

CORPORATE SOCIAL RESPONSIBILITY

A CASE STUDY

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The importance of taking responsibility for the common environmental and social welfare has become of essence in the business world of the 21st century. This thesis provides the reader with knowledge on corporate social responsibility (CSR) and shows the reader a comparative study on how CSR is reported on in three case study companies chosen for this thesis.

This thesis is a descriptive study that uses the research method of content analysis to determine the commonalities and differences found on the CSR Internet pages of three chosen case study companies. The analysis is conducted according to prior set criteria; being the eight philosophies presented in the book of Patagonia founder Yvon Chouinard "Let my people go surfing, the education of a reluctant businessman". The philosophies are; product design, production, distribution, image, finance, human resource, management and the environmental philosophy.

The results of this thesis show that parallels can be drawn between the CSR information shared by the three case study companies and the Patagonia philosophies, but a bigger issue is the validity and transparency of the information. How does the reader of the CSR information know what actually has been done on CSR in the company?

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1 INTRODUCTION

"There is no business to be done on a dead planet" David Brower

(These words are etched in to the front door of the Patagonia headquarters in Ventura, California)

According to the market economy's own logic, the objective of business is to produce financial profit. This is why it is not at all clear in what way the relationship between a company and morality should be understood. Is corporate ethics at all possible to achieve and is it desirable to maintain? How is corporate ethics and responsibility best achieved? These questions lead to reflect on the overall nature of social institutions: How can corporations operate as moral subjects and can an institution have its own values? Who will bear the moral responsibility of corporate activity and for what kind of conduct are corporations legally and morally responsible? Who are corporations actually responsible to? (Niiniluoto & Sihvola 2005)

At the same time there are a number of factors contributing to the growing need of environmental management policies and tools for implementing those in business. One of the most important factors is the growing public awareness of environmental impact and pollution that business conduct create. Another important factor is the goals set up at environmental conferences, and the rising costs of compliance to stricter environmental legislation. But in the end hopefully the overall *strive* for sustainable development is the most important factor of them all. (Solitander & Kovác 2002)

1.1 BACKGROUND AND MOTIVATION OF RESEARCH TOPIC

Working in the retail business for outdoor clothes and gear for over six years, was an eye opening experience for the author of this thesis. During that time it came clear that the growing CSR awareness of consumers was affecting their buying behaviour. Questions like; what is this product made of? where was it produced? by whom was it pro-

duced? what does this producer do about the pollution it causes? etc. were asked more and more frequently. In fact so frequently that soon the author felt the need to include the answers automatically into every sales speech. This however turned out to be easier said than done, simply because very little information was shared by the producers and wholesalers. Clear and consumer friendly, easily accessible, information on CSR was nowhere to be found.

This was found strange by the author, especially since these companies produce goods for those consumers who want to go out and enjoy the pureness of nature and the great outdoors. Therefore also these consumers most likely would have an above average interest in information regarding CSR, and so the issue became a motivational factor for writing a thesis on CSR in outdoor companies.

...environmental management is not a question of whether to implement it or not, rather it has become a question of how to implement it. Environmental management has become a systematic cyclical process that spans the entire organization from top-management to shop floor workers...

(Solitander & Kovác 2002)

As a conclusion the author wants to underline the importance of understanding that all business decisions made do not only affect the actual business conduct its self. These decisions, and the actions they lead to, are more than likely to also affect the society and environment of the world we live in today.

1.2 RESEARCH QUESTIONS AND AIM

The aim of this study is to inspect and analyse the information found on CSR that is available to consumers through reading companies web sites alone. By using the found information the aim is to see if parallels can be drawn to the eight CSR philosophies formed by Patagonia. In light of the CSR information found the research questions will be answered;

RQ 1. What similarities can be recognized in the different companies CSR information?

RQ 2. How does the reader of the CSR information know what actually has done on CSR in the companies?

2 METHOD

2.1 DATA COLLECTION AND STRUCTURE OF THE STUDY

The theoretical literature is the basis of this study. It introduces the concept of CSR and provides the reader with a general understanding of the subject, as well as the background and history to the concept. It also attempts to introduce different attitudes towards CSR as well as present some critics on CSR.

The secondary research is formed by gathered information from the case study companies' Internet pages. More specific this is the information on the CSR practices for the companies in question. Concerning the fourth company, Patagonia, history and other information, such as the Patagonia philosophies, were gathered from the book; *Let my people go surfing, the education of a reluctant businessman*, by company founder Yvon Chouinard. These philosophies are used as the framework for analysing the CSR content found on the Internet pages of the case study companies.

The first step was to decide on the sample of companies that would be used in this study. This was done by prior set criteria, more specifically one of the leading Finnish outdoor companies, Partioaitta Oy, was contacted and asked which three outdoor clothing brands had been sold the most of (meaning the largest amount) true Partioaitta's retail stores during the year of 2010.

Partioaitta has stores situated at 12 different locations in Finland, from Helsinki to Rovaniemi, and is well known as a retailer of outdoor clothes and gear in Finland.

The answer given was that the brands of Swedish Fjällräven and Haglöfs, and Finnish Halti had been sold the most of in 2010. The companies were not given any specific order by Partioaitta and therefore they will not be given or presented in any specific order in this work.

The fourth company, Patagonia, was chosen by its reputation, as it is known as one of the most environmentally and socially responsible outdoor companies (of its size) in the world.

The three companies web sites were accessed and print screens were taken of the found CSR pages during a time of one hour between 12pm and 13pm on the 10th of September 2011. Due to the ever-changing nature of the World Wide Web's content it was necessary to limit the time for the data search. The unit of analyses is the whole of the found CSR material distributed through the companies' web sites.

2.2 RESEARCH METHOD

A content analysis of the CSR information found on the case study companies' Internet pages was conducted in order to access the commonalities and differences of the material.

The research method of content analysis is an approach to analyze documents and texts in a systematic and replicable manner. It seeks to quantify content based on previously determined categories. (Bryman 2008) In this thesis the pre-determined categories are the eight philosophies of Patagonia; product design, production, distribution, image, financial, human resource, management and environmental philosophies.

In order to make the analysis structured, qualitative content analysis is used. Qualitative content analysis focuses on identifying the occurrence of specific *content* in texts. (Bryman 2008) The result of the analysis is presented as a description of what has been seen and read on the Internet pages.

The advantage of content analysis is that it is a highly flexible method that can be applied to a variety of different kinds of unstructured material. It is also a transparent research method, meaning that the coding scheme and sampling procedure can be done so that replications and follow-up studies are easy to do. (Bryman 2008)

2.3 OBJECTIVES AND LIMITATIONS

Choosing content analysis as the research method for this thesis, the author was aware of the limitations that come with the method. Content analysis is an approach to analyse documents and texts, not a method striving to generate data. (Bryman 2008) It is purely a descriptive method that describes what was found, but does not go in to explaining or speculating underlying information (i.e. what or why). The biggest limitation is that the author cannot argue that the result obtained in this study is the *only way* to describe and look at the results of the researched phenomenon.

(http://infovoice.se/fou/bok/kvalmet/10000067.shtml)

Another aspect of limitation is the time related limitation. In order to gather the information needed for this study from the Internet, a time line had to be set. This is because information on the Internet can change from one minute to another. Therefore the results of this thesis can only be said to count for that specific time.

As this is a study of Internet pages it will not include possible other CSR related information distributed by the case study companies. Noor will this study be able to give the reader an overall view of the situation regarding CSR related information distributed on the Internet, in the whole field of outdoor business.

3 CORPORATE SOCIAL RESPONSIBILITY (CSR)

3.1 DEFINITIONS

What is corporate social responsibility (CSR)?

The acts that exceed the borders that laws and other legislative acts form, striving to form company voluntary liability, can be called many names; corporate responsibility (CR), sustainable development or corporate citizenship to name a few. But the most common name used is; corporate social responsibility (CSR). (Koivisto 2010)

CSR is based on self-motivated and active responsibility that rises from a company's own values and strategies. What lies behind responsible business is the strive to, in addition to the economic values of a company, also take in to account environmental values and the values of human well-being. (Sorsa 2010)

The World Business Council for Sustainable Development defines CSR as:

...the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large...

This definition has broadly been accepted by companies that practice CSR. It defines any program or activity engaged by a corporation that does not directly bring profit, but at the same time creates tangible and intangible benefits for both the recipients and the corporation. (Asongu 2007)

The ISO 26000 guideline defines CSR as:

...the responsibility of a company for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that contributes to the sustainable development, health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable laws; is consistent with international norms of behavior; and is integrated throughout the company...

CSR is often divided in to three categories;

- *Financial responsibility;* which includes the corporations' competitive advantage, the pursuit for profits and the payment of taxes.
- *Social responsibility;* which includes the competence and well-being of the hired staff, human rights, product liability and consumer protection.
- *Environmental responsibility;* which includes responsibility for the ecological environment, environmental management and the sustainable use of nature resources. (Sorsa 2010)

In short, the author can say that most CSR definitions found, emphasize the duty businesses have to the society in which it operates and pursuits profits from; to do social and

environmental good. CSR specifically takes in to account soft values; human beings, animals and environment. This is also the definition that will be used in this thesis.

3.2 THE HISTORY OF CSR

Corporate social responsibility has a long varied history and has trough out time always been a controversial subject. Still in this day CSR continues to attract more and more attention.

While many think that CSR is a relatively new concept, Dr. J.J Asongu argues that the history of CSR can be said to be as old as the history of business itself. Formal writing on CSR is however largely a product of the 20th century. (Carroll 1999) The actual concept 'name' Corporate Social Responsibility was not formed until relatively recently and it is still not completely agreed on what the concept actually is all about. That is a reason to why the concept still continues to evolve in current day. (Asongu 2007) In early writings CSR was referred to as social responsibility (SR) (Carroll 1999), or even earlier "noblesse oblige" as Henry Mintzberg writes.

Dr. J.J. Asongu divides the history of CSR in to two periods, CSR before 1900 and from 1900 to present time;

Examples can be given on many acts that are considered "early acts" of CSR before the 1900's. For instance the commercial logging operations, and the laws to protect forests, can be tracked back almost 5000 years. The King of Mesopotamia (1700BC) is known to have introduced a code, in which builders and farmers where punished with death if their negligence caused the death of others, or major inconvenience to local citizens. (Asongu 2007)

By talking to business people in Africa, Asongu found that CSR is very much a part of African business history. All the findings made pointed to the fact that "in traditional African societies, businesses were seen first and foremost as providing benefits for the

whole society..." (Asongu 2007) This can be assumed to be the fact in almost all cultures. Also very similar views on business are presented in the Bible. Based on this, CSR could also be seen as a Christian concept. (Asongu 2007)

"With industrialization, the impacts of business on society and the environment assumed an entirely new dimension". (Asongu 2007) The modern view of CSR began to form as early as the 1920's. In 1929 Wallace B. Donham, the Dean of Harvard Business School, commented as follows:

...Business started long centuries before the dawn of history, but business as we now know it is new – new in its broadening scope, new in its social significance. Business has not learned how to handle these changes, nor does it recognize the magnitude of its responsibilities for the future of civilization...

(Asongu 2007)

Especially during the 1930's and 1940's a concern for social responsibility appeared, at least in the literature. Publications like; *The Functions of the Executive* by Chester Barnard (1938), *Social Control of Business*, by J.M. Clark (1939) and *Measurement of the Social Control of Business*, by Theodore Kreps (1940) can be seen as the earliest literary works on CSR. (Carroll 1999)

Still Howard R. Bowen's (also called the "father of CSR") book *Social Responsibilities* of the Businessman (1953) is said to mark the beginnings of the modern period of CSR literature. (Carroll 1999) As an interesting example in his book Bowen quotes Fortune magazine's survey where the editors of the magazine thought that CSR meant that "businessmen were responsible for the consequences of their actions in a sphere somewhat wider than that covered by their profit-and-loss statements". As a result 93,5% of the businessmen responding to the magazine survey agreed with the statement. (Carroll 1999)

The civil rights movement, consumerism and environmentalism affected society's expectations of business in the 1960's and 1970's. Based on the idea that "with great power com great responsibility", society called for the business world to be more proactive in ceasing to *cause* societal problems and starting to participate in *solving* them. (Barnett) In the 1980's also the core concerns of CSR began to be set in to new alternative

concepts, such as; business ethics and stakeholder theory/management, to mention a few. (Carroll 1999)

Even if there are new concerns about the role of business in society today, many issues are not very different from those in the 1920's. That is why the social and environmental concerns about business could be seen as *perennial problems*, meaning a problem that every new generation thinks that it has discovered. (Asongu 2007)

The current emphasis on the role of business in society is seen as a product of increased sensitivity and awareness of environmental and ethical issues. Direct reactions on this can be seen in many ways, i.e. government regulations regarding environmental and social issues have increased, and even some investors and investment fund managers have begun to take in to account a corporation's CSR policy in making investment decisions. (Asongu 2007)

3.3 CRITIQUE ON CSR

The activities a company does for social responsibility and the activities that are considered business conduct are often seen as contradictory. This is because the main objective of doing business is usually self-interest and producing a profit, not to promote the common good. However, companies are part of society, and therefore cannot act completely against the values that are supported by the majority of society. (Sorsa 2010)

A company's core mission has not changed much during time; it is still to maintain a competitive advantage and an as financially viable operation as possible. However, what has changed, from the companies' point of view, is that companies have an increased desire to influence the different fields of social responsibility with their own actions. (Sorsa 2010)

One of the most well-known critics to CSR was the American, Nobel Memorial Prizewinning, economist Milton Friedman (1912 - 2006). He wrote several literary works on his thoughts about CSR, too of the most known being the article; "The Social Responsibility of Business is to Increase its Profits" published in The New York Times magazine in 1970, and his book "Capitalism and Freedom" published in 1962.

Friedman saw the relevance between business and CSR, but taught CSR was a bad idea for business. He argued that a corporation's purpose is to maximize returns to its shareholders, and that since only people can have social responsibilities, corporations are only responsible to their shareholders, not to society as a whole. (Asongu 2007)

...there is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud...

(Friedman 1970)

Some pro CSR spokesmen have found Friedman was right in his line of taught. The Bath Consultancy Group has published an article; *CSR* – *Milton Friedman was right*, were this is discussed. "*So long as it stays within the rules of the game*" are the key words according to the Bath Consultancy Group. The point is that the actual rules of the game have evolved and changed since 1970.

...society's expectations of business increase every year, and no firm can hope to be successful without taking account of those expectations – whether it is the environmental campaigner wishing to see a reduction in pollution, the consumer wanting detailed contents labeling, or the workers' group seeking additional health benefits...

(Cooper)

The article takes up the point of CSR being a tool for company marketing and that, i.e. a well written CSR report eventually will illuminate the company issues and reach those who are interested. Thus, as a result, company reputation will grow. (Cooper)

It also points out that CSR is not only interesting for investors of a company. A leading bank found that 75% of the new applicants on their recruitment web site visited the CSR page, often as their second "click", right after visiting the page for the pay and work conditions. (Cooper)

The Bath Consultancy Groups opinion is that when CSR is done well it "enhances reputation, motivates staff, attracts customers and therefore, as Friedman required, increases profits". (Cooper)

The same sort of conclusion was made by Kolodinsky and his crew, presented in the article; *Attitudes about Corporate Social Responsibility: Business student predictors*. The authors argue that it appears the attitudes towards a firm are positive and enhanced

when consumers are aware of a firms CSR practices. This is because "organizations are seen as relational and therefore connected - intentionally or not - with stakeholders much beyond shareholders and employees". (Kolodinsky 2010)

Also Dr. J.J. Asongu argues that companies cannot be seen as separate from society; "CSR covers the responsibilities that companies or corporations have to the societies within which they are based and operate". (Asongu 2007)

However Asongu points out that the *social area* in which a company, corporation or business operates, and to whom it has a responsibility, is relative. Here one can think of a big multinational business corporation that operates in several different countries, versus a relatively small businesses that, as Asongu puts it, can be considered less socially responsible compared to the multinational giant. Just this "relativeness" of the concept CSR may well be the reason to that it is seen and considered, as vague and imprecise, and the reason to the various different definitions of the term. (Asongu 2007)

As a conclusion, based on the material found in order to complete this thesis, it can be assumed that i.e. consumers are most likely to react favourably on a company when viewing an CSR message related to the firm's mission, compared to reactions on a company with no CSR message.

4 PRESENTING PATAGONIA



Figure 1. Patagonia logo

In order for the reader to understand why Patagonia was chosen as the company that the case study companies of this thesis are compared to, the author believes it is important to introduce the company properly. In order to understand the CSR related success and the philosophies behind Patagonia the author believes it is important to know the history and understand the founder of the company. This is because the history of the company founder has to 100% influenced the company.

Patagonia was founded, and is still owned, by Yvon Choulinard. The predecessor of Patagonia was called Chouinard Equipment for Alpinists. In his book on Patagonia Yvon describes how he never planned on being a businessman. Little did he know that in 1957, when he taught himself some blacksmithing by making his own climbing hardware, it would be the start of a long journey in to the future as a business man. (Choulinard 2005 p.15)

In deed Yvon managed to make himself some climbing hardware. In fact the hardware was so ideal for the climbs that Yvons climbing friends also wanted some, and then the friends of the friends and so on. The next few years to follow Yvon spent the winter months working on his equipment and the summer months, April to July, climbing and surfing. During these months he supported himself by selling the equipment he had made from the back of his car.

In 1964 Yvon gave out his first catalogue, "a one-page mimeographed list of items and prices, with a blunt disclaimer on the bottom saying not to expect fast delivery during

the months of May to November". (Choulinard 2005 p.21) At the same time he also hired his first employees, some climbing friends.

Demand for the gear grew until they could not keep making it by hand, and so Yvon went in to partnership with Tom and Doreen Frost. Tom was an aeronautical engineer, who helped with design and aesthetics, and Doreen handled the bookkeeping. Yvon writes that "during the nine years that the Frosts and I were partners, we redesigned and improved just about every climbing tool, making each one stronger, lighter, simpler and more functional". (Choulinard 2005 p.23)

"Quality control was always foremost in our minds, because if a tool failed, it could kill someone, and since we were our own best customers, there was a good chance it would be us!" (Choulinard 2005 p. 24)

Years passed and demand kept on growing, but no one saw the business as an end in itself. "It was just a way to pay the bills so we could go off on climbing trips". (Choulinard 2005 p. 29)

In 1970 Yvon married an art teacher who soon became involved in the business and by that time Choulinard Equipment had become the largest supplier of climbing hardware in the United States. Unfortunately it had also started down the path to become an environmental villain.

...The popularity of climbing, though growing steadily, remained concentrated on the same well-tried routes in leading areas such as El Dorado Canyon near Boulder, the Shawangunks in New York and Yosamite Valley. The repeated hammering of hard steel pitons, during both placement and removal in the same fragile cracks, was severely disfiguring the rock. After an ascent of the Nose route on El Capitan, which had been pristine a few summers earlier, I came home disgusted with the degradation I had seen. Frost and I decided we would phase out the piton business. This was the first big environmental step we would take over the years. Pitons were the mainstay of our business, but we were destroying the very rocks we loved...

(Choulinard 2005 p.31)

Fortunately there were alternatives to pitons and soon Yvon also got his first ideas for making garments and other outdoor equipment. Also the garment line grew popular quickly and it was clear that Choulinard Equipment would need to find a name for the clothing line.

...The name Patagonia soon came up in our discussions. To most people, especially then, Patagonia was a name like Timbuktu or Shangri-la -- far-off, interesting, not quite on the map. Patagonia brings to mind, as we once wrote in a catalogue introduction, "romantic visions of glaciers tumbling into fjords, jagged windswept peaks, gauchos and condors". Our intent was to make clothing for those rugged southern Andes/Cape Horn conditions. It's been a good name for us, and it can be pronounced in every language...

(Choulinard 2005)

The first hit product of Patagonia was a standard rugby shirt. Perfect for climbing, overbuilt and with a collar that keeps the hardware slings from cutting in to the neck. But in 1973 this hit product nearly drove the business to bankruptcy. The rugby shirt had come to be underground fashion and was commonly worn by college students around the city, along with Vibram-soled mountain boots and down jackets. "Mountain wear" had become street fashion, and Patagonia could not supply the growing demand. So Yvon made a decision and directly contacted a garment factory in Hong Kong. He made a deal for three thousand shirts a month, in eight colour combinations. It turned out to be a disaster. Shipments where late and the quality was terrible. "We unloaded as many shirts as we could for less than cost and almost lost the company" (Choulinard 2005).

Yvon learned the hard way that selling hardware, that was made by the company its self, where one could just look into the finished bins to check inventory and equipment quality could be checked just as easily, was very different from selling clothes, where fabric had to be ordered months in advance from factories spread all over the world and no quality control could be made.

Patagonia survived the bump in the road and business still kept on growing. Yvon understood he would need to start gathering some business knowledge on top of all the climbing, surfing, kayaking, skiing and blacksmith knowledge he already had.

...Over the next few years I read every book of business, searching for a philosophy that would work for us. I was especially interested in books on Japanese or Scandinavian styles of management because I knew the American way of doing business offered only one of many possible routes...

(Choulinard 2005 p.46)

Patagonia kept on growing so much that soon it was in serious danger of outgrowing its breeches. The company had nearly outgrown its natural niche, and had reached a point where the next step would have been to start selling to mass merchants and department stores. "This challenged the basic design principles we had established for ourselves as the makers of the best hardware. Can a company that wants to make the best-quality

outdoor clothing in the world be the size of Nike?" (Choulinard 2005 p.58) Yvon realized the answer was no.

At this time the company also started to become more and more involved with environmental work.

...we began to make regular donations to smaller groups working to save or restore habitat, rather than give the money to large NGOs (nongovernmental organizations) with big staffs, overheads, and corporate connections. In 1986 we committed ourselves to donate 10 percent of profits each year to these groups. We later upped the ante to 1 percent of sales, or 10 percent of pretax profits, whichever was greater. We have kept that commitment every year, boom or boost...

(Choulinard 2005 p.61)

In addition to making the donations the company also started to look at its own role as a corporate polluter, and the first big environmental decision to be made was to start recycling paper waste and switch to using recycled paper.

The company entered rough times during the 1980's and this lead to some of the employees gathering capital and successfully buying the Choulinard Equipment-part of the company. They built their own company, Black Diamond Ltd, that to this day continues to make the world's best climbing and backcountry ski gear. Yvon was left with the Patagonia part.

...we had never laid people off for any reason. Not only was the company like an extended family, but for many it was a family, because we had always hired friends, friends of friends, and their relatives...

(Choulinard 2005 p.69)

"On July 31, 1991, Black Wednesday, we let go 120 employees – 20 percent of the workforce. That was certainly the single darkest day of the company's history." (Choulinard 2005 p.71) These events lead to a totally rearranging the company and adapting an entirely new way of thinking and doing business: "Never exceed your limits". (Choulinard 2005 p.74)

The scaling down paid off and Patagonia has since been listed in, for example, *Working Mother* magazine as one of the "100 Best Companies for Working Mothers", in *Fortune* magazine as one of the "100 Best Companies to Work For". In 2004 Patagonia ranked fourteenth in the "Top 25 Medium Sized Businesses" by the Grate Place to Work Institute and the Society of Human Resource Management.

As of 2004 Patagonia has about twenty company-owned stores in the United States and another fifteen in Europe, and Japan. The company has given away twenty-two million dollars in cash and in-kind donations since 1985 and measures its success on the number of threats averted. The mission statement is still to make the best product, cause no unnecessary harm, and use business to inspire and implement solutions to the environmental crisis. (Choulinard 2005)

4.1 THE 8 PHILOSOPHIES AT PATAGONIA

Throughout the years Patagonia has developed a series of philosophies that guides the company in business conduct and decision making. In this chapter those philosophies and their most important points will briefly be presented.

4.1.1 PRODUCT DESIGN PHILOSOPHY

Patagonia strives to "make the best product, cause no unnecessary harm" (Choulinard 2005 p.85). This is why a set of criteria questions were formed to help the Patagonia designers see if a product fits the company standards:

Is the product functional?

Patagonia was one of the first companies to apply industrial design principles to clothing design. "The first precept of industrial design is that the function of an object should determine its design and materials." (Choulinard 2005 p.88) The function of a product should also dictate its form and not the other way around.

Is the product multifunctional?

This is an environmental philosophy. Why make two pieces of gear if one can serve for several causes? (Choulinard 2005 p.90)

Is the product durable?

This is an environmental philosophy as well. A product is only as durable as its weakest element, and that element should be easy to replace, i.e. waistbands and zippers. (Choulinard 2005 p.91)

Does the product fit our customer?

The problem of choosing a sizing scale for a product is solved if the company knows its *core* customer. It should be remembered that one can never please everybody. (Choulinard 2005 p.93)

Is the product as simple as possible?

Functionally driven design is usually minimalist, and design complexity is often a sure sign of that the functional needs have not been solved. (Choulinard 2005 p.94)

Is the product line simple?

People have to make so many choices in everyday life today, but only a few have the time, patience, and knowledge to choose from *everything* that is available. That is why good manufacturers and retailers have already made the choice for the customer. Oversupply helps nobody. (Choulinard 2005 p.95)

Is the product easy to care for and clean?

Looking at the environmental impacts of clothing throughout its life cycle the two biggest environmental villains are transportation and cleaning.

... postsale care of a clothing product caused as much as four times the amount of harm as the entire manufacturing process...

(Choulinard 2005 p.101)

This is why low maintenance can be seen as a criterion for high quality.

Does the product have any added value?

I.e. good customer service and a guarantee that exceeds what the law requires. It should be remembered that; "A product independent of the label should stand on its own merits and not rely on the label to "carry" it." (Choulinard 2005 p.104)

Does the product cause any unnecessary harm?

"In the final analysis, the best effort we can make toward causing no unnecessary harm is to make the best-quality products, ones that are durable, functional, beautiful, and simple." (Choulinard 2005 p.116)

4.1.2 PRODUCTION PHILOSOPHY

Every manufacturing company should strive to manufacture the best product in its category. This seems to be easier said than done, but Patagonia has solved the issue like this;

Involve the designer with the producer - only this way one can be sure that what has been agreed on to be achieved with the design, will also be produced.

Develop long-term relationships with suppliers and contractors – and choose such relationships carefully. If for instance the quality is not high already before the contractor is hired, it probably will not be so in the future.

Weigh quality first, against on-time delivery and low cost – always put quality first.

"I think of Patagonia as an ecosystem, with its vendors and customers as an integral part of that system. A problem anywhere in the system eventually affects the whole, and this gives everyone an overriding responsibility to the health of the whole organism" (Choulinard 2005 p.121)

4.1.3 DISTRIBUTION PHILOSOPHY

Retail, wholesale, mail order or a shop on the Internet? To choose a sufficient distribution channel is of immediate importance for business performance. For Patagonia a mix of all the four has served the company well. One of the most important points of the Patagonia distribution philosophy is to not underestimate the power of the Internet and how it can, and will, reach consumer masses, beyond national borders. It is a tool that, when used right, can make sales grow almost beyond limits. By developing a functional web store one serves a bigger variety of customers, and when marketed in the right way,

savings can be made on store level. Diversification is also a tremendous financial advantage and security. (Choulinard 2005 p. 126-146)

4.1.4 IMAGE PHILOSOPHY

"Patagonia's image arises directly from the values, outdoor pursuits, and passions of its founders and employees." (Choulinard 2005 p.147)

Patagonia has three main guidelines for all promotional efforts;

- 1. Patagonia's charter is to inspire and educate rather than promote.
- 2. Patagonia would rather earn credibility than buy it. The best resources for doing that are word-of-mouth recommendations from friends or favourable comments in the press.
- 3. Patagonia advertises only as a last resort. (Choulinard 2005 p. 155)

4.1.5 FINANCIAL PHILOSOPHY

...Who are businesses really responsible to? Their customers? Shareholders? Employees? We would argue that it's none of the above. Fundamentally, businesses are responsible to their resource base. Without a healthy environment there are no shareholders, no employees, no customers and no business...

(Choulinard 2005 p. 159)

Patagonia is a privately owned company and has no desire to either sell the company, or sell the company stock to outside investors. It also has no interest in being financially leveraged or to expand beyond the specialty outdoor market. (Choulinard 2005 p. 162)

4.1.6 HUMAN RESOURCE PHILOSOPHY

"We can hardly continue to make the best outdoor clothing if we become primarily an "indoor" culture." (Choulinard 2005 p.168)

Who make and sell outdoor clothes and gear best if not the ones who use it themselves? To keep the company culture strong it is important to as much as possible hire from within the company and to take the time to train the staff. (Choulinard 2005 p. 170)

4.1.7 MANAGEMENT PHILOSOPHY

Patagonia is a familial company at core and therefore it can be said that the company runs on trust rather than on authoritarian rule. This works for Patagonia because none of the core employees would want to work for a company that did not have this kind of trust, and simply because democracy seems to work best in small societies of the kind Patagonia is. Patagonia has no more than a hundred people working in one location and that is why people have a sense of personal responsibility. Choulinard himself calls this form of management "MBA" - management by absence. (Choulinard 2005 p.179)

4.1.8 ENVIRONMENTAL PHILOSOPHY

Action is the basis for the environmental philosophy at Patagonia. This is, because the main reason for Patagonia being in business is to work on changing the way governments and corporations ignore our environmental crisis. (Choulinard 2005 p. 190)

The first environmental efforts made by Patagonia were made in the 1970's and since then the company has worked for minimizing the environmental harm associated with manufacturing, and later on, trying to correct and clean up the potentially fatal environmental damage the society is inflicting on the planet and people. Choulinard admits this is an ambitious statement, and has therefore summarized the elements of this philosophy in to five categories:

- 1. Lead an examined life: recognize that most of the damage we cause to the planet is the result of our own ignorance, and that we cannot afford to go about blindly doing unnecessary damage simply because we lack curiosity.
- 2. Clean up our own act: minimize waste and pollution.
- 3. Do our penance: Pay for all the waste and pollution we cause until we can find ways of business conduct that do not cause waste or pollution.
- 4. Support civil democracy
- 5. Influence other companies

(Choulinard 2005 p. 200)

The eight philosophies presented here are very ambitious of Patagonia. As a passionate "outdoor man" Choulinard has struggled to create a company that both provides outdoor enthusiasts with appropriate gear and at the same time strives to "saves the planet". Studying the philosophies it should however be remembered that Patagonia is a *company*, and that the bottom line for company is *profit*. Therefore the eight philosophies of Patagonia can also just be another smart and strategic business move.

5 PRESENTATION OF EMPIRICAL MATERIAL

In this chapter the author will present the three case study companies. A short history on each company and a description of their Internet pages will be provided.

5.1 HALTI



Figure 2. Halti logo

Halti Oy, named after the highest peak in Finland, was founded in 1976 by Finnish Juhani Hyökyvaara. Since then it has become one of the leading designers and manufacturers of outdoor sports and recreation equipment in Finland.

(http://www.halti.com/content/en/56/679/This%20is%20Halti.html)

Halti designs and markets outdoor clothing collections including; accessories, footwear and outdoor equipment, for all seasonal use. The key product areas are winter sports (alpine skiing, cross-country skiing) and outdoor sports. The products are sold through sporting goods retailers (like Partioaitta Oy), department stores and hypermarkets. Currently, Halti has more than 1 400 points of sale in over 15 countries. The key market areas are Finland and the Central European alpine countries.

(http://www.halti.com/content/en/56/678/Halti%20in%20a%20Nutshell.html)

In Finland Halti is one of the most popular and well-known outdoor brands. Since 2005, Halti has created a strong basis for accelerating export sales through significant investments in international sponsoring and marketing. The brand has received international visibility and credibility i.e. due to being a clothing partner for highly regarded winter sports events.

(http://www.halti.com/content/en/56/678/Halti%20in%20a%20Nutshell.html)

Company facts:

- Turnover 29 million Euros (2010)
- Number of employees 60
- Offices in Vantaa, Munich, Salzburg and Shenzhen
- Sales to over 15 countries
- 51 % owned by management & 49 % owned by 3i

(http://www.halti.com/content/en/56/678/Halti%20in%20a%20Nutshell.html)

5.2 HAGLÖFS



Figure 6. Haglöfs logo

Haglöfs Scandinavia AB was founded in the spring of 1914 in Torsåg, Sweden by Victor Haglöf. The first product manufactured under the label was a backpack. (http://www.haglofs.com/en-US/about-haglofs/history/)

Today Haglöfs is one of the largest suppliers of outdoor equipment in the Nordic region, with a product range of some 500 products. The Haglöfs market has expanded from the small Swedish towns of Torsång, Rättvik and Sveg to include Scandinavia, Europe and Japan. (http://www.haglofs.com/en-US/about-haglofs/history/)

The business concept of Haglöfs is to "offer a responsible brand which meets modern day demands for products with a high level of functionality, good design and value for money to those who invest in an active outdoor lifestyle." (http://www.haglofs.com/en-US/about-haglofs/business/)

Haglöfs distributes its products mainly through outdoor specialists who have a clear understanding of what Haglöfs has to offer. In developed markets Haglöfs has a broader distribution which also includes the specialist sports sector.

(http://www.haglofs.com/en-US/about-haglofs/business/)

Haglöfs Holding AB is owned by a subsidiary of ASICS Corporation as of August 2010. Haglöfs Holding AB is an owner company with the sole task of owning and administering the subsidiary Haglöfs Scandinavia AB together with its subsidiaries Haglöfs Oy, Haglöfs AS, Haglöfs Danmark A/S, Haglöfs Deutschland Gmbh, Haglöfs UK Ltd and Nordic Outdoor Group AB – NOGAB. (http://www.haglofs.com/en-US/about-haglofs/ownership/)

5.3 FJÄLLRÄVEN



Figure 9. Fjällräven logo

In 1960 Swedish Åke Nordin started a company he called Fjällräven. The name Fjällräven means Arctic Fox in Swedish and was chosen to honour the small predator which lives in the Swedish mountains in a harsh climate.

(http://www.fjallraven.com/about-fjallraven/history/our-history)

...The story behind Fjällräven began in 1950 when Åke Nordin, a 14-year-old boy from Örnsköldsvik in Northern Sweden, was about to go for a trek in the mountains. Åke, who spent more time outdoors than indoors, did not like the backpacks that were available at that time. They always ended up like small, uncomfortable, pear-shaped bags down around his rear. He decided to take matters into his own hands and built a wooden frame.

The frame improved the distribution of weight across the back. It was not only more comfortable to carry, but he could also carry more weight. This innovation gradually helped the outdoors become more accessible to a wider range of people. The need was incredible. This backpack frame, the support principles of which still apply today, was the start of Åke's company...

(http://www.fjallraven.com/about-fjallraven/history/our-history)

The fundamental ideas of Fjällräven have stayed the same during the years. Fjällräven wants to offer functional equipment for more - and more comfortable - journeys in the outdoors. Also the challenges have stayed the same; to find innovative, smart solutions, improve material, decrease weight and increase freedom of movement in the clothing worn and the equipment carried. These are the reasons to why Fjällräven's equipment does not follow trends, but struggle to stand for durability year in and year out. (http://www.fjallraven.com/about-fjallraven/history/our-history)

Today Fjällräven is owned by Fenix Outdoor Ab Publ. This is how the organization is set up in 2011:

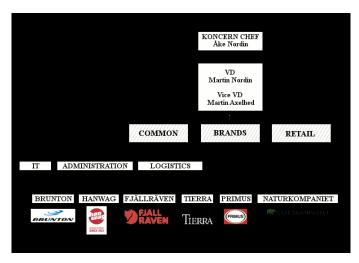


Figure 10. The Fenix Outdoor organization

(http://www.fenixoutdoor.se/)

5.4 THE HALTI WEB SITE: www.halti.com



Figure 3. Halti main page (print screen 10.9.2011)

When visiting the company web site www.halti.com the viewer is met by an average looking outdoor web site. A fresh looking page with big pictures of people doing outdoor sports dressed in the company's products.

On the front page of halti.com the viewer cannot find any links directly to the information about the company's CSR information. Headers on the top of the page guide the visitor to see products for men, women and children, footwear or hardware, and other company information. In the middle of the page the visitor can also search for products according to estimated use. Down on the page company contact details and product information are found. The visitor can also search for products using the search engines both up and down on the front page. The most likely header to find company CSR information under must therefore be "about Halti" up in the centre of the page.

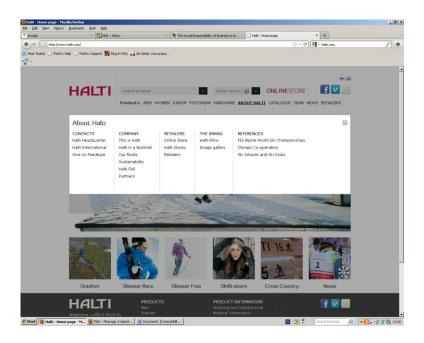


Figure 4. Halti web site (print screen 10.9.2011)

After clicking on the header "about Halti" a white area with different subject options listed appears on the screen. Under the subheading "company" the visitor can find "sustainability".

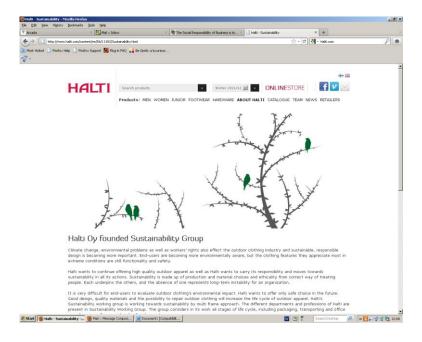


Figure 5. Halti sustainability page (print screen 10.9.2011)

The Halti sustainability page is a one-page info text with the heading "Halti Oy founded Sustainability Group".

In the text Halti announces it wants to continue to offer high quality outdoor apparel, but in the meantime carry its responsibility and move towards sustainability in all its actions, and offer only what is called a "safe choice" of products in the future.

The different departments and professions of Halti are represented in the Halti Sustainability working group. The group is working to create sustainability by something that is called a "multi frame approach" in the text. In its work, the group considers all stages of a products life cycle i.e. packaging, transport and office recycling, as well as social and cultural aspects.

Halti has also signed The Business Social Compliance Initiative (BSCI) code of conduct that contains social and environmental standards. By signing the BSCI Halti has committed to take appropriate measures within the company for the implementation of, and compliance to, these standards.

The BSCI Code of Conduct is based on the **most important international labour standards** protecting the workers' rights such as the International Labour Organization (ILO) Conventions and other important Declarations of the United Nations, the OECD guidelines for multinational enterprises and the UN Global Compact.

(http://www.bsci-intl.org/our-work/bsci-code-conduct)

Haiti's sustainability program is divided in to two categories: Social Sustainability Program and Environmental Sustainability Program. The social sustainability program involves cultural sustainability, and is presented as a matter of everyday life.

The environmental sustainability program involves:

...the conservation and preservation of natural resources and the management of energy, waste and transportation. Some important aspects for environmental sustainability that demand attention are: compliance with environmental regulations, controlling and managing waste and other pollutants, efficient use of energy, minimizing transport impacts, both transportation of the employees to work and transportation associated with the organization's activities.

Halti tries to use environmentally friendly materials and avoid waste in production. Halti heads for long term relationships with partners to suport environmental and economic sustainability...

(http://www.halti.com/content/en/56/11383/Sustainability.html)

5.5 THE HAGLÖFS WEB SITE: www.haglofs.com

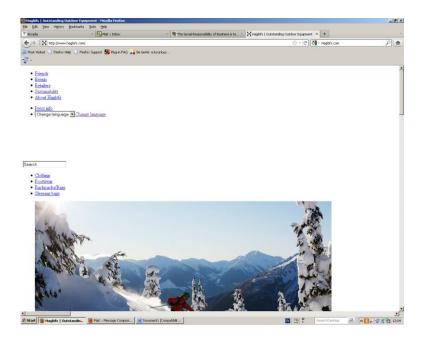


Figure 7. Haglöfs web page (print screen 10.9.2011)

When visiting www.haglofs.com at the pre decided date 10th of September 2011 the author came to find that the web site was under update or construction, and therefore did not look or function in its normal way. Fortunately, the information needed to complet the task was still available and therefore the author decided not to reschedule.

On the main page of the web site the visitor can view headers guiding to different information on the left. Easily also the header "Sustainability" can be spotted as the fouth header in the upper left corner.

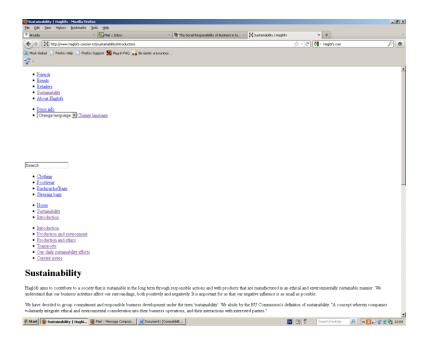


Figure 8. Haglöfs sustainability page (print screen 10.9.2011)

When clicking on the header "sustainability" a list of different subheadings regarding the subject appear on the down left of the screen, the categories being; introduction, production and environment, production and ethics, transports, our daily sustainability efforts and current issues.

5.5.1 INTRODUCTION

In the introduction it is stated that Haglöfs understands its role in the society and that their business activities affect the surroundings, both in a positive and a negative way. That is why Haglöfs aims to contribute to a society, which is sustainable in the long run, by responsible actions and products that are manufactured in an ethical and environmentally sustainable manner. (http://www.haglofs.com/en-US/sustainability/introduction/)

The guidelines for pursuing sustainable business development at Haglöfs are listed as follows:

- Respect for human rights and healthy working conditions
- Consideration and respect for the global environment
- Rejection of corruption

Compliance with legislation and regulations

...Our sustainable business development influences all of our business activities, from manufacturing, transportation and customer contracts, to our own activities in offices and warehousing. It covers ethics and the environment in product development and production, global environmental issues and the exploitation of resources and more. Sustainability is the underlying theme in every Haglöfs business activity...

(http://www.haglofs.com/en-US/sustainability/introduction/)

5.5.2 PRODUCTION AND ENVIRONMENT

Haglöfs aims to develop high quality products with a timeless design, which have long life cycles and are not of a throwaway nature. But customers also demand i.e. water-repellent, waterproof and breathable products, and here also chemicals are essential in achieving the characteristics.

...We need to maintain full control of the chemicals used in the manufacture and post-production treatment of our products. One of the ways we achieve this is by listing the chemicals we prohibit our suppliers from using in the production of fabrics and accessories. We diligently follow national legislation and REACH, the EU chemicals regulations that maintain strict control of undesirable chemicals...

(http://www.haglofs.com/en-US/sustainability/production-and-environment/)

Haglöfs has listed four voluntary "hands on" approaches to meet the goals regarding production mentioned before;

- Haglöfs strives to purchase Bluesign® certified fabrics for its textile products.
 "Bluesign® is a voluntary initiative for textile manufacturers to improve their production to the highest environmental standard available".
 (http://www.haglofs.com/en-US/sustainability/production-and-environment/)
- Where ever it is possible, without compromising the level of functionality of a
 garment, Haglöfs strives to use durable water repellent treatments that are free
 from harmful chemicals causing less impact on the environment.
- For the spring/summer 2011 collection, 35 % of all fabrics used by Haglöfs
 where made out of recycled or recyclable material. Haglöfs ambition is to increase this percentage each year. At Haglöfs when 50 % or more of a garment is
 made out of recycled materials it is referred to as recycled.
- An anti-odour treatment is added to Haglöfs underwear and shoes. The treatment focuses on inhibiting the growth of bacteria, and bacteria related odours. This

means that the consumer does not have to wash the product as often; which saves energy and gives the garment a longer life.

(http://www.haglofs.com/en-US/sustainability/production-and-environment/)

5.5.3 PRODUCTION AND ETHICS

Haglöfs does not own its own factories but all its products are designed, developed, tested and inspected at the Haglöfs facilities in Sweden. The garments and accessories are produced by companies specialized in manufacturing certain products or product segments such as sleeping bags, Gore-Tex ® jackets or advanced hiking footwear. Fabrics and other component materials are also made by specialized suppliers. (http://www.haglofs.com/en-US/sustainability/our-daily-sustainability-efforts/)

Signing and accepting a code of conduct that places certain demands on the manufacturers is a pre-condition for becoming a Haglöfs' manufacturer. The code covers such issues as; child labour, terms of employment, health & safety, the working environment and the prevention of cruelty toward animals. Unfortunately the code of conduct is not to be viewed on the Haglöfs web site. (http://www.haglofs.com/en-US/sustainability/our-daily-sustainability-efforts/)

To gain better control over how Haglöfs' products are manufactured the aim is to establish long-term relationships with all suppliers. As a result, 60% of Haglöfs current suppliers have been with Haglöfs for more than 5 years. (http://www.haglofs.com/en-US/sustainability/our-daily-sustainability-efforts/)

...We consider it to be extremely important that we take responsibility for such production, both in Europe and the rest of the world. We make very certain that nobody whose work contributes to our success loses his or her human rights or suffers bodily or economic harm. Our producers must treat their employees with respect and dignity...

(http://www.haglofs.com/en-US/sustainability/our-daily-sustainability-efforts/)

To check that Haglöfs standards are conformed to staff visits the manufacturers on a regular basis. Every year also independent inspection companies look at about 20-25% of the manufacturers to ensure that they follow the common set rules.

(http://www.haglofs.com/en-US/sustainability/our-daily-sustainability-efforts/)

5.5.4 TRANSPORTS

The major part of Haglöfs shipments from production countries in Asia to the main warehouse in Avesta, Sweden is container based and arrives at Gothenburg as ocean freight. From there the transport is made by rail to Örebro before a final road haulage trip to Avesta. Haglöfs tries to minimize the usage of air freight for environmental reasons. Deliveries to customers are made by truck, as in most cases it is the only available alternative. Haglöfs also cooperates with environmentally responsible logistics partners. However the names of these partners are not found on the web site.

(http://www.haglofs.com/en-US/sustainability/transports/)

5.5.5 DAILY SUSTAINABILITY

...We are fully aware that there is no ultimate time limit as to how long our sustainability efforts will continue. They will form part of an ongoing Haglöfs process that will lead to continual environmental, health and safety improvements. Sustainability already forms a substantial part or our decision process. But we can't do everything at once. In our business plan for the period up until 2012 we have decided to focus on environmental measures for improvements within logistics, business travel, administration and warehousing...

(http://www.haglofs.com/en-US/sustainability/production-and-ethics/)

Examples of daily sustainability efforts at Haglöfs:

• Undergo ISO 14001 certification. (One of the standards set by the International Organization for Standardization)

...ISO 14001 is an internationally accepted standard that sets out how you can go about putting in place an effective Environmental Management System (EMS). The standard is designed to address the delicate balance between maintaining profitability and reducing environmental impact...

(http://www.bsigroup.com/en/Assessment-and-certification-services/management-systems/Standards-and-Schemes/ISO-14001/)

- Measure greenhouse gas emissions within the prioritized areas annually with an aim to reducing the emissions, e.g. through carbon offsets.
- The company vehicle policy: means that CO2 emissions from all company vehicles will not exceed an average of 120 g/km by 2012.
- The business travel policy: favours rail travel within Sweden and restrains the use of air travel in general.
- Programmes for the reduction of energy consumption.

- Sort all waste.
- Participate in national recycling programmes.
- Only serve organic fruit and fair trade coffee and tea in Haglöfs offices.

(http://www.haglofs.com/en-US/sustainability/production-and-ethics/)

5.5.6 CURRENT ISSUES

In the section of current issues Haglöfs tackles the down-issue;

Different grades of goose down are used in Haglöfs clothing and sleeping bags. The higher the fill power of a product, the more insulating are the pockets of air the down has, and therefore the better insulating ability has the product. The Haglöfs code of conduct states that down used in its products is not to be plucked from live birds. It is to be gathered during food production as a by-product. (http://www.haglofs.com/en-US/sustainability/current-issues/)

It is stated that the down Haglöfs use comes from an American company called Allied Feather & Down Corp. The company has provided Haglöfs with written guarantee that the down is not plucked from live birds. Haglöfs staff has visited the production plants of the company to follow up the statement. (http://www.haglofs.com/en-US/sustainability/current-issues/)

5.6 THE FJÄLLRÄVEN WEB SITE: www.fjallraven.com

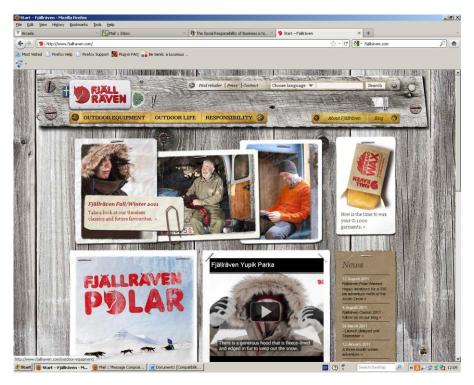


Figure 11. Fjällräven web page (print screen 10.9.2011)

As previously mentioned in the description of the Halti web site, the viewer of the Fjällräven web site also surfs in on quite a predictable outdoor brand web site with a brisk feeling.

The Fjällräven web site is set up in the same manner as the ones in the earlier cases of this study, with different headers in the upper margin and big pictures with "outdoor feeling". The viewer can familiarize themselves with the fall/winter 2011 collection or take a closer look at only one particular product presented in video format. The latest company/product news are presented in a column to the down right of the page. The viewer can easily spot the header "responsibility" up in the center of the web page.



Figure 12. Fjällräven responsibility page 1 (print screen 10.9.2011)

Clicking on the header "responsibility" moves the viewer to a page with an introduction to the subject.

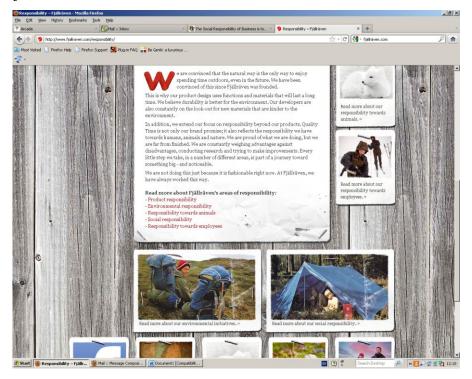


Figure 13. Fjällräven responsibility page 2 (print screen 10.9.2011)

After the general introduction to Fjällrävens way of looking at CSR, five different subheadings of the subject are listed. The subheadings are; product responsibility, environmental responsibility, responsibility towards animals, social responsibility and responsibility towards employees. When clicking on these five subheadings the author finds that, each of them, even has several subheadings. The autor would argue that in comparison with the two other companies web pages presented in this study Fjällräven has published the largest amount of CSR information.

Because of the large amount of accessible information Fjällräven offers, it is impossible for the author of this study to in detail include everything. That is why only a quick review of the found information will be presented here.

5.6.1 PRODUCT RESPONSIBILITY

Fjällräven has developed a set of rules that are followed when designing and producing a new product. The rules are followed to meet quality requirements. Every product has to be;

- Rule 1: Functional
- Rule 2: Durable
- Rule 3: Timeless in its design
- Rule 4: Dependable
- Rule 5: User-friendly
- Rule 6: Versatile

These rules were formed to help develop and produce products that last several generations.

Under this subheading it is also separetly stated that in its communication with the consumer and the public, regarding information on products, Fjällräven strives to be as informative and honest as possible. (http://www.fjallraven.com/responsibility/our-responsibility/products/)

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5.6.2 ENVIRONMENTAL RESPONSIBILITY

Under this subheading Fjällräven takes in to account product and material related environmentally harmful substances, fluorocarbons, and facts about fluorocarbons;

... Fluorocarbon is an umbrella term for a number of perfluorinated substances that, because of their characteristics, are frequently used for outdoor products and in other contexts. They are often water and dirt repellent – which is perfect for impregnating rain gear or backpacks...

(http://www.fjallraven.com/responsibility/our-responsibility/environment/fluorocarbon-facts/)

Natural impregnation methods are presented in this section as well, as it is the alternative that Fjällräven uses for impregnating fabric in a more sustainable way.

Also different environmentally friendlier materials used in Fjällräven products are presented; organic cotton, bamboo and recycled polyester.

Climate compensation and facts on it are presented under this subheading as well.

... To offset the emissions impacting the environment that are generated by production, we are supporting projects that decrease emissions elsewhere...

(http://www.fjallraven.com/responsibility/our-responsibility/environment/climate-compensation/)

5.6.3 RESPONSIBILITY TOWARDS ANIMALS

The subheading responsibility towards animals has a short summary on the pledges taken by Fjällräven. They include;

- No real fur is used on any Fjällräven products. Fjällräven offers a synthetic alternative instead, called Arctic Fur.
- Mulesing, the surgical procedure carried out on merino sheep to make them less attractive for blowflies, is not accepted by Fjällräven.
- The plucking of live geese is not accepted. Fjällräven high-quality down comes
 from contracted farms where the geese are slaughtered for food purpose.
 Fjällräven received an honourable mention by Animal Welfare Sweden in 2010
 for their control of the down process.

• Fjällräven, in cooperation with Stockholm University, supports the endangered arctic fox, which also figures in the company name and logo. "We donate money for research and to supplement the food supply, and we help disseminate information." (http://www.fjallraven.com/responsibility/our-responsibility/animals/save-the-arctic-fox/)

5.6.4 SOCIAL RESPONSIBILITY

"We are convinced that if more people spend time in nature, more people will be advocate its preservation." (http://www.fjallraven.com/responsibility/our-responsibility/society/)

Fjällräven arranges and supports activities, such as the Fjällräven Classic-hike and Out in nature-activities, to encourage individuals and families to go and experience the outdoors.

5.6.5 RESPONSIBILITY TOWARDS EMPLOYEES

...Fjällräven feels that it is increasingly important for us to take responsibility for all our actions throughout the world. Most importantly we have a responsibility to every person that takes part in the production of our products. We have to make sure that no one who contributes to our success is deprived of his or her human rights, or suffers any harm...

(http://www.fjallraven.com/responsibility/our-responsibility/employees/code-of-conduct/)

Fjällräven has developed a code of conduct regarding how employees at Fjällräven and its business partners should be treated. The code is to be viewed on Fjällrävens Internet page. The code of conduct includes paragraphs on the subjects; legal requirements, child labour, safety, workers' rights, factory and housing conditions and environment.

What comes to welfare at the workplace Fjällräven encourages its staff to seek training and knowledge on i.e. outdoor activities;

... Just like our founder, Åke, who went out into nature to find inspiration and test equipment, we still head out on our own adventures in the wild to find new, smart solutions, improve our material and decrease the weight and increase the mobility of our clothes and equipment.

This means that the knowledge and experiences of our personnel form the core of our company's success. For this reason it is natural that we view the development of our employee's skills as one of our most important strategic issues...

(http://www.fjallraven.com/responsibility/our-responsibility/employees/internal-training/)

6 RESULT ANALYSIS

6.1 SIMILARITIES BETWEEN THE 8 PHILOSOPHIES AND HALTI CSR

6.1.1 NAVIGATION

To find the information regarding Haiti's sustainability was easy to navigate to. Roughly measured the sustainability page was two clicks away after entering the company main page.

6.1.2 INFORMATION

According to the information on Haiti's sustainability page, Halti has recently started to act on social responsibility. The concrete CSR information given on the page is that Halti has a sustainability group that works on forming the company sustainability program. The program is divided in to two categories; environmental and social sustainability. Halti has also signed and committed to the standards of the BSCI presented earlier in this work.

The information shared on Haiti's sustainability did not deliver much information on how CSR at Halti is taken care of *in practise*. In whole the text was a statement on company values. The several spelling mistakes in the text gave the author the feeling that the information posted was not given much taught or time.

6.1.3 SIMILARITIES

The similarities between the Patagonia philosophies and what Halti offered on its sustainability page were not many. Sentences like;

[&]quot;Sustainability is made up of production and material choices..."

"Good design, quality materials and the possibility to repair outdoor clothing will increase the life cycle of outdoor apparel."

"The group considers in its work all stages of life cycle, including packaging, transporting and office recycling, as well as social and cultural aspects."

(http://www.halti.com/content/en/56/11383/Sustainability.html)

-promise a lot, but the conclusion the author makes based on the information found, is that some taught has been given to these matters, but not much has been done about them. At least not much is reported on to the general public through the Halti web site.

Some resemblance with the wording chosen could be recognized with Patagonia's product design philosophy, the production philosophy, human resource philosophy and the environmental philosophy.

6.2 SIMILARITIES BETWEEN THE 8 PHILOSOPHIES AND HAGLÖFS CSR

6.2.1 NAVIGATION

To find the Haglöfs sustainability page was very easy even if the web site was not working in its usual way at the time for the data collection. Haglöfs CSR information was one click away from the main page.

6.2.2 INFORMATION

The five categories that Haglöfs has divided their CSR information in to are logic but broad categories. The two first categories divide the information on production in to two separate issues. The first one includes the affects the production of Haglöfs products have on the environment and how that is taken care of. The second focuses on how the production staff is taken care of.

Haglöfs places demands on its suppliers and product manufacturers in form of a code of conduct that has to be agreed on by all parties. Haglöfs also audits its manufacturers on a regular basis.

The chapter on transports was short but clear. Haglöfs has managed to clearly explain how their transportation is taken care of in practice.

The chapter on daily sustainability at Haglöfs included a "business plan" formed for a time period up until 2012. The focus during this time period has been on environmental measures for improvements within logistics, business travel, administration and warehousing. Both big issues (becoming an ISO 14001 member) and "small/easy to do" (buy fairly traded products for the coffee room) were listed as similarly important in the business plan.

Current issues, introduced down plucking as a current issue at Haglöfs, this is understandable, since the autumn is turning in to winter at the time of writing.

6.2.3 SIMILARITIES

When comparing the information shared by Haglöfs with the Patagonia philosophies, several parallels can be drawn. Parallels to the Patagonia product design philosophy can be drawn directly in the beginning, in the part that explains the Haglöfs business concept; "To provide those who invest in an active outdoor life with a socially responsible brand that meets the needs of our times regarding products with a high degree of functionality, good style and value-for-money." (http://www.haglofs.com/en-US/sustainability/introduction/)

Parallels to the product design philosophy can also be drawn in the section on production where it is stated that; "One of the most important factors in Haglöfs' efforts to limit negative environmental impact is the development of high quality products with a timeless design – products with a long life cycle and which are not of a throwaway nature." (http://www.haglofs.com/en-US/sustainability/production-and-environment/)

Parallels to the Patagonia production philosophy can be seen at Haglöfs in what is reported on production ethics, as a strive to;

...establish long-term business relations with all of our suppliers, among other reasons in order to gain better control over how our products are manufactured. As a result, 60% of our current suppliers have been with Haglöfs for more than 5 years...

(http://www.haglofs.com/en-US/sustainability/our-daily-sustainability-efforts/)

The Patagonia environmental philosophy does correlate with the whole of Haglöfs being as a company. What can be read from the company's sustainability web pages is that Haglöfs does strive to lead an examined business life and inspire others to do the same. A clear message to the reader on Haglöfs sustainability page is that the company strives to clean up its own act and has come a significant way in reporting on that.

6.3 SIMILARITIES BETWEEN THE 8 PHILOSOPHIES AND FJÄLLRÄVEN CSR

6.3.1 NAVIGATION

To find the Fjällräven CSR information was very easy. It was one click away after entering the main page of Fjällräven.

6.3.2 INFORMATION

As mentioned earlier in this work the CSR information shared by Fjällräven exceeded the expectations of the author to a degree where it almost got impossible to clearly report on, in a thesis of this size.

The CSR information was, as with Haglöfs, divided in to logical categories. It was categorized according to responsibility with products, toward environment, animals, society and employees.

A category reported largely on was responsibility toward animals. Especially the parts that reported on Fjällrävens struggle to save the arctic fox. This can be seen as understandable since the same animal figures in the company name and logo.

Fjällräven has a code of conduct that the company expects its manufacturers to agree with and follow. The fact that Fjällräven has chosen to publish the code of conduct on the Internet page so that viewers can take part of it is very satisfactory in the author's opinion.

As a whole the CSR information that Fjällräven shares on its web page is very similar to the information Yvon Chouinard shares in his book, only in smaller amounts. The fact that Fjällräven strives, and has succeeded, in making their business as transparent as it is does not go unnoticed.

6.3.3 SIMILARITIES

Also in Fjällrävens case similarities to the Patagonia philosophies can be recognized. To begin with it one of the most obvious similarities can be recognized between Fjällräven's category product responsibility and Patagonia's product design philosophy. Just like Patagonia also Fjällräven reports that it produces functional (multifunctional), durable and timeless products for consumers to depend on. The information is presented in a very similar manner, in list format with short definitions.

Another similar way of reporting on CSR can be seen in the section Fjällräven calls responsibility toward employees. Just like the Patgonia founder writes in the philosophy on human resources that; "We can hardly continue to make the best outdoor clothing if we become primarily an "indoor" culture" (Chouinard 2005 p.168) also Fjällräven reports on different practical skills and theoretical knowledge that they inspire their staff to learn and maintain by actively participating in outdoor activities. These activities are arranged by the company.

Differing from the two other case study companies presented in this work, Fjällräven has reported on what the company has achieved regarding CSR. This information is found in the section on responsibility towards animals, concerning the arctic fox.

^{...}For every participant of Fjällräven Classic and for each product sold from our "Save the Arctic Fox" collection, we donate SEK 50 to arctic fox research. In 2010 we handed over a check totalling SEK 100,000...

(http://www.fjallraven.com/responsibility/our-responsibility/animals/save-the-arctic-fox/)

This is also similar to Patagonia. Patagonia can, and has, reported on several social and environmental goals achieved.

As a whole the pages on Fjällräven's responsibility focused on reporting on similar issues as Patagonia in a remarkably similar way.

7 CONCLUSIONS

Reading Yvon Chouinard's book; *Let my people go surfing, the education of a reluctant businessman* has been an adventure in studying reporting on corporate social responsibility in practice. The author has gained not only knowledge on the person behind Patagonia, Yvon Chouinard, but on the company Patagonia and the principles and philosophies that it has developed to help lead an examined way of business conduct. It stands clear that Patagonia is a particular company. It requires significant effort of any other company to reach the same level of awareness and transparency of sustainable business conduct and knowledge as Patagonia.

What can be learned from Patagonias way of doing and reporting on CSR is that CSR-operations should not only be "put on" businesses as yet another liability to take care of, but built in to be a part of the core purpose and strategy of business.

7.1 SIMILARITIES IN FOUND CSR INFORMATION

The minimum the author expected to find was that all the three case study companies had given the issue of CSR a taught, and as a sign of that published some CSR information on their Internet pages. This has been proven true since all three companies did have information that can be categorized as CSR information published on their Internet pages.

As a whole the information found on the Internet pages of Halti, Haglöfs and Fjällräven was not as specific or as transparent as the information presented by Patagonia. This is mainly due to the fact that the information on Patagonia was taken from a book written on the subject, while the information of the case study companies was taken from their Internet pages. It cannot be assumed that information taken from two different sources of published material would be same magnitude.

When using the chosen research method it was a challenge for the author to find *exact* parallels between the Patagonia philosophies and the information shared on the case study companies Internet pages. What turned out not to be as big of a challenge as predicted, was to recognize the *resemblance* between CSR at the case study companies and Patagonia. Several recognizable and similar ways of behaviour and reporting between the companies could be recognized.

As there is no worldwide common way or format to report on company CSR conduct, big differences in the format of the information provided by the case study companies could be seen. Several parallels could be made between both Haglöfs and Fjällräven compared to Patagonia. Both case study companies had divided their CSR information in to categories. This is most likely the most common way of maintaining structure in information. Halti had decided on a coherent text. Study results show the information Halti shared was both disorganized and uninformative (this can however not be said to be entirely due to chosen format in Haltis case).

What comes to the philosophies, the ones with the most recognizable resemblance to the information found were the product design philosophy, production philosophy and the environmental philosophy. Philosophies that the author found little or no resemblance with were the image philosophy, the financial philosophy and the management philosophy. This however does not come as a surprize since company image, finances and management tactics cannot be said to be the most common subjects reported on, on a company CSR Internet page.

What is surprising is that the information shared by the companies was as different as it was from each other and Patagonia. This can, and should, of course be seen as a positive thing. It means that all the companies have chosen their own way of reporting on CSR. It could however also be a positive thing for a company to "use a similar template" as another company that has succeeded in reporting well on their CSR. This leads to a point made earlier in this work; as long as the society sees CSR as a positive thing, the more informative/transparent the company CSR report, the better the competitive advantage. Then again, if all companies shared the same CSR information through a similar source, the more the society would actually know. As it is now a company can

choose to report or not, and choose what to report on and what not. In the end objectivity is lost and the reader cannot to 100% trust the information.

7.2 WHAT HAS ACCTUALLY BEEN DONE ON CSR IN THE CASE STUDY COMPANIES?

Halti:

Has signed the BSCI code of conduct and is committed to" take appropriate
measures within its company policy for the implementation of and compliance
towards these standards"

Haglöfs:

- Has signed to Bluesign® and uses Ökotex-certified fabrics
- Spring/Summer 2011, 35% of all fabrics made of recycled or recyclable material.
- 60% of current suppliers have been with Haglöfs for more than 5 years
- Uses a code of conduct that has to be agreed on and signed by partners
- Allows independent inspection companies to look over around 20-25% of manufacturers to ensure that they follow the Haglöfs code of conduct

Fjällräven:

- Has signed to the climate compensation programme
- Uses organic cotton, bamboo and recycled polyester
- "For every participant of Fjällräven Classic and for each product sold from our "Save the Arctic Fox" collection, we donate SEK 50 to arctic fox research. In 2010 we handed over a check totalling SEK 100,000 to Anders Angerbjörn's project".
- Fjällräven Classic, Half Classic and the Green Team inspires individuals and families to go out and explore the outdoors
- Long-lasting relationships with suppliers

- Uses a code of conduct
- Uses third party auditing
- Internal practical and theoretical training for Fjällräven staff members

What has been proven in this thesis is that when looking to find informative and reliable facts on a company's CSR practices one should rather turn to annually published sustainability reports, if these can be found. Only that way one can be certain of the fact that CSR work actually has been done. As a hole the company CSR pages analysed in this thesis could rather be seen as marketing material, than a reliable source of objective information.

As a conclusion the author can say that Porter and Kramer (2006) were right when writing that businesses have clearly awakened to the environmental and societal risks, but that they are much less clear on what to do about them. The most common corporate response to address these issues has been, not strategic or operational, but cosmetic; glossy CSR reports that show companies' social and environmental good deeds have been published.

For future reference, an interesting subject of research could be to analyse what marketing value Internet pages on CSR have. To what amount do they actually influence buying behaviour? Another aspect of interesting research on CSR (that came to mind when writing this thesis) was that, most likely, also the ownership of a company (i.e. privately vs. publicly) influences the company CSR practices and the way of reporting on CSR. It would be interesting to see in what way and amount.

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