through for example sustainability reports, should fill the function to communicate the company's **level of commitment**, explaining where they want to go, rather than presenting a list of already achieved results, and highlighted the importance of having an **open discussion**.

Rossi instead describe how they take a very low profile with regards to external communication, where their approach is to **first do the work** and only after that communicate. Furthermore she highlighted that they normally do not use the impact measurements on social sustainability to present it in their external sustainability reports. As described above this information is used more for the purpose of internal communication. In their sustainability report she explained they tend to focus on **presenting their projects** as well as reporting on the metrics required by the **international reporting standards**. Rossi further expressed feeling somewhat uncomfortable presenting results externally because of the lack of a common language.

5.5 Communication in Sustainability Reporting

This section will now discuss what is actually presented and communicated in practice through companies Sustainability Reports. This analysis will be based on the empirical material in the sustainability reports presented in *4.3 Sustainability Reporting in Practice*, and put into relation to relevant theoretical frameworks from Chapter 3.

5.5.1 Social, Environmental and Economic Sustainability

Ajmal et al. (2018) acknowledge the importance of working with all three aspects of sustainability, in an integrated way, arguing that social sustainability cannot be seen as a separate, if true sustainability is to be achieved. Looking at how the companies communicate their work and results through their Sustainability Reports this does not seem to be the way that companies work in practice. All three companies produced separate Sustainability Reports that dealt with both

environmental and social issues. However, the economic aspect was only presented very briefly in two of the reports, and without any real connection to the social and environmental aspects.

Both IKEA and Paulig presented a clear separation between the social and environmental aspects. The Lavazza report had a less clear division, and actually included more of an interconnected way of reporting on social and environmental issues influencing each other. However, overall the connection and interconnectedness between the three areas was not clear. Ajmal et al. (2018) further describe that the social pillar of sustainability has received less attention in sustainability reporting than environmental topics. Here the empirical data suggests that this might be changing, since all three companies dedicated substantial space on including also the social issues.

5.5.2 Data Presentation

Even though the data presented shows that substantial effort is put on including the social aspects into the reports, the empirical analysis also show clear evidence that the environmental aspects are still to a much larger extent quantified and reported upon with much clearer metrics and targets. The social issues are still more vaguely described and focused on presenting projects and ambitions, rather than actual impacts and results. On this aspect the empirical material is consistent with Ajmal et al. (2018) framework on the aspect where they argue that social sustainability is the most difficult pillar for companies to work with in practice.

All three reports use a mix of **qualitative** and **quantitative** information, but with a heavy focus on qualitative data and text descriptions, together with quantitative measures added to present some more concrete goals or targets reached. Where there were specific sections containing quantitative metrics, like in the Paulig report, the majority were connected to environmental issues, and the social metrics that were included were focusing mainly on internal employee health and safety and employment statistics. All three reports showed examples of **storytelling**, however on a project base rather than on individual level.

When discussing the problems of measuring sustainability results Ajmal et al. (2018) talk about how companies often confuse reporting on sustainability activities with contributing to actual positive impact and a more sustainable society. To a certain extent the empirical material suggests

that this might still be the case, since most of the data presented in the social section is still very **descriptive** and **action based**. It mostly evolves around presenting projects and initiatives, or mapping out **ambitious goals**, rather than actually analysing any long-term impacts. However, this might be an active choice by the companies, to not include this kind of communication in their external report, and does not have to mean that they are not actually aware of the difference.

Ajmal et al. (2018) also point out that organisations mostly only report on positive results, and do not to a sufficient level include the negative side, giving a sometimes optimistic view of their results. The empirical material agrees with this, since very few negative results and impacts of any great importance were addressed throughout the reports. However, the IKEA report opened up for the possibility of a more open debate in the future and acknowledged the need to create awareness around the problems of working with these issues. They expressed that it is ok to admit to not having all the solutions, and openly admitted not having any current solution on how to replace the single-use plastic products that they have committed to phasing out. The empirical material therefore shows that where companies are now the focus is still mostly on presenting **positive results**, but that organisations might be starting to become more open to having a more honest debate also about the challenges, failures and negative impacts.

5.5.3 Language and Message Communicated

This study reveals that the way in which companies present and communicate with regards to their social sustainability work varies greatly between organisations. The empirical analysis shows great differences in for example the use of language and tone of voice when communicating through the reports. The Lavazza report is using a very informative and educational language, while the Paulig report has a more promotional tone, and the IKEA report is sending very optimistic and ambitious views of what to achieve in the future. In the Lavazza report the focus is on describing projects, while the Paulig report talks mostly about ambitions on a general level, and the IKEA report presents ambitious targets and encourages an open discussion.

5.5.4 Collaboration and International Frameworks

All three reports presented several **collaborations** in a very positive way, and both the IKEA and Paulig reports specifically highlighted the importance of working together. Another re-occurring

topic was addressing several **stakeholders**, as well as different international frameworks and standards. Both Paulig and Lavazza used the GRI guidelines, all three companies made the connection of how their work helps achieve the *UN Sustainable Development Goals*, and Lavazza described their work to comply with the *UN Global Compact*. Also here the empirical material suggests that working with and showing that you are complying with different **international frameworks and legal requirements** is still of crucial importance for companies, which is in a way in contradiction to Vos (2017) statement that sustainability entails aspects broader than only following legislation.

5.6 Differences between Perspectives

This section will conduct a comparison between the different perspectives presented above, comparing what is important for the children, the companies, and what is measured and communicated in practice. The *Child Indicators* represent the aspects of importance from a **Child Perspective**. The aspects of importance from a **Company Perspective** will be based on the analysis presented in 5.3 *Important Aspects* and 5.4 *Motivation*. How it looks **In Practice** will be based on what was discussed in 5.2 *Measurement in Practice* and 5.5 *Communication in Sustainability Reporting*.

5.6.1 Differences

The difference between the **Company Perspective** and the **Child Perspective** seem to be that for the companies, from a pure business perspective, which aspect they measure does not seem to be the most crucial thing. The empirical data suggests that what is important to measure often varies with the project, and is further more connected to being able to show stakeholders (customers, management, investors) that you are working with something, that you are following legislations and international frameworks, and that your investment has made a difference. From a child's point of view however, this is not what is important to measure. For companies it seems to be important to show a difference, whilst for the children it is of crucial importance to also look at in what way this difference actually impact their life specifically, and what is the end result that this change has led to. If a family receives more income through living wages for example, the actual impact on the child is not guaranteed to be positive just because the family receives a higher income. As stated in

Child Indicator 4 children see business as a possibility for a better family income, so that they do not have to drop out of school. If however the parents spend the extra income on alcohol, instead of investing in the child's education, the actual impact of the higher income is going to be negative from the child's perspective. If a company only bases its measurement on the higher family income this might give a misleading result from the child's perspective. The empirical data here shows that there is a difference between the two perspectives with regards to the importance of capturing the root cause and actual final impact.

Looking at the **Company Perspective** on what they consider important when measuring and communicating in comparison to what can be seen **In Practice** in the Sustainability Reports several aspects of similarities can be seen. Both income, education and human rights are generally included in both perspectives. The motivation to answer to consumer expectations and work on branding while showing stakeholders you are working with these issues can clearly be seen throughout the reports. The companies are constantly addressing their stakeholders, and presenting plenty of information on the different ways in which they are working with these issues. The importance of following legislation and international frameworks can also be seen clearly in practice, where all three reports presented information on how they work with the *UN Sustainable Development Goals*, and two followed the GRI framework.

The biggest difference that can be seen between the motivations suggested by the interviewees and the data presented in the reports is the aspect of reporting results to the management, justifying the investment. However, this might be because this information is kept internal, as suggested by both Rossi and Flodström, who talked about using the information internally to follow up on results. These three perspectives have been summarised in Figure 4 below.

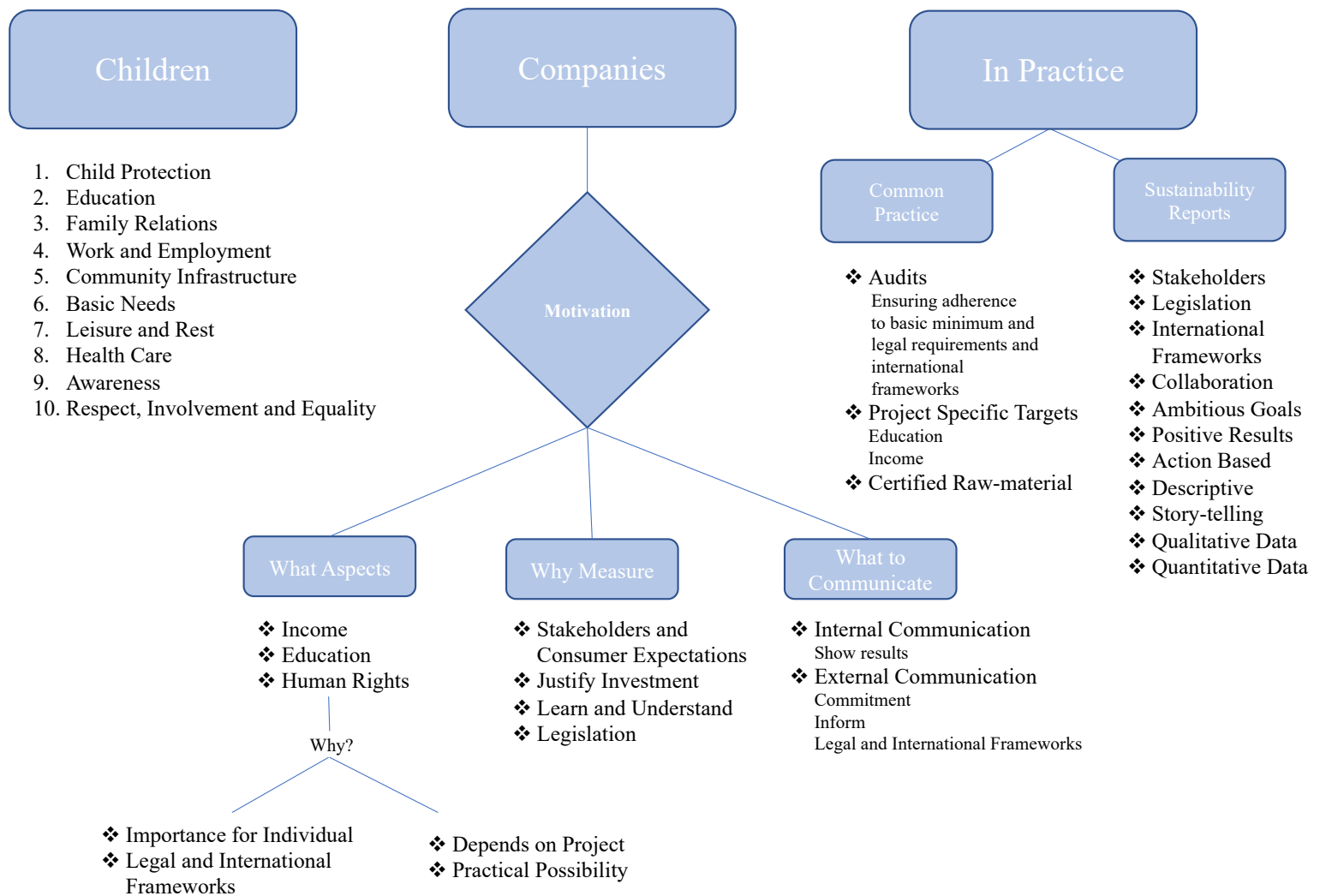


Figure 4- Different Perspectives

5.7 Challenges and Opportunities

This section will conduct an inductive analysis of the empirical data contained from the interviews, to identify the challenges and opportunities of working with measuring social sustainability in practice, seen from a company perspective.

5.7.1 Challenges

In the empirical material several challenges that companies face today can be seen. Risberg talks about the challenges of auditing, stating that it only ensures **minimum requirements** amongst the **most risky first tier suppliers**, further only showing a “**snap image**”, and where audit reports are often subject to **corruption**. Another problem mentioned by both Risberg and Priest was how to deal with measuring **long-term impacts** when presenting short-term results. Priest also expressed that they often find it challenging to **set the targets**, and to **quantify** them, where Risberg similarly

described that many companies use **assumptions** in order to measure and report on any impacts at all. Rossi highlighted the challenge of the lack of a **common methodology**, which was also discussed by Interviewee X.

5.7.2 Opportunities

Rossi described her hope that a revolution within the measurement field could possibly be achieved by the use of **technology** and **internet connectivity**, using for example smart phones to communicate with farmers while simultaneously collecting data. Risberg similarly mentioned an existing project with an online training tool for factory workers conducted on iPads that has achieved great results. Risberg further expressed her hope of developing a future more systematic way of **communicating** with and **involving** workers throughout the supply chains.

5.8 Creating Shared Value

This section will carry out a deductive analysis, putting the empirical material and above discussion and analysis on the important aspects from a Child Perspective and a Company Perspective in relation to Porter and Kramer's (2011) framework on *Creating Shared Value*.

5.8.1 Value Creation Today

Porter and Kramer (2011) explain how companies can work with CSV as a new long-term solution, where business by creating economic value simultaneously create social value, through addressing societal challenges and needs. They argue that initiatives related to Sustainability and CSR have traditionally been kept as separate add on activities, as a response to external stakeholder pressure, to try to improve a company's reputation, rather than as a way of actually changing the way that business works. Looking at the empirical material it shows that companies working with social impact measurement today are still leaning more towards the traditional way of working described by Porter and Kramer (2011). One of the motivational factors revealed in the empirical evidence is the wish to respond to consumer expectations, as explained by Interviewee X, and Risberg further talked about companies wanting to show external stakeholders what they are doing, by that improving their brand. Furthermore, looking at how organisations explain their work in practice the empirical evidence shows clear indications that this is still to a high extent conducted in project form, as suggested by both Priest and Rossi.

5.8.2 Will to Change

Even if the empirical material shows that companies today are still not quite adhering to Porter and Kramer's (2011) suggested approach of CSV, the empirical material still suggests that there is a will amongst companies to work towards a change for better measurement practices. Flodström expressed that they have started working with how to address living wages, and Rossi explained how they are trying to connect the data on income collected to see if it actually has an impact on the social living conditions of the family when working with their projects, even though the projects are not always in direct connection to their suppliers. Priest and the IKEA Report further opened up for a more open and honest discussion about the different challenges and problems of today.

5.8.3 Common Ground

When looking at the important aspects from the different perspectives above it can be seen that many of the practical aspects mentioned by the companies as important to measure, such as education and income, can also be seen in the child indicators. Child Indicator 2 specifically points out education as important, and many of the other indicators are explained by the children as being important because of the effect they have on the possibility to perform in and attend school. Income is also specifically mentioned in Child Indicator 4, and here it is directly connected to having an effect on a child's possibility to go to school. Furthermore, the aspects of Human Rights is also reflected in most of the Child Indicators, for example in number 4 that expresses the wish for no child labour, and number 1 talking about violence.

Porter and Kramer (2011) suggest three concrete ways of working with CSV in practice. When looking at the *Productivity in the Value Chain* they argue that there are several aspects that can inflict internal costs on companies if not dealt with properly, that should therefore be in the interest of companies to work with. Examples of these are humanitarian working conditions, equality and health and safety. The analysis suggests that these are aspects that are both important for the children, as well as aspects that companies today actually do try to work with. Humanitarian working conditions is explicitly mentioned in Child Indicator 4, equality is one of the main pillars of Child Indicator 10, and health and safety is included in both Child Indicator 4 and 8. All these aspects can further also be found in the Code of Conducts described by Priest and Flodström.

When working with this in practice Porter and Kramer (2011) also talk about the possibility of enabling the suppliers throughout the supply chain, for example by helping them improve productivity and quality, which can lead to positive outcomes off-setting lower costs. In line with this theory the empirical material shows that Lavazza are actively working with helping farmers improve both their productivity and quality through their projects. However, as pointed out by Rossi, these farms are not always actual suppliers selling to the Lavazza Company. Other aspects of importance highlight by Porter and Kramer (2011) are for example living wages, employee safety and opportunities and training. These aspects can again be found in the Child Indicators, explicitly number 4 and 2. Even though the empirical material shows that living wages is not implemented by the companies at the moment, there seems to be a wish to do so in the future, and Flodström expressed that they have recently started working with addressing this. Employee safety again is one of the aspects that can also be seen in the Code of Conducts.

Porter and Kramer's (2011) theoretical framework further advocate working with *Local Cluster Development*, where they suggest that companies are highly affected by the local communities and surrounding infrastructures. Therefore they argue it should be in a company's interest to work with contributing to an improved local community, through for example promoting well-functioning supply of water and electricity, good educational institutions and functioning logistics infrastructure. Once again the empirical material confirms the importance of these aspects, since they are included in Child Indicators 2 and 5. Flodström also talked about the importance of education, and described their project working with children's education in India.

5.8.4 Summary

The empirical material here shows clear signs that companies and children are acknowledging and working actively with several of the things suggested in Porter and Kramer's (2011) framework, and there is a specifically strong area of common ground that can be found with regards to measuring the results on income, education and human rights.

However, it is also evident from the analysis above that there seems to be a link missing between companies sustainability projects and any positive impact it might have on their own business, as suggested by Porter and Kramer (2011) as a way of creating shared value. One possible reason for

this could be that many of the initiatives on social sustainability undertaken by companies today seem to be conducted in project form, and not always directly connected to their actual suppliers. It seems logical to assume that working with projects not involving children and workers from their actual suppliers, will make it somewhat difficult to connect the actual impacts and outcomes to the companies own supply chains and business operations.

Furthermore, Porter and Kramer (2011) highlight that CSV is not about philanthropy, but is instead where private business act in their own interest, as profit driven business, and through that create social value. The empirical material and analysis however shows that the actual underlying motivations and reasons to why companies consider income, education and human rights important aspects to measure, are not exclusively based on pure business reasoning. From a pure business perspective, what seem to matter most is to be able to show that they are actively working with these issues, and that the investment and effort is leading to results that can justify that the investment was worth the money.

Even so, this analysis shows that even if companies are not there quite yet there is a will to change, and there are strong areas of possible common grounds suggesting that it should be achievable to *Create Shared Value* in the future. The three aspects of education, income and human rights present excellent opportunities for common ground for further exploration to start with. If a stronger connection could be made between the social sustainability work carried out, and children directly involved with the companies specific supply chains, linking these to the actual impacts and operational outcomes, this could also be a driving force moving companies towards *Creating* more *Shared Value*. Furthermore, since which specific aspect that is actually measured and reported on seem to be of secondary importance for companies, there should also be additional aspects for possible common ground to be explored apart from only income, education and human rights. As long as well-defined targets can be specified, enabling companies to clearly report on these results, in a coherent way and by the use of a common language, it should be possible to tailor these targets to what is actually important for the children, and through that create a win-win situation where shared value is created for both.

5.9 Practical Implications

Based on the empirical material and analysis carried out above this section will discuss the possible implications the findings might have for companies and organisations working with this in practice. Suggestions on how companies can start working with measurement of social sustainability in order to enable creating shared value in the future will also be put forward.

5.9.1 Starting Point

As the analysis showed there are three areas of clear common ground that can be found where CSV should be possible: income, education and human rights. These are therefore suggested a good starting point for companies to explore when designing their measurement system of social sustainability in practice, especially with a focus on income and education.

Income has been proved to have high importance for both companies and children and is suggested a good point to start with. Here it is important to acknowledge that from the children's point of view it is of high importance to design the measurement target to take into account not only a higher wage or family income, but also how this increase of money is spent. For the measurement to capture the true impact, it has to consider if the increased income actually contributes to social improvement for the children, through for example enabling them to go to school, or if it instead only leads to negative impact, such as a higher alcohol consumption by the parents.

Education has further also been proved important for both companies and children, and might even more than income actually be able to show a real social impact. To design a measurement system based on data around education is therefore also suggested a good starting point for how companies can try to work with this in practice. It could here be suggested to connect the measurement on income together with an educational measure, to enable companies to see if the increased income has actually led to positive social impact with regards to education.

5.9.2 Technology and Connectivity

When working with measuring social sustainability in practice a suggestion of an opportunity for further exploration is to make use of technology and connectivity when designing the measures and data collecting processes. The possible use of technology and increase in connectivity was

suggested by Rossi as a future opportunity. Making use of technology through for example smart phones and iPads could possibly create shared value by both enabling better data collection methods for the companies, while simultaneously adhering to children's wishes of being involved and having their voices heard. This could increase the children's participation and improve the communication between companies and people throughout the supply chains, as well as serve the companies well, giving them better and more real live data to base their measurements and metrics on, on a more regular basis. The data collected could also be a great starting point for companies to learn and understand how to work with these issues in improved ways. It could further also be a great tool to use for educating suppliers and workers, as suggested by Risberg, and to create awareness on the topics discussed in Child Indicator 9.

5.9.3 Justification of Investment

The empirical material showed a clear wish from companies to show actual results, that can justify the investment and be used to motivate continued budgets. It is therefore of high importance for companies, and more specifically sustainability departments, to find a way to argue for this in a convincing way. One suggestion of a possible way to approach this, put forward by Risberg, is to base the arguments on internal costs of negative social issues. Risberg talked about a Swedish way of measuring how much it would cost the community to cater for an individual that end up socially excluded, and how to use that as an argument on why it would be economically viable to invest in making sure that this individual does not end up excluded, even before the actual problem has occurred. This way of reasoning goes well in line with Porter and Kramer (2011) who showed similar reasoning, stating that if companies do not work sufficiently with creating social value, many of the social problems and issues arising will lead to internal costs for the companies. Porter and Kramer's (2011) therefore argue for looking at value from the perspective where you also take into account the internal costs that social issues will inflict on companies. If companies could argue based on similar calculations made with regards to their operations and possible social issues related to their supply chains, this could possibly serve as a more quantifiable way for CSR and Sustainability departments to justifying investments and continued budgets. Furthermore, Porter and Kramer (2011) also argue that working with these issues can lead to positive effects such as increased productivity and better quality. If companies could increase the connection between their

sustainability projects and their business operations, and make the link to positive outcomes, it would also further strengthen their arguments on sustainability work as a worthy investment.

6. Conclusions

With the purpose to achieve a better knowledge and understanding of how to measure social sustainability in global supply chains covering emerging markets this thesis has aimed to answer the following research question:

How do you measure social sustainability in global supply chains and what are the reasons behind measuring and communicating this way?

This study has developed a theoretical framework specifying what children consider important for them with regards to social sustainability, in the form of how to achieve social well-being now and in the future. The study clearly shows that what is important for children can be summarised through the following ten **Child Indicators** on social sustainability; *1. Child protection 2. Education 3. Family relations 4. Work and Employment 5. Community infrastructure 6. Basic needs 7. Leisure and Rest 8. Health care 9. Awareness 10. Respect, Involvement and Equality.*

When working with measuring social sustainability this study shows that common practices amongst companies today are to conduct **audits** on suppliers, ensuring sufficient compliance to Company Code of Conducts, to work with **project specific targets**, and to look at **certified raw-material**. Furthermore, it can be concluded that from a company perspective three specific aspects are considered important to work with when measuring social sustainability in practice: **income, education and human rights**. It was further highlighted that the motivation behind considering these aspects important might have more to do with the high *importance* they have for the individuals affected, and because they can be found in *international frameworks*, rather than from a pure business perspective. Other than these the study also shows that what is considered important to measure **varies between projects**, and the focus today is on the aspects where you can find the **practical possibility** of actually measuring results.

It further became evident that when asked about why these aspects are considered of crucial importance for companies to measure the answers given evolved more around motivations on why to engage in measurement and reporting at all, and less so to motivations with regards to why to measure specific aspects. The study here showed that underlying motivations and reasons to why companies want to measure their results at all are to show **stakeholders** that they are working with these issues, build their brand and respond to **consumer expectations**. Furthermore it showed that it is of high importance for companies to report a result to both management and investors, to show that the **investment** has led to a change, justifying that it was worth the money. Another important motivation showed was to **learn and understand** how to work with these issues in practice, as well as adhering to **legal requirements and international frameworks**.

With regards to the main motivations of what to communicate and why it can be concluded that there are different opinions on this depending on the company's approach to communication. While some stated the **internal use** of communication and *following up of results* as the main reason, others instead highlighted the importance of **communicating the results externally**. Also on the topic of how to communicate results externally different companies showed different opinions, either seeing it as a way to communicate a company's *level of commitment* and future direction, or a more results based way of *informing* about projects and initiatives.

Looking at how the results of social sustainability work are communicated and presented through companies' Sustainability Reports the study shows that companies report on both *social and environmental* issues. However, the data on social issues generally presents lower levels of quantifiable and clear metrics. The reports are further mostly **action based**, or present **ambitious future goals**, addressing several different **stakeholders**. The data used is both **qualitative** and **quantitative**, however a strong focus on **descriptive** texts seem to be the norm, where quantitative data and **story-telling** is added as a supplement. Furthermore, companies seem to focus mostly on **positive results**, and very few aspects of negative impacts or underperformance is generally communicated. However, the study suggests that this might be about to change, since companies seem to have an *increasing will* to start a more open discussion, also on the negative side. In the reports the importance of **collaboration** was frequently mentioned, and they all further commented on and connected to different **international frameworks and legislation**.

Considering the **different perspectives** on impact measurement of social sustainability, between children, companies, and what is done in practice some general differences can be concluded. The study shows that the biggest difference between the children's and the companies perspective on what is of importance is that for the companies what seems to be most crucial is to be able to report a result, whilst for the children it is also crucial to make sure that this result is obtained on the correct aspect, and that it leads to actual positive impact in the end. Comparing what companies state as important in comparison to what is actually seen in practice most of the motivations on why companies wish to measure and report on their results can be seen, with the exception of the desire to report to management to justify the investment.

Regarding challenges and opportunities it can be concluded that some problems companies face working with social impact measurement today are how to deal with measuring **long-term impacts**, how to set and **quantify targets**, as well as the lack of a **common methodology**. Other issues present with regards to the current audit system are that they only ensure **minimum requirements**, show a "**snap-image**", only cover the **most risky first tier suppliers**, and are subject to **corruption**.

This study further concludes that the measurement process in place in companies today when looking at social sustainability initiatives in global supply chains is not yet consistent with Porter and Kramer's (2011) framework on *Creating Shared Values*. However, several areas of common ground with the possibility of moving towards a more value creating process can be seen, for example in the measurement of **income, education and human rights**. These areas are therefore suggested as a good starting point for companies to continue working with. Furthermore, there should also be a possibility of finding *additional areas of common ground*, since the specific aspects measured seemed of secondary importance to companies. As long as a well-defined target can be specified, enabling the companies to clearly report on the results, it should be possible to tailor these targets to adhere to other aspects that are of importance for the children.

7. Future Research

This study has showed clear indication that a measurement system based on *Creating Shared Value* could be possible in the future. Therefore, a suggested area of future research is on how to design a measurement system based on shared value in practice. Here, specific effort is suggested to be put on how to measure and report on income, education and human rights, in a more coherent and commonly accepted way. Furthermore, in order for companies and managers to be able to continue arguing for future investment in their social sustainability work a more quantifiable way of showing results and justifying investments seem to be needed. Along these lines additional research on how to quantify the work and impact of social sustainability work, and how to connect the possible positive impacts more closely to the company's operations is needed.

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Appendices

Appendix I: Child Consultation Reports

Report	Name	Published By	Year	Areas Covered	Children Included	Reference
Report A	Children's Participation in Corporate Social Responsibility	Save the Children	2010	Bangladesh, India, Pakistan, Peru, Paraguay, Venezuela	More than 150 children	Save the Children (2010)
Report B	A Ugandan childhood: through the eyes of children and parents	Child Protection in Crisis	2011	Uganda	320 children	Child Protection in Crisis (2011)
Report C	"The World We Want". Consultations with Sri Lankan children on their priorities for post 2015.	Save the Children	2013	Sri Lanka	66 children	Save the Children (2013)
Report D	Children's priorities for the post-2015 development agenda	ChildFund Alliance	2014	Over 40 countries	Over 2300 children	ChildFund Alliance (2014)

Report E	Consultations with children on their priorities for the post-MDG framework	Family for every child	2013	Africa (Ghana, Kenya, Malawi)	35 workshops with approximately 6 children in each	Family for every child (2013a)
Report F	Consultations with children on their priorities for the post-MDG framework	Family for every child	2013	Brazil	71 children	Family for every child (2013b)
Report G	Consultations with children on their priorities for the post-MDG framework	Family for every child	2012	Guyana	46 children	Family for every child (2012)
Report H	Consultations with children on their priorities for the post-MDG framework	Family for every child	2013	India	164 children	Family for every child (2013c)
Report I	Children's Consultation for the Children's Rights and Business Principles	Save the Children	2011	Philippines	24 children	Save the Children (2011a)

	Initiative Philippines					
Report J	Children's Rights and Business Principles Initiative (CRBPI) Report from Consultation with children, SCS West Africa, 8-9 July 2011	Save the Children	2011	Senegal	50 children	Save the Children (2011b)
Report K	Consultation Report on Child Rights & Business Principle, Bangladesh	Save the Children	2011	Bangladesh	54 children	Save the Children (2011c)
Report L	Child and Adolescent Participation in the Children's Rights and Business Principles Initiative	Plan	2011	Brazil	12 children	Plan (2011)

Report M	WORKSHOP FOR THE DEVELOPMENT OF THE CHILDREN'S RIGHTS AND BUSINESS PRINCIPLES	Save the Children	2011	Peru	20 children	Save the Children (2011d)
Report N	Consulta a los niños, niñas y adolescentes: los principios sobre los Derechos de los Niños y las Empresas	Save the Children	2011	Argentina	n/a	Save the Children (2011e)
Report O	Participation of children and adolescents in the Children's Rights and Business Principles Initiative. Outcome of the consultation carried out in Paraguay	Save the Children	2011	Paraguay	23	Save the Children (2011f)
Report P	REPORT OF THE CHILDREN'S	Save the Children	2011	Zambia	20	Save the Children (2011g)

	CONSULTATION ON THE CHILD RIGHTS BUSINESS PRINCIPLES INITIATIVE					
Report Q	Child and Adolescent Participation in the Children's Rights and Business Principles Initiatives (CRBPI) – Children's Consultation in Ethiopia.	Save the Children	2011	Ethiopia	166	Save the Children (2011h)

Report A

A consultation report consulting children on the impact CSR has on them, their families and their communities, where the children were asked about their opinions on why private business should care about and invest in children's rights.

Report B

A consultation about the nature of childhood in Uganda, held with children and adults in Uganda (where only the aspect related to the children's answers were used for the purpose of this thesis). The children were consulted on what they define as "doing well" as a child, and were encouraged to share what hopes they have for themselves.

Report C

A consultation held to consult children about what world they want to live in and have when they grow up, to hear their priorities for the post-2015 MDG framework. The children got to discuss things that made them happy-unhappy, things that they like-dislike, and things that made them feel safe-unsafe. Additionally they were also asked about things they want to change in their lives, and for other children.

Report D

Child consultation on children's priorities for the post 2015 development agenda, asking questions about what aspects they consider relevant to keep from the old framework, what aspects they consider relevant to add, what they would do to improve the environment, what they want the leaders in their country to do to address these issues and how they think that these issues should be measured.

Report E

Child consultation to hear children's priorities for the post 2015 MDG framework, where children were asked about what makes them happy and safe, what makes them feel unhappy and unsafe, and what they want to change in their lives, and in the lives of other children.

Report F

Child consultation to hear children's priorities for the post 2015 MDG framework, where children were asked about what makes them happy and secure, what makes them feel unhappy and insecure, and what they want to improve in their lives, and in the lives of other children.

Report G

Child consultation to hear children's priorities for the post 2015 MDG framework, where children were asked about what makes them happy and safe, what makes them feel unhappy and unsafe, and what they want to change in their lives, and in the lives of other children.

Report H

Child consultation to hear children's priorities for the post 2015 MDG framework, where children were asked about what makes them happy and safe, what makes them feel unhappy and unsafe, and what they want to change in their lives, and in the lives of other children.

Report I

Child consultation on the Children's Rights and Business Principles Initiative (CRBPI) about private sectors responsibilities and roles in relation to children and their communities. Children had to identify business and discuss the impact business has on them, their families and their communities, and how it relates to children's rights.

Report J

Child consultation on the Children's Rights and Business Principles Initiative (CRBPI), where children discussed the impact children consider that business has on their lives, and what private business should do in order to improve their support for children's rights.

Report K

Child consultation on the Children's Rights and Business Principles Initiative (CRBPI). The children had to defined business, what it is and what it does, and discuss the impact it has on them on a personal, family, community level. Then they discussed the CRBPI framework, talking about recommendations and how children and families could benefit from companies following these principles.

Report L

Child consultation on the Children's Rights and Business Principles Initiative (CRBPI).

Report M

Child consultation on the Children's Rights and Business Principles Initiative (CRBPI), regarding what children think about business in relation to children's rights.

Report N

Child consultation on the Children's Rights and Business Principles Initiative (CRBPI), about business impact on children and their families. The first part of the workshop dealt with problems children experience in their lives, and in the second part suggestions could be made for how business could improve children's well-being.

Report O

Child consultation on the Children's Rights and Business Principles Initiative (CRBPI), regarding the impact business has on children's lives. Children had to define what business is and talk about the role that business has in their lives and communities, as well as what problems there are and how business could help solve them.

Report P

Child consultation on the Children's Rights and Business Principles Initiative (CRBPI), on how the children understand their rights, related to private business, and what should be prioritised and included in these principles.

Report Q

Child consultation on the Children's Rights and Business Principles Initiative (CRBPI), on how children understand business, what impact it has on their lives, as well as how business relates to children's rights and what business can do in order to help and support children.

Appendix II: Interview Guide Companies

English-

Social Sustainability

- What does social sustainability mean for you?
- How do you at Company X work actively with social sustainability in your Supply Chain?
- Do you have any social sustainability initiatives specifically focusing on the impact your business has on Children?

Measurement

- How do you measure the results and impact of your Sustainability work?
- Can you describe what the process looks like and how it works in practice?
- Do you have the same process to evaluate and measure environmental and social initiatives?
- If not, then in what way are they different?

Measuring Social Sustainability

- What perspective do you take when measuring the results of your social sustainability initiatives?
 - o Internal versus External
- What aspects do you measure?
 - o What aspects are most important for you to measure?
 - o Why are these aspects important?
- How do you measure these aspects in practice?
 - o What different methods, processes and tools do you use to measure the results of your social sustainability work?
 - o Do you focus mostly on qualitative or quantitative measures?
 - o How often do you measure the results of your social sustainability initiatives?
 - o Do you have a continuous evaluation process or is it based on individual projects?
 - o What time perspective do you have when measuring?

- Who is in charge of conducting the measurement process, is this done internally or with the help of external aid?
- How do you think your way of working with these measurements is, compared to other companies in your industry?
- Is there a common praxis of how to work with measuring social sustainability in your industry?

Communication

- When you have measured the results of your social sustainability work, then what is this information actually used for?
- How do you use and communicate these results?
- To whom do you communicate these results?
 - Mostly externally or internally?
- What is it that is important for you to communicate with regards to your social sustainability work and impact measurement?
- Why are these specific aspects important to communicate?

Challenges and Opportunities

- How do you think that the measurement process you have right now is working?
- What are the main challenges you see in working with measurement of social sustainability initiatives?
- How do you deal with the problem of working with measuring the impact of problems that are often related to long-term solutions?
- What are the main challenges you see in working with communication with regards to social sustainability work?
- If you could change something in the way that you work with measurement of social initiatives, what would it be?
- If you would have the possibility of designing an optimal process for measuring social sustainability, what would it look like?
- What do you believe is the way forward in the future development of how to work with social impact measurement?

Swedish-

Social Hållbarhet

- Vad innebär social hållbarhet för dig?
- Hur arbetar ni på Företag X med social hållbarhet i era leverantörs led?
- Har ni några initiativ eller projekt för social hållbarhet specifikt fokuserade på barn?

Resultat Mätning

- Hur mäter ni resultatet av ert hållbarhetsarbete?
- Kan du beskriva hur processen ser ut när ni jobbar med att mäta resultatet av ert hållbarhetsarbete i praktiken?
- Har ni samma process för att mäta resultatet av ert sociala arbete som för ert miljö arbete?
- Om inte, på vilket sätt är de olika?

Resultat mätning av Social Hållbarhet

- Vilket perspektiv tar ni när ni mäter resultatet av ert sociala hållbarhetsarbete?
 - o Internt eller externt?
- Vilka aspekter tittar ni på och mäter?
 - o Vilka aspekter är det som är viktiga för er att mäta?
 - o Varför är just dessa aspekter viktiga?
- Hur mäter ni resultatet och påverkan av de här aspekterna i praktiken?
 - o Vilka olika metoder, processer och verktyg använder ni för att mäta resultatet av ert sociala hållbarhetsarbete?
 - o Fokuserar ni mestadels av kvalitativa eller kvantitativa aspekter?
 - o Hur ofta mäter ni resultatet av ert sociala hållbarhetsarbete?
 - o Har ni en kontinuerlig process för att utvärdera och titta på resultatet av ert arbete, eller är det mer projekt baserat?
 - o Vilket tidsperspektiv har ni när ni tittar på resultatet av ert arbete?
 - o Vem är det som är ansvarig för att utföra utvärderings processen, hanteras det utav intern personal eller tar ni hjälp externt?

- Hur tycker du att ert sätt att jobba med resultatmätning av sociala hållbarhets initiativ ser ut och fungerar jämfört med andra företag inom er bransch?
- Finns det någon generell praxis gällande hur man bör jobba med dessa frågor i er bransch?

Kommunikation

- När ni har arbetat med social hållbarhet och har kommit så långt att ni sedan också har tittat på resultatet av det arbetet, hur brukar ni då använda den här informationen?
- Hur använder ni och kommunicerar dessa resultat?
- Till vem eller vilka kommunicerar ni resultaten?
 - o Mestadels internt eller externt?
- Vad är det som är viktigt för er att kommunicera gällande ert sociala hållbarhetsarbete?
- Varför är just dessa aspekter viktiga för er att kommunicera?

Utmaningar och Möjligheter

- Hur tycker du att er process och ert arbete med att mäta resultat och påverkan av ert sociala hållbarhetsarbete fungerar idag?
- Vilka utmaningar ser du i arbetet med att mäta resultatet av socialt hållbarhetsarbete?
- Hur hanterar ni problematiken med att mäta resultatet av arbete som ofta relaterar till långsiktiga problem och lösningar?
- Vilka utmaningar ser du i arbetet med att kommunicera resultatet av social hållbarhetsarbete?
- Om du kunde ändra någonting i ert sätt att arbeta med resultatmätning utav sociala hållbarhetsfrågor vad skulle du då ändra?
- Om du hade haft möjligheten att designa en helt optimal process för att mäta och utvärdera effekten av socialt hållbarhetsarbete, hur skulle den då se ut?
- Vad tror du är vägen framåt i den framtida utvecklingen av hur man jobbar med resultat mätning utav social hållbarhet?

Appendix III: Interview Guide Organisations

English (Interviewee X) -

Measurement

- Do companies actually work with measuring the results and the impact of their social sustainability work?
- From your experience, what specific aspects are important for companies to measure when they look at measuring their social sustainability work?
- What do you think is the motivation behind why these specific aspects are important for companies to look at?
- Why do companies want to measure the results of their social sustainability work at all?
- How do companies normally measure these aspects in practice?
- What is the most important aspect to measure with regards to measuring social sustainability?

Communication

- What do companies normally use the information for when they have measured the actual results of their sustainability work?
- How do they use this information?
- How do companies communicate the results of their social sustainability work?
- What do you believe it is that is important for companies to communicate with regards to their social sustainability measurement?
- Why do you think companies want to communicate these specific aspects?
- To whom do companies normally communicate these results?
 - o Externally or internally?

Challenges and Opportunities

- How do you think that the measurement process used today is working?
- What are the main challenges you see in working with measurement of social sustainability initiatives?

- How do companies deal with these challenges in practice today?
- How do companies normally deal with the problem of working with presenting short term results when very often the actual impact and solutions are more long-term?
- If you could change something in the way that that companies work with the measurement of social initiatives today, what would it be?
- What do you believe is the way forward when working with social impact measurement?

Swedish (Viveka Risberg)-

Social Hållbarhet

- Utefter din erfarenhet, hur jobbar företag med social hållbarhet inom livsmedels branschen?
- Har du några exempel utifrån egen erfarenhet utav vilken typ av sociala frågor man brukar jobba med inom livsmedel och jordbruk i globala leverantörsled?
- Är det vanligt att företag fokuserar just på den sociala delen av hållbarhetsfrågan, eller hur ser balansen ut mellan miljöfrågor, sociala frågor och ekonomiska frågor?
- Utefter vad du har sett i ditt arbete, är det vanligt med sociala initiativ specifikt inriktade på barn? Har du några exempel?

Resultat Mätning

- Hur jobbar de flesta företag med att titta på och mäta resultaten och effekten av sitt hållbarhetsarbete?
- Har de flesta företag en standardiserad process?
- Hur brukar den processen i så fall se ut?
- Finns det några branschinitiativ inom livsmedels och jordbruks produktion gällande mätning av sociala hållbarhetsinsatser?
- Brukar företag använda samma metod för att mäta och utvärdera resultaten av miljö aspekten och sociala initiativ?

Social Hållbarhet

- Vilket perspektiv brukar företagen ta när de mäter resultatet av socialt arbete?

- Tittar man internt på effekten det har inom företaget, som till exempel produktion och kvalitet, eller tittar man mer externt, på påverkan det har på lokala samhällen och arbetare genom hela värdekedjan?
- Vilka specifika aspekter tittar företag på när de utvärderar resultatet av socialt arbete?
 - Vad är det som är viktigt för företag att mäta?
 - Varför är just dessa aspekter viktiga?
- Hur mäter företag dessa aspekter i praktiken?
 - Vad för metoder, processer och verktyg använder de flesta företag i praktiken?
 - Använder man mestadels kvalitativa eller kvantitativa metoder och aspekter för att mäta resultatet?
 - Hur ser själva mätningens processen ut?
 - Vem är det som brukar vara ansvarig för mätningen, brukar man ta hjälp externt eller brukar man hantera det med interna resurser?
 - Hur ofta mäter och utvärderar företag generellt sitt sociala arbete?
 - Vilket tidsperspektiv brukar företag ha när de tittar på mätning av socialt hållbarhetsarbete?
 - Brukar fokus vara på konkreta resultat som syns idag eller tar man även med mer långsiktiga konsekvens analyser?

Kommunikation

- Hur brukar företag använda den information de får fram när de mäter resultatet av sitt sociala arbete?
- Hur brukar resultatet av företags sociala hållbarhetsarbete kommuniceras?
- Till vem eller vilka kommuniceras resultatet av socialt hållbarhetsarbete?
 - Mestadels internt eller externt?
- Vad uppfattar du är det som är viktigt för företag att kommunicera gällande sina sociala hållbarhets initiativ och dess resultat?
- Varför tror du att just dessa aspekter viktiga för företag att kommunicera?

Utmaningar och Möjligheter

- Hur tycker du att mätningen och utvärderingen av effekten av socialt hållbarhetsarbete fungerar?
- Vilka utmaningar ser du i arbetet med att mäta socialt hållbarhetsarbete?
- Vilka utmaningar ser du i att kommunicera effekten av socialt hållbarhetsarbete?
- Vad tycker du skulle kunna göras annorlunda för att förbättra mätningen av sociala hållbarhets initiativ?
- Om du kunde designa en helt optimal process för att mäta och utvärdera effekten av socialt hållbarhetsarbete, hur skulle den då se ut?

Appendix III: Framework Sustainability Reports

Framework for analysis of Sustainability Reports

- What is the overall impression that the report gives?
- What message is the report sending?
- How is the communication designed and used?
- Do they follow any international reporting frameworks?
- Do they connect to and mention any other international frameworks or guidelines?
- Do they use both quantitative and qualitative data?
- Is the focus on qualitative or quantitative data?
- Do they make use of storytelling?
- Do they report only on actions, or do they also include more impact focused aspects?
- Do they report on any negative impacts or results?
- Do they address any failures or areas where they need to do better?

Appendix V: ILO Fundamental Conventions

The ILO stands for the International Labour Organization, and is a U.N. agency with 187 member states that was created in 1919. They work in different ways to promote decent working conditions throughout the world (ILO, 2019). In 1998 they adopted eight conventions of specific importance as core fundamentals with regards to labour standards (ILO, 2003). These eight conventions were established as the fundamental ones;

- *“Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)*
- *Right to Organise and Collective Bargaining Convention, 1949 (No. 98)*
- *Forced Labour Convention, 1930 (No. 29)*
- *Abolition of Forced Labour Convention, 1957 (No. 105)*
- *Minimum Age Convention, 1973 (No. 138)*
- *Worst Forms of Child Labour Convention, 1999 (No. 182)*
- *Equal Remuneration Convention, 1951 (No. 100)*
- *Discrimination (Employment and Occupation) Convention, 1958 (No. 111)”*
(ILO, 2003, p.8)