INTEGRATION OF SUSTAINABILITY INTO CORPORATE STRATEGY: A CASE STUDY OF THE TEXTILE AND CLOTHING INDUSTRY

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Integration of sustainability into corporate strategy: a case study of the textile and clothing industry

Abstract

More and more Textile and Clothing (T&C) companies decide to integrate sustainability into their corporate strategy. Although the T&C industry linked to sustainability has been the subject of various studies, to the best of our knowledge, little research exists, which focuses on the integration of sustainability into corporate strategy in special regards to European T&C companies with global value chains. This paper explores a set of institutional, organizational and individual drivers and barriers for the integration of sustainability into corporate strategy of a European T&C company. The results are based on a case study of the exemplary VAUDE – a family-owned, sustainable outdoor outfitter company and stand in accordance with Institutional Theory and Stakeholder Theory as theoretical frameworks explaining why companies deal with sustainability. The determined drivers are dependent on a coherence of all levels of analysis, i.e. institutional, organizational and individual. The barriers are of institutional and organizational nature only. The findings present significant suggestions for other T&C companies that seek to integrate sustainability into their corporate strategy and for the T&C industry to create a sustainability friendly environment to drive more T&C companies to become sustainable. It further supports T&C companies in identifying potential barriers, how to overcome them and successfully integrate sustainability into their corporate strategy. The results reveal that it only works if sustainability is strongly integrated into one's corporate strategy and deeply anchored in all departments and daily tasks of a T&C company.

Keywords: *Sustainability, Textiles, Clothing, Corporate Strategy*

1. Introduction

The Textile and Clothing (T&C) industry presents an essential part of human beings' everyday life and its goods are considered as the second most substantial human desire (Madhav et al., 2018). The industry itself has experienced extensive growth and success in the last decades, making it to one of the largest, but also most polluting global industries (Allwood et al., 2006; Boström and Micheletti, 2016). Its large size, variety of processes and complex global production network cause major environmental and social impacts. In 2015, 79 billion cubic meters of water, 1715 million tons of CO_2 emissions and 92 million tons of waste were produced globally by the T&C industry. By 2030, the numbers are estimated to increase by at least 50% (Seara et al., 2017). Moreover, the T&C industry regularly receives negative attention because of poor working conditions, low wages and exploitation of workers - especially in low-cost countries, where the majority of T&C production is outsourced to (Pedersen and Gwozdz, 2014; Shen et al., 2017). The ever-increasing consumption of T&C goods intensifies the present social and environmental issues (Goworek, 2011). In consequence of a increasing awareness, a growing dialogue in regards of sustainability aroused within the T&C community. T&C companies across all industry segments have started to implement sustainable approaches and to align economic, social and environmental responsibilities through their corporate strategy, taking into consideration not only the increase of profits and decrease of costs, but also the sustainable development of the company itself and its environment (Leibowitz, 2019; Bansal and Song, 2017).

Prior research has analyzed cross-industry drivers and barriers for the integration of sustainability into a company (e.g. Cici and D'Isanto, 2017; Murthy, 2012; Rezaee, 2016; Renukappa et al., 2013). Nevertheless, we argue, that sustainability issues, practices, drivers and barriers are industry-specific and therefore industry-focused research is appropriate (Desore and Narula, 2018). Studies about different industries in regard to sustainability such as hotel (Wan et al., 2017; Kasim, 2007; Jones et al., 2016; Shanti, 2016), food and beverages (Emamisaleh and Rahmani, 2017; Govindan, 2018; Dodds et al., 2013) or cosmetics (Connelly, 2013; Chen, 2016) exist in plenty.

The T&C industry linked with sustainability has also been in focus of a variety of researchers in the past (e.g. Hopkins et al., 2009; Boström and Micheletti, 2016; Beard, 2008; Thiry, 2011; Madhav et al., 2018) as well as the industry-specific sustainable consumption behavior (e.g. Hutter et al., 2010; Hill and Lee, 2012; Gardetti and Torres, 2017; Eder-Hansen et al., 2012; Dickson, 2000; Belz and Peattie, 2011; Vermeir and Verbeke, 2006; Thøgersen, 2005) and sustainable supply chain implementation (Ganesan et al., 2009; Diabat et al., 2014; Oelze, 2017). Despite growing interest, to the best of our knowledge, there is scant literature focusing on European T&C companies with global value chains, which successfully integrated sustainability into their corporate strategy, creating a significant literature gap in that context (Pedersen and Andersen, 2015). Existing literature, which aims attention at sustainability in T&C companies often only focuses on T&C consumers as drivers and/or barriers (Desore and Narula, 2018) as well as the implementation of sustainable business models or an industry-wide system (Todeschini et al., 2017; Ozdamar Ertekin and Atik, 2015). Moreover, recent literature in regard to drivers and barriers of the integration of sustainability into corporate strategy in both cross-industry and industry-specific cases is typically studied at one level of analysis at a time or mainly at the macro level (i.e. institutional or organizational level) not taking into consideration the micro level (i.e. individual level). Respectively, it presents a fragmented overview and there is a need for a multilevel review, in which the diverse literature can be integrated into a coherent approach (Aguinis and Glavas, 2012). A welcome exception is the work of Pedersen and Andersen (2015), who analyzed current challenges and opportunities in sustainable fashion and based their results on fashion experts from different sectors and geographies. However, there is still a lack of convergent theoretical understanding on the specific drivers and barriers for the integration of sustainability into the corporate strategy of an individual European T&C company. The objective of this research is to close that gap and create a better understanding of the topic. Therefore, we aim to answer the following research question: "*What are the drivers and barriers of the integration of sustainability into the corporate strategy of a European T&C company?"*

This paper summarizes results of a case study of the family-owned outdoor outfitter company VAUDE which is considered an exemplary and sustainability pioneer in its industry and has sustainability integrated into its corporate strategy and all business activities. The paper starts with a literature review followed by the research methodology, the findings and discussion of the case of VAUDE. Finally, a conclusion will be drawn, discussing the main findings, limitations and potential future research as well as managerial implications.

2. Literature Review

2.1. Integrating Sustainability into Corporate Strategy

An increasing number of companies have decided to integrate sustainability into their business through their corporate strategy (Petrini and Pozzebon, 2010). Porter and Kramer (2006) argue, that in order to understand competition in the market and develop a successful business strategy, companies have to integrate a social perspective into their existing core framework, hence their corporate strategy. The authors further claim, that any sustainable approach, which is fragmented or disconnected from corporate strategy and business operations will prevent a company to make use of opportunities to benefit society. Cici and D'Isanto (2017:54) define the integration of sustainability as *"...redesigning and redefining strategy and operative processes to face the changes and meet the needs and expectations of the market and society alike, with the ultimate goal of increasing competitiveness and supporting durable profitability"*. Accordingly, sustainability is seen as a capability of a company to exist in the long-term, sufficiently adapt to changes in the industry and predict trends to exploit them to a maximum (Cici and D'Isanto, 2017). It becomes clear, that integrating sustainability into corporate strategy does not only create value and a sustainable competitive advantage, but also responds to stakeholders' demands concerning environmental and social issues (Murthy, 2012). A study conducted by Cici and D'Isanto (2017) identified current leaders in sustainability on the market. Of them, 97.7% agree on the above presented definition either "very much" or "sufficiently", making it a useful representation of sustainability integration into corporate strategy. The same study examined the meaning of integrating sustainability into corporate strategy for companies in terms of business activities. According to 56.4% of interviewed companies, the integration of sustainability means to measure and monitor economic, social and environmental impacts on business. In addition, creating a sustainable product (38.3%), adopting a social and environmental management system (37.8%) and managing sustainably the value chain (34.8%) are business activities, that are commonly put in connection with the integration of sustainability. Further business activities are satisfying unmet social needs (12%) and reporting on financial and non-financial performances (8%) (Cici and D'Isanto, 2017).

Around half of these companies already have a policy to integrate sustainability and such business activities as well as have identified measurable objectives for the integration. It shows the understanding of companies, that in order to be successful and conclusively gain competitive advantage, sustainability initiatives do not only have to be carried out, but rather have to be fully integrated into their corporate strategy. Moreover, for sustainability initiatives to be effective and taken seriously inside a company, it is suggested, that they should be linked with corporate strategy right from the beginning and continually addressed in planning and decision-making (Folmer and Tietenberg, 2005; Bonn and Fisher, 2011). Hosmer (1994) even suggests a more specific approach. According to him, an ethical analysis is the only way to resolve conflicts in values and goals and therefore an essential aspect of corporate strategy.

Leaders in sustainability, who have already integrated sustainability into their corporate strategy, support these assumptions - currently, they are overall more successful in their markets than companies, who do not have sustainability integrated yet (Cici and D'Isanto, 2017).

2.1.1. Theoretical Frameworks linking Sustainability to Corporate Strategy

Institutional Theory

According to Institutional Theory, society's institutions serve as a set of working rules and provide a decision-making framework for companies. In order for a company to earn the legitimacy to survive, it has to conform to its institutional environment, which is comprised of normative, regulatory and cognitive elements (Connelly et al., 2011; DiMaggio and Powell, 1983). Normative elements include values, norms and roles set by stakeholders, which define the "rules of the game". Cognitive elements emphasize shared ideologies and cultural values, that set the framework to form responsible corporate behavior. Regulative elements are legal rules and regulations, which influence corporate behavior (Muthuri and Gilbert, 2011). All elements together provide stability and meaning to social life (Scott, 2008).

By conforming to the forces of the institutional environment, companies within an industry become more homogenous in process and structure over time. This homogeneity process is shaped by the following three mechanisms (Connelly et al., 2011): a) *Coercive isomorphism:* Regulators, on whom the company is dependent on for resources, put pressures on companies; b) *Mimetic isomorphism:* Companies imitate other market players to reduce cognitive uncertainty; c) *Normative isomorphism:* Social factors as media and trade associations put pressure on companies.

Additionally, it is observed that conforming to the institutional environment is resulting from a conscious decision process of the company. In the case of sustainability, a company can therefore succeed in the market if they are aware of sustainability trends and policy changes in the industry and conform to them (Connelly et al., 2011). The institutional environment supports a common understanding and definition of sustainable behavior in an industry, which companies can then use to formulate their own sustainable strategies (Muthuri and Gilbert, 2011). Institutional theory further suggests that especially in uncertain and rapidly changing environments companies have the pressure to mimic the behavior of the other market players. Through this behavior, companies can develop sustainable strategies quickly and cheaply. Moreover, normative pressures from institutions like the stock exchange market may lead to more companies investing into sustainability initiatives (Dawkins and Ngunjiri, 2008). Institutional theory has been used to investigate the relationship between institutions and strategic choices of companies (Perez-Batres et al., 2010). It has been observed, that a company's formulation of an environmental plan is positively influenced by pressures inserted by stakeholders and a positive relationship between normative elements and the adoption of environmental management standards exists (Henriques and Sadorsky, 1996; Delmas and Montes-Sancho, 2011). As institutions alter from nation to nation and consists of different norms, regulations and communal factors, drivers of integrating sustainability into corporate strategy can vary among countries (Campbell, 2007).

Stakeholder Theory

Freeman's (1984:46) stakeholder theory suggests, that stakeholders are *"...any group or individual who can affect or is affected by the achievement of a corporation's purpose."* Moreover, it states, that most, if not all, companies have a set of integrated stakeholders, they are responsible and obliged to (Spence et al., 2001). Freeman et al. (2004) further argue, that values are an inevitable part of doing business and the value creation for these stakeholders is the main objective of a company (Freeman et al., 2004). Mitchell et al. (1997) point out, that stakeholders, who are considered important by managers concerning their power, legitimacy and urgency influence a company's strategies. Based on the dependence of the resources, a stakeholder can directly or indirectly influence a company. On the one hand, direct influence takes place, if a stakeholder is able to manipulate the flow of resources to the company. On the other hand, stakeholders that neither control resources nor are considered primary for the company, mainly exert indirect influences through other stakeholders (Frooman, 1999). According to Cooper et al. (2001), stakeholder theory used as a managerial tool is particularly concerned to detect the kind of influence stakeholders exert on the company and to identify which stakeholders are more important and should receive a greater management attention. Clearly, different stakeholders can present different or even conflicting needs and interests (Neville and Menguc, 2006).

Conclusively, stakeholders can directly and indirectly as well as to different extents influence sustainability practices of a company (Sharma and Henriques, 2005). For example, consumer concerns about sustainable business practices have a significant impact on how businesses operate (Hopkins et al., 2009). Nevertheless, a company, that aims to create sustainable value by integrating sustainability into their corporate strategy, has to consider a wider set of internal and external stakeholders than a company with a conventional business model puts focus on. The conventional perspective of creating value for customers and shareholders must be expanded for example to NGOs (Non-Governmental Organization), the environment and local communities (Schaltegger et al., 2016). The study by Cici and D'Isanto (2017) shows, that by integrating sustainability, relationships with a wider set of internal and external stakeholders can be effectively developed or improved. This extended group of stakeholders puts a greater pressure on companies to react to their demands. The majority of them is aware of environmental and social impacts caused by global industries, that water scarcity and water pollution are considered global concerns, many natural resources are endangered and natural resource supply is becoming more expensive (Greenpeace, 2011; Hutter et al., 2010). Moreover, their interests go beyond traditional ideas of corporate generosity and companies' counteraction of negative social and environmental impacts. As Renukappa et al. (2013:64) state, stakeholders nowadays require companies *"... to be a positive force, to contribute to broader societal development goals and to work in partnership with others to solve humanitarian crises and endemic problems facing the world such as disease and poverty, climate change and environmental stewardship."*

2.1.2. Drivers and barriers for the Integration of Sustainability into Corporate Strategy

Across industries, the drivers for integrating sustainability into corporate strategy of a company have become a common area of research in the last years. The same has happened with T&C, which for the purpose of this paper, we focus on the European T&C industry with its variety of processes. However, as the processes inside the industry's value chain are typically spread out globally, certain global data, statistics and facts will be highlighted as well. The upstream and downstream processes of both the T&C industry, which range from the production of raw material to the disposal or reuse, will be from now on called the T&C industry's value chain.

In the last years, T&C companies have moved towards the integration of sustainability into their corporate strategy and value chains (Diabat et al., 2014). For example, from 1990 to 2009, companies in the T&C industry have overall reduced its water, energy and chemical usage in the processing of cotton by 50% (Thiry, 2011). However, those advances are not yet enough to consider the industry as sustainable and many T&C companies either just started to use sustainable approaches or are still in the process of integrating sustainability into their corporate strategy. Table 1 summarizes the drivers of integrating sustainability into corporate strategy, both including cross-industry drivers identified earlier in this paper as well as specific drivers for the T&C industry, which will be presented in the next section.

Table 1 around here

Nevertheless, the transformation of an industry relating to a specific concept like sustainability is complex and challenging. Especially when it comes to the T&C industry, it can be difficult as fashion and sustainability are still frequently considered as contradictory. This in turn presents certain barriers for T&C companies to integrate sustainability into their corporate strategy. Both the general, cross-industry barriers discussed before and specific barriers for the T&C industry are presented in Table 2.

Table 2 around here

3. Methodology

3.1. Research Design

Primary research has been undertaken to fulfil the requirements of the aim and objectives of this paper. Given the limited insights provided by literature into drivers and barriers for the integration of sustainability into T&C companies, an exploratory research, which aims to find out *"... what is happening; to seek new insights; to ask questions and to assess phenomena in a new light."* (Robson, 2002:59) was conducted. An exploratory research, which evolves and is based on small samples that provide understandings into a certain topic, allows to further enhance theoretical observations about drivers and barriers of companies integrating sustainability into their corporate strategy (Malhotra and Birks, 2005). The purpose of this paper is to gain detailed insights, motivations, beliefs and experiences on why or why not a company integrates sustainability into their corporate strategy. This can best be assessed by qualitative research methods, that give the opportunity to capture the substantial meaning of a subject by its richness and fullness as well as enable to find profound explanations of motives or deterrents of the above-mentioned integration of sustainability (Robson, 2002).

In order to gain an in-depth understanding of the research topic, the research was designed to be interpretive in nature. An interpretivist research philosophy is typical for an exploratory qualitative research design and describes, that reality can only be understood by putting subjective meanings to it, which in turn motivate certain actions (Saunders et al., 2009). It is especially useful for this paper in order to explore in detail the drivers and barriers of sustainability for T&C companies. We asserted a case study to be especially useful to provide a level of detail and gain an enriched understanding what drives and hinders companies to successfully integrate sustainability into their corporate strategy. Therefore, we decided to use a case study with an 'embedded' case design – thus we were aiming to select one company and take a detailed look at different departments as multiple units of analysis (Yin, 2009). We also chose to make use of an exemplary case design, meaning that the case study will reflect a strong, positive example of our topic of interest (Yin, 2011). It is important to note, that the purpose of this research is not to generate a theory, which is generalizable to all populations, but only inside the boundaries of the research setting (Saunders et al., 2009).

The case company criteria were based on the research questions and required the potential case company to be Europe based and part of the T&C industry, have sustainability integrated into their corporate strategy, share experiences of its integration process including drivers, problems and measures encountered as well as to be willing to give insights into more than one department. The outdoor outfitter company VAUDE was contacted as it fulfilled all above mentioned criteria and was interested in participating in this research.

3.2. Data Collection and Analysis

Data was collected by a mixture of techniques (Yin, 2009). Between July and August 2019, data concerning the sustainability approach of the case company was extracted from the official website and sustainability report and, as the main source, on-site interviews in person were conducted. Information from the website as well as the case company's sustainability report were used for a comprehensive presentation of the case. Information gained from the on-site interviews were mainly used to answer the before presented research questions. However, some data was also extracted from the interviews for the presentation of the case. Interviews are considered as a key tool to access the interpretations of informants in the real world (Walsham, 2006). Therefore, in-depth semi-structured interviews with five key personnel from different departments with in-depth knowledge about the case company's sustainability approaches were conducted (Table 3).

Table 3 around here

The semi-structured typology was chosen to allow a flexible interaction between the interviewer and the respondent, but on the other hand, to have a consistent set of categories to define boundaries of what to explore (Saunders et al., 2009). Furthermore, semi-structured interviews are especially useful if an interpretivist research philosophy is chosen for the research. As the aim of this paper is to understand what kind of meaning respondents attribute to certain phenomena, a semi-structured interview allows them to explain or build on their responses. It is assumed, that it gives you the ability to reach a detailed set of data with significance and depth especially focusing on the 'why' of a phenomenon (Saunders et al., 2009). The interviews were based on individual interview scripts grounded on the literature (available upon request) with a set of open and probing questions that encourage extensive answers. The interview scripts were shared with the respondents via E-mail before the actual interview took place. The first few questions of the interview script were identical for all respondents, aiming to detect different perspectives of the integration of sustainability into the case company. The remaining questions were designed to find out sustainability related topics in the respective department of each respondent. In total, the questions were designed to achieve the stated research objective and included inquiries on the definition of sustainability in context of corporate strategy, drivers of becoming a sustainable company, as well as encountered and potential challenges. All interviews were conducted face-to-face on site of the company and lasted between 25-60 minutes. In order to ensure validity interviews were audiotaped with the interviewees' permission and were transcribed verbatim. After, the transcribed data was coded with Nvivo

12.5.0., a qualitative data analysis software, in order to evaluate the answers and identify the most relevant factors in the analysis.

4. Case Study – Findings and Discussion

4.1. Presentation of the Case Company and its integrated sustainability approach

VAUDE is a family-owned, medium-sized outdoor outfitter, that develops, produces and sells functional clothing, backpacks, bags, sleeping bags, tents, shoes and camping accessories. It focuses on three business segments – Mountain Sports, Bike Sports and Pack 'n Bags. The VAUDE brand and its products reflect mountain sport expertise, innovation as well as social and environmental responsibility. VAUDE was founded in 1974 by Albrecht von Dewitz and is now managed by the second generation with Antje von Dewitz as CEO. 542 employees work for the brand, from which 444 are employed at the headquarters in Obereisenbach, Southern Germany. Furthermore, VAUDE has sales branches in the Netherlands and Spain, factory outlets and various leased order rooms nationwide in Germany as well as teams in Vietnam and China, that are organized as subsidiaries, regularly visit and partly conduct quality controls in the local production facilities (VAUDE, 2018; Interview, Vendor Manager). The complete product development, administration department, management, finances, accounting, human resources, marketing, Information Technology (IT), CSR, product services including a repair service and the central logistics are located at the headquarters.

In 2017, VAUDE's sales performance grew by 6.3% compared to the year before, making it a basis for a turnover of over €100 million of absolute economic performance, which is above the average in the European outdoor market (VAUDE, 2018; Interview, CEO). In the same year, VAUDE produced 3,185,229 products and sold over 60% of them in Germany and around 30% in the rest of Europe. The highest sales in Europe after Germany are made in Switzerland, Austria, Belgium, Netherlands, France, Italy, Spain, Great Britain and Sweden. Outside of

Europe, VAUDE concentrates on a few major markets in Asia and North America. Also, all products for the European market are delivered, tested, warehoused, commissioned and shipped to retailers from the headquarters. For the North American and Asian markets, VAUDE relies on third party deliveries from the producers to distributors within the respective country.

In order to provide a context for VAUDE's sustainability approaches, it is necessary to understand what VAUDE and those interviewed understand by integrating sustainability into corporate strategy. In VAUDE's understanding, engaging in business bears a responsibility to contribute to the public good. Therefore, VAUDE aligns itself in the long-term with future-oriented ecological, social and economic goals. The brand continuously aims for the most innovative and sustainable solutions to keep its ecological footprint as small as possible. The guiding principles *The Mountain, We* and *Forward* form the brand's corporate vision and put its values into concrete terms. "The Mountain" indicates the high, clearly defined standards of VAUDE's products and the experience of nature. "We" stands for a partnership with nature and people in the company, as part of the team, in the mountains, in partnerships and in society. It symbolizes fun, common strength and the current spirit of time, that requires society to work collectively to solve the threats for the planet. "Forward" implies a forward-looking, future-oriented view on sustainability. VAUDE aims to extract the essence of its products to contribute with sustainable, innovative solutions for future generations. In order to implement its vision into all levels of the company, the brand has fully integrated sustainability into its corporate strategy and approaches it strategically on multiple levels. To the CEO the integration of sustainability into corporate strategy means the following: *"To me, it means, that a company is positioning itself with the knowledge of the impacts its economic actions have on people and nature and, that I take responsibility for these actions"* (Interview, CEO). As she goes on, *"Sustainability is actually nothing else to me than corporate responsibility in a more holistic approach than it is understood conventionally."* (Interview, CEO).

The Head of QCM at VAUDE shared a similar view: *"Today it is inevitable to build a sustainable corporate strategy, because the global challenges approaching us are so complex, that if you do not have your own strategy, you will go down."* (Interview, Head of QCM). A company can only be fully sustainable, when the economic and sustainability strategies are integrated, hence sustainability is integrated into corporate strategy (Interview, CEO). As the CPO continued, *"Sustainability has to be strongly anchored in the organizational structure"* (Interview, CPO). VAUDE's sustainable corporate strategy is designed and managed by the executive level of the brand and integrated into all daily business tasks and departments (Interview, CPO). *"It is like a puzzle, everything complements each other. In the center stands the sustainability topic."* (Interview, CPO).

The green approach further continues in the brand's value chain. VAUDE differentiates between producers, which are Tier 1 manufacturers of ready-made clothing, and Tier 2 material suppliers. The brand only has a direct contractual business relationship with the producers, nonetheless, specifies the conditions for the selection of suppliers to a large extent. Table 4 presents VAUDE's production countries, the number of production facilities, that VAUDE works with in that country, the share of goods produced there and if it is a high risk or non-risk production country.

Table 4 around here

In a high-risk production country, it is more likely compared to a non-risk production country, that labor standards and laws are violated and institutions like trade unions, employee organizations, labor legislation and supervision systems either do not exist or do not function well (VAUDE, 2018). All of the production facilities VAUDE works with in high-risk production countries are FWF audited or, if the FWF is not active in the respective country, audited by an FWF acknowledged company (Interview, Vendor Manager). The producers in non-risk countries are not audited as the risks are much lower, but regularly visited by VAUDE's employees.

VAUDE has received multiple awards and prizes in the last years, often for its excellent sustainability efforts. Some are presented here. In 2015, VAUDE was named "Germany's Most Sustainable Brand"; in 2017, VAUDE was awarded the European Business Award in "Environmental & Corporate Sustainability" and voted as one of the eleven best European companies; in 2018, VAUDE received the "GreenTec Award", one of the world's most important environmental awards, as well as the "Environment Prize for Companies" for exceptional achievement in environmental protection activities and environmental-oriented business management; in 2019, VAUDE ranked first in the German-wide ranking of sustainability reports for the best transparency in the category "small and medium-sized enterprises" (VAUDE, 2018).

The case company data revealed numerous insights regarding what drives and hinders T&C companies to integrate sustainability into corporate strategy as well as how to successfully do so. The following will present the drivers and barriers identified from interviews inside the case company. All factors are sorted on the same three levels of analysis as in the literature review – i.e. institutional, organizational and individual. Table 5 visualizes the results, presents if each driver or barrier already has been determined in existing literature and states the determined level of analysis. All of them will be illustrated and discussed in the next sections.

Table 5 around here

4.2. Drivers for the Integration of Sustainability into Corporate Strategy of T&C Companies

From the case company data, we determined prevailing drivers for the integration of sustainability into corporate strategy of a T&C company. The determined drivers fit to the ones already identified in existing literature. However, the drivers *Standards and Regulations* and *Public Pressure*, which were highlighted before, were not made a subject of discussion from the interviewees' side. The following paragraphs will discuss the drivers determined in interviews with the case company more into detail.

Consumer Awareness: In terms of sustainability, the CPO of the case company suggested, "[a] significant larger awareness for these topics is developing." *(Interview, CPO).* We further observed, that sustainability aware consumers also consciously decide for a sustainable alternative to conventional products: *"The people are then also willing to make a conscious decision for a brand or a product, because they know, that it conforms to other criteria or requirements."* (Interview, CPO). Our results stand in line with Hill and Lee (2012), who observed a greater awareness and interest of sustainability topics, especially by younger generations, which results in an enlarged demand of sustainable products in the T&C industry. Ultimately, the rising consumer awareness drives T&C companies to integrate sustainability into their corporate strategy in order to satisfy the market's needs and wants.

Competitive Advantage: The resulting competitive advantage was identified to be another driver when it comes to the integration of sustainability into corporate strategy of a T&C company and supports authors like Cici and D'Isanto (2017) as well as Porter and Kramer (2006). We detected, that a fully integrated sustainable corporate strategy can lead to competitive advantages like a positive corporate reputation or legitimacy and therefore attracts new customers: *"It is for sure, that we have won or are still winning new target audiences with that alignment, because we are a brand of trust and these people get aware of us."* (Interview, CEO). Moreover, the integration of sustainability into corporate strategy may not only lead to a competitive advantage, but it might even be considered a competitive disadvantage, if a company does not address sustainability accordingly, as the CEO stated: *"Everyone is concerned about that topic. It became a thing of survival."* (Interview, CEO). The Head of QCM presented us a similar view: *"And I think that the future competitiveness will be strongly dependent on how sustainable a company is"* (Interview, Head of QCM). Both views comply to Murthy's (2012) resource-based view of sustainability, in which he determined the development of competitive advantage through the integration of sustainability into corporate strategy.

Sustainability as a Business Case: Our interview results show that a T&C company can benefit of a positive business case evolving from sustainability approaches, which can be driving the decision to fully integrate them into corporate strategy. The CEO highlighted: *"You can see just in our total revenue, that we are growing more and more than the European average."* (Interview, CEO). She continued: *"As a pioneer, we profit from a broad reach in media, a high image and trust. There are studies, where you can see, that people, who know VAUDE also like it and buy it. The correlation is very high."* (Interview, CEO). Our findings thereby fit to Ganesan et al.'s (2009) as well as Cici and D'Isanto's (2017) view, that sustainability initiatives can positively influence a T&C brand's image, lead to more purchases by customers and eventually increase the financial performance of the company. Although our literature research identified various arguments for the cost saving aspect of sustainability approaches as a driver for the integration of sustainability into corporate strategy, e.g. because of less exposure to fluctuations of resource prices (Cici and D'Isanto, Renukappa et al, 2013), it did not come up during the interviews with the case company.

Corporate Reputation: We found that a positive corporate reputation in terms of sustainability can drive the cooperation and willingness from other companies and partners to work on sustainability initiatives with a T&C company (Interview, Logistics Manager). The cooperation in turn enables a company to further pursue sustainability initiatives and develop innovations. Our results support Renukappa et al. (2013), who argue, that particularly companies, that build their competitive advantage on innovation consider the integration of sustainability into corporate strategy as critical for its reputation.

Top Management: Our findings present the intrinsic motivation of the top management as a key driver for the integration of sustainability into corporate strategy of a T&C company. The CEO described her motivation to develop a sustainable corporate strategy:

> *"Personally, my mother is already very visionary, like a Greenpeace activist. She stands by her opinion and is very environmental-friendly, liberal and free. It was already laid out a little bit in my family. And I think also to grow up here, in an area, which is shaped by agriculture. As children, it felt like we were the only entrepreneurs in the village and there was big distrust and skepticism. Sometimes one would say: 'If your dad produces in Asia, he is probably an exploiter.' This shaped me a lot and I developed the wish to encounter this mistrust, make it all transparent and ultimately, do it in a good way."* (Interview, CEO)

The CEO's intrinsic motivation to integrate sustainability into the company's corporate strategy acknowledges Schneper et al. (2015) as well as Eddleston and Kellermans (2007), who argue, that a top management is particularly committed to drive sustainability initiatives, if it is personally and emotionally attached to the company and aims to promote a positive corporate reputation.

Originality: Particularly when it comes to apparel, the desire for uniqueness is prevailing in human nature (Cline, 2013). During our interviews, the Head of QCM suggested: *"Sustainability stands in close relation to innovation and because I am restricting or limiting something, I am creating opportunities for something new."* (Interview, Head of QCM). Although the Head of QCM focuses on the innovation aspect, that sustainability approaches bring along, the statement stands in close relation to Ozdamar Ertekin and Atik's (2015) argument, that the desire to be unique can act as a driver for T&C companies to produce sustainable alternatives, slow fashion and resolve the current homogenization of fashion.

4.3. Barriers for the Integration of Sustainability into Corporate Strategy of T&C Companies

Our results reveal that a wide set of barriers for the integration of sustainability into corporate strategy of a T&C company exists. As far as we know, our findings extend the barriers identified in literature by six new ones (*Limited Options and Comparability*, *Uncertainties*, *Infrastructure*, *Situation in Production Countries*, *Data Handling* and *Tradeoff between Quality and Durability*). However, the barriers *Economic Growth, Reluctance from well-established Brands* and *Top Management*, which were recognized in recent literature, were not mentioned in our interviews. The following will discuss thoroughly the determined barriers for a successful integration of sustainability into corporate strategy of a T&C company identified in interviews with the case company.

Standards and Regulations: The current selection of sustainability standards and labels often focuses on one aspect each, e.g. the usage of organically certified cotton or the renouncement of a certain hazardous chemical. However, no sustainability label covers the whole lifecycle of a product. The Head of QCM explained: *"A lot of labels exist, but unfortunately none in the world, that really includes the whole product lifecycle."* (Interview, Head of QCM). The nonexistence of such a label leads to various open questions about the sustainability of a product: *"But what am I doing with it in the usage phase? What am I doing with it at the end of life? Did I think about the ability to repair the product or the durability already in the design phase?"* (Interview, Head of QCM). A T&C company, that wants to provide full information about its sustainability approaches in a product eventually has to attach a variety of labels to it in order to cover the full lifecycle. The Head of QCM highlighted the detriment in doing so: *"We deliberated if it makes sense to put five labels on one product. The end consumer will not understand it."* (Interview, Head of QCM). We believe that our findings in regards of standards and regulations as barriers present an additional complication, that has not been pinpointed in recent literature so far – the nonexistence of a label covering the full product lifecycle. However, we broach a similar issue as Montiel et al. (2019) in the sense, that the current selection of sustainability standards, labels and regulations creates uncertainties. Whereas Montiel et al. (2019) focus on unertainties for a T&C company itself because of overlapping and competing sustainability standards, we could observe uncertainties for the end consumer. If end consumer do not understand the sustainability information attached, it might hinder them in consciously deciding for a product and ultimately act as a barrier for a T&C company to further pursue its strategical integration of sustainability.

Consumer Behavior: As much as a certain consumer behavior can drive a T&C company to integrate sustainability into its corporate strategy, as much it can hinder one to do so. Countless low-priced T&C chains exist, continuously offering bargains, so the consumer is currently educated to purchase low-priced products rather than comparably more expensive sustainable alternatives. VAUDE's CPO stated: *"On the other hand, the customer is currently being taught, that everything is cheap and can be thrown away quickly."* (Interview, CPO). The Head of QCM further explained, that T&C consumers are not yet willing to pay more for a sustainable purchase: *"As long as the Primarks and H&Ms exist and everyone needs a lot of T-Shirts, it will be difficult to charge higher prices for them."* (Interview, Head of QCM). Both remarks support authors like Hobson (2004), who claims, that consumers perceive the affordability of sustainable T&C products as challenging and therefore do not purchase them, as well as Joergens (2006) and Bhaduri and Ha-Brookshire (2011), who argue, that even sustainability conscious consumers, who are aware of environmental and social issues, rather choose a low-priced, fashionable option over a more expensive sustainable T&C product.

Limited Options and Comparability: A limited selection of high-quality sustainable materials and a lack of comparability of available options have emerged from our results as significant barriers for the integration of sustainability into corporate strategy of T&C companies.

Particularly when it comes to the adhesive to join different materials, the Logistics Manager reported the lack of sustainable options on the market as a great obstacle because of the following reason: *"All the materials we are using become hazardous waste in the moment, that glue is put on it, because it blends."* (Interview, Logistic Manager). It implies, that even if sustainable materials are used, for example for the packaging, they become non-recyclable as soon as conventional adhesive is applied. T&C companies with a global value chain commonly have a wide network of partners ranging over various countries. Distributors and clients often have particular requirements for the packaging of products, that still make it impossible to renounce plastic material and implement more sustainable solutions (Interview, Logistics Manager). However, the CPO reported to notice a positive development and that particularly an increased number of sub-suppliers started to engage in sustainability approaches and can therefore offer sustainable options. Still, he confirmed the difficulties mentioned above and added, that it is still challenging to detect the whole available range and options of sustainable sub-suppliers, suppliers, producers and materials on the market (Interview, CPO).

Uncertainties: In our findings, we identified uncertainties about the future of the T&C industry. The CPO focused on the shift from physical retail to online retail and called attention to the uncertainty about where the price spiral of T&C products is going: *"if the price spiral keeps on going and I am taught, that there are only red prices and that the ones buying at normal prices are stupid, it will be increasingly difficult for us to position our sustainable products."* (Interview, CPO). These uncertainties stand in close relation to the integration of sustainability into a T&C company as it could become increasingly difficult in the future to highlight the advantages of sustainable T&C products online and to position them in a potentially growing low-price market. Therefore, these uncertainties act as a barrier of integrating sustainability into corporate strategy of a T&C company.

Infrastructure: As presented above, the case company has a global value chain and primarily produces in Asia. Current infrastructure solutions between Asia and Europe pose difficulties to transport the products from the production facilities to the headquarters in the most environmental-friendly way: *"The difficulty we have is, that we produce in Asia and we somehow have to get the products here"* (Interview, Logistics Manager). The Logistics Manager presented the transportation method, which is currently most sustainable and affordable for the case company: *"The current mathematically cleanest way is by ship. On a ship they can put around 20-24 thousand containers and plenty of T-Shirts and jackets fit inside."* (Interview, Logistics Manager). When asked if the transportation via railway would be even more environmental-friendly, he answered: *"In regard to CO^2, for sure. The run time is also shorter. In comparison to sea freight, we save 10 days."* (Interview, Logistics Manager). However, the current railway infrastructure is not connected to Vietnam, where 67.7% of the case company's products are produced, as the Logistics Manager explained: *"The third alternative to aviation and sea freight is rail transportation, but the current standard departures are sill from China and we produce relatively little there, only tents and shoes."* (Interview, Logistics Manager). He added another obstacle: *"The train cannot carry 20 000 containers I think, maximum only 400. Therefore, it is more expensive. Normally we pay double or almost triple than for a sea freight. We only do that, if the order or products permit it."* (Interview, Logistics Manager). Accordingly, the case company is dependent to transport their products by ship, which includes long transportation times and certain risks: *"During the import, the long transportation time is a big barrier. (...) the longer the way, the higher the risk"* (Interview, Logistics Manager). Nevertheless, the Logistics Manager reported potential advancements in terms of railway transportation.

We further observed, that due to the external environment during the transportation, plastic packaging is still needed to protect the products: *"We are forced to use synthetic materials,* *because on the way from Asia to here, there is air-humidity on-site, humidity on the way and pollution here with very little cardboard dust."* (Interview, Logistics Manager).

All in all, the current infrastructure between Asia and Europe presents poorly connected railways, comparably high costs for railway transportation and unfavorable external conditions during the transportation. Although potential advancements are expected, these circumstances require a T&C company to put high efforts into finding sustainable solutions, creating a key barrier for the integration of sustainability into its corporate strategy.

Situation in Production Countries: In close relation to the infrastructure stands a set of challenges in the production countries themselves. Unstable political situations in the typical Asian T&C production countries make it risky to transport products through them (Interview, Logistics Manager). Moreover, the high proportion of migrant workers in the T&C industry presents new challenges for T&C companies *"like having warning signs in the language, that the people understand; trainings for the use of chemicals in the national languages, so that the people also know what they are doing."* (Interview, Head of QCM). The Vendor Manager added the topic of overworking hours which sometimes is voluntary and needs to be carefully analyzed (Interview, Vendor Manager). She further explained, that controlling bodies for working laws rarely exist in those countries, handing down the task of assuring the compliance to laws to the producing brands (Interview, Vendor Manager). Our findings show, that in order to assure a sustainable approach from partners in the typical Asian production countries, T&C companies have to provide fundamental work as controlling the compliance to working laws, which acts as a barrier for them to fully integrate sustainability into their corporate strategies.

Sustainability as a Business Case: We found, that one of the key barriers for the integration of sustainability into corporate strategy of a T&C company is the balance of ecological and social aspects with the economic aspect, potentially even leading to a lack of business case. The Logistics Manager described the current situation: *"We mostly have to simply consider the cost* *aspect. We are a business enterprise and if there are no outcomes, we cannot contribute to the topic sustainability for long anymore."* (Interview, Logistics Manager). He further stressed the particular straddle between ecological and economic aspects: *"We could for sure produce everything in Germany, but then the prices would be so high, that no one will buy anything anymore. And how does that help? Ecology-wise, you are gone then."* (Interview, Logistics Manager). The CPO confirmed: *"These are certainly the challenges – how can I maybe get the more sustainable fabric, the fairer working conditions, but still keep the price on a reasonable market price level" (Interview, CPO).* These observations support Renukappa et al. (2013), who argue, that the integration of sustainability into corporate strategy of a company can be expensive and even cause negative competitiveness in the industry in the short-term. We further found that a strategical sustainable orientation and a competitive position can be difficult to maintain if product prices eventually have to rise because of higher costs and efforts for sustainability approaches: *"It is not, that we are suddenly on the organic market and we can demand higher prices, but we are still in the same competition with the others*". And the CEO adds, "if you take this path as the only one, it entails that we have much higher costs and efforts" (Interview, CEO). A similar view is shared by the CPO.

One of the sustainability initiatives of the case company is *"[t]he goal, that in five years we will only have recycled or bio-based products. But there will be a lot of innovation effort and high costs needed."* (Interview, CEO). It reveals again that sustainability initiatives and innovations are often connected with high efforts and costs. Koplin et al. (2007) support this view with the argument, that compared to conventional materials sustainable alternatives are often more expensive and may even raise a product's total cost. Yet, as also mentioned above, it is not possible to translate the additional efforts and costs for sustainability to the end consumer. The CEO reported: *"We have problems with the margins, because we cannot pass the price."* (Interview, CEO). Also, the Head of QCM picked up the topic: *"sustainability costs money"*.

Therefore, T&C companies have to find ways to compensate them in a different way: *"You still have a lot of conflicting goals inside the company – here I want a margin increase, but also transparency and there the prices increase for raw materials, chemicals etc. That has to be compensated somehow."* (Interview, Head of QCM).

All in all, we could observe, that the financial aspect of integrating sustainability into corporate strategy is still difficult to manage and that it is a continuous process to overcome this barrier for a T&C company.

Value Chain Management: As covered in earlier sections, due to the often manual and simple work approaches, the T&C industry is mainly settled in low-cost countries. Therefore, certain risks are likely to prevail in its value chain (Interview, CEO). The Head of QCM explained the difficulty to convince partners in the value chain to comply to their sustainability requirements: *"We are a medium-sized, family-owned company and we often have minimum quantity surcharges at the material suppliers, but at the same time the highest requirements for environmental and social standards." (Interview, Head of QCM).* This argument supports Todeschini et al. (2017) and Oelze's (2017) observations, that suppliers in the T&C industry often lack an intrinsic motivation and are unwilling to integrate sustainability standards into their business. It becomes even more difficult to convince partners to comply to certain sustainability standards, if other brands working with them do not demand the same: *"But then there are also other producers and we are the only ones working with them, who care about it. There, we have to provide fundamental work and convince them why it is worthwhile to join."* (Interview, Vendor Manager). The same difficulties could be observed on the retailers' side: *"Others may have 100 suppliers and if there is one coming and starts to act crazy, they find it too much effort and are not interested."* (Interview, Logistics Manager). In addition, a lot of producers in Europe simply do not have the knowledge or capabilities to comply to sustainability standards demanded (Interview, Logistics Manager). Our results show, that it is especially difficult to find partners in the value chain, who are willing to comply to sustainability requirements, if one is a comparably small brand for the partners and/or other brands working with them do not demand the same. Moreover, not all producers have the capabilities to adapt to certain sustainability standards. Both make it challenging for a T&C brand to ensure the compliance of sustainability standards in the whole value chain.

Data Handling: The handling of complex data for sustainability initiatives, approaches and practices was identified to be challenging for a T&C company, that integrates sustainability into their corporate strategy. The Head of QCM reported: *"We have a huge amount of data - how do I get the data together, that come from different systems or sources, that are partly not certified?"* (Interview, Head of QCM). We observed that there are still uncertainties on how to efficiently make use of the sustainability data and create a greater value for the end consumer with it.

Trade-off between Quality and Durability: Furthermore, we detected, that not all sustainability measures benefit the quality of a product. A sustainable material innovation can at times harm the quality aspect of a product: *"Sometimes it has the disadvantage, that the performance is not as good as before."* (Interview, Head of QCM). The Head of QCM therefore highlighted the importance to ensure the accordance of sustainability and quality in a product: *"It is a field of tension. They have to tag along with each other and that is why I also sit in the CSR team."* (Interview, Head of QCM). Especially when it comes to the long-term durability of certain sustainable materials, experience is lacking, and uncertainties prevail: *"Maybe I am saving water and chemicals, but the product only lasts 2 years instead of like before 10 years."* (Interview, Head of QCM). Accordingly, a lot of time and resources have to be invested to ensure the balance of sustainability and quality in a product (Interview, Head of QCM). This tension field creates the need for high efforts to ensure, that both sustainability and quality of a product are according to the highest possible standards and presents a barrier for T&C companies to integrate sustainability into their corporate strategies.

5. Conclusion

This paper contributes to theory and practice in relation of integrating sustainability into corporate strategy of a T&C company. Our research is grounded on a case study analysis of VAUDE, a European outdoor outfitter, that has sustainability deeply integrated into its corporate strategy and has been recognized as exemplary. Our analysis, including the conduction of interviews, examination of the sustainability report and website as well as observations in the field, is in accordance with VAUDE's high sustainable reputation and suggests, that sustainability is deeply integrated into its corporate strategy. Therefore, our results are original and seek to provide a better understanding of the aspects driving and hindering a European T&C company to the integration of sustainability into corporate strategy. However, as a general and personal assessment, we believe that each company individually has to analyze its market and competitive environment to evaluate if the full integration of sustainability into its corporate strategy makes sense. The case company is successful with its approach of fully integrating sustainability into all relevant processes and the market is covering the additional efforts and costs to a certain extent through higher sales prices accepted by customers. However, one of its main obstacles is still the inability or unwillingness of many customers to pay a price mark-up for sustainable approaches. There is perhaps a minimum standard, which all customers expect from companies, e.g. not to undermine basic labor rights, but not all customer segments are alike and the situation for other companies can be different from the case company. Some other customer segments simply do not accept this price mark-up for special sustainable behavior above the minimum expectations. Therefore, the strategic approach of integrating sustainability is also a result of market analysis and developments.

Our results extend current insights into the highly global and competitive T&C industry and are in alignment with previous research focusing on drivers and barriers for the integration of sustainability into corporate strategy of a T&C company. We identified a total of six drivers, and ten barriers. From those, six barriers were not yet classified in existing literature and determined *Sustainability as a Business Case* (driver) as specific for the T&C industry. Existing research only identified the two aspects as cross-industry aspects before, which certainly involves the T&C industry, but we believe that no specific study of the T&C industry exists, that includes these aspects. The topics, that were detected in recent literature, but could not be confirmed in our analysis are *Standards and Regulations* and *Public Pressure* as drivers, and *Economic Growth, Reluctance from well-established Brands* and *Top Management* as barriers. Furthermore, our findings show, that drivers for the integration of sustainability into corporate strategy of T&C companies are dependent on a collective coherence of all three levels of analysis (i.e. institutional, organizational and individual). The determined barriers are of institutional and organizational nature only.

Taking into consideration the above presented *Institutional Theory* and *Stakeholder Theory* as theoretical frameworks explaining why companies deal with sustainability and, more specifically, decide to integrate sustainability into their corporate strategy, our results stand in accordance (Perrini and Tencati, 2006; Matten and Moon, 2008; Rezaee, 2016). Based on our case study results, we could identify an institutional level of analysis for both drivers and barriers. It reveals once more, that in order to earn the legitimacy to survive in the market, a sustainable T&C company is urged to conform to its institutional environment comprising normative, regulatory and cognitive elements. Moreover, our results align with the assumption, that stakeholders can directly and indirectly influence sustainability practices of a company (Sharma and Henriques, 2005). We identified that especially consumers are influential for driving and hindering a T&C company to integrate sustainability into corporate strategy as well as largely influence the success of the integration. Also, our results confirm, that in order to create value with the integration of sustainability into corporate strategy, a T&C company has to address a wider set of stakeholders than conventional business models suggest. The case company has a higher growth rate than the European average in their market. It shows that addressing additional stakeholders like the environment and local communities stands in close relation to a positive brand reputation, higher consumer trust and purchases as well as may ultimately lead to a positive business case.

Our findings present specific drivers for the integration of sustainability into corporate strategy of a T&C company. An increasing consumer awareness of ecological and social issues in the T&C industry leads to a higher demand for sustainable brands and products, resulting in more and more brands meeting these demands. A fully integrated sustainability approach of a T&C company can therefore create competitive advantage. We even argue, that if a T&C company does not address sustainability in its corporate strategy, it may create a competitive disadvantage. On top of that, sustainability initiatives can positively influence a T&C brand's corporate reputation, ultimately leading to a positive business case as well as enhancing the willingness of partners to cooperate and collectively develop new sustainable approaches. Additionally, a top management's intrinsic motivation and deep commitment to sustainability is a significant aspect, that drives a T&C company to fully integrate sustainability. The close relationship between sustainability and innovation allows T&C companies to develop sustainable, innovative alternatives, that meet the human desire of uniqueness, which is especially prevalent in the T&C industry.

Apart from this, we identified the following barriers: The currently extensive selection of sustainability standards and regulations are confusing for the end consumer, hindering them to decide for a sustainable product and eventually presenting a burden for a T&C company to continue pursuing the integration of sustainability into its corporate strategy. At present, low-price T&C products present the majority on the market, creating the perception for consumers, that a cheap purchase is a good purchase and leaving the sustainability aspect out of consideration. Accordingly, T&C companies cannot yet translate higher efforts and costs of sustainability practices to the product, which can be challenging to achieve positive profit margins. Although improvements can be observed, it is still difficult to explore the whole range of sustainable material options and conduct comparative analyses on them. For some materials like adhesive, no adequate sustainable option exists yet, which is especially problematic as even sustainable materials become non-recyclable as soon as they get in touch with it. Therefore, high research efforts are required to recognize the full selection of innovative, sustainable material alternatives on the market. As T&C brands with a global value chain have a wide network of partners, different requirements from them, e.g. specific packaging instructions, can decelerate the process of establishing innovative, sustainable solutions. The future of physical T&C retail stores and the development of the price spiral of T&C products are uncertain, which stands in close relation to the decision of integrating sustainability into a T&C company, as it could become increasingly difficult to highlight one's sustainability argument efficiently online and to position sustainable products in a potentially growing low-price market.

We further identified challenges connected to the typical T&C industry's production countries, which are mainly located in Asia. The infrastructure between Asia and Europe does not provide enough affordable sustainable transportation options and external conditions like high air humidity on the transportation way make it necessary to use non-sustainable packaging like plastic for the transported T&C products. Unstable political conditions are common in typical T&C production countries and other countries on the transportation route to Europe, presenting a risk to pass through. Moreover, an increasing number of migrant workers, who do not speak a production country's language are being employed in the T&C industry. Thus, it is challenging for a T&C brand to assess special cultural situations at their partners' production facilities and to assure that all workers are well-informed about safe and fair working conditions in a language they understand. The highly manual work approach in the T&C industry bears certain social risks for both local and migrant workers, generally demanding a complex approach from a T&C company to guarantee fair working conditions in the value chain. Often, it is challenging to convince partners in the value chain to comply to certain sustainability requirements, especially for T&C brands, who only have a limited influence because of their size or other brands producing at the same facility and not demanding sustainable approaches. In addition, sustainability initiatives are deeply connected with high efforts and costs, which still cannot be translated to the end consumer. Respectively, achieving a balance between social, ecological and economic factors is still seen as problematic for a T&C company and can eventually even lead to a negative competitiveness on the market. The integration of sustainability into a T&C company brings along a great amount of complex data. The handling is observed to be challenging and uncertainties exist on how to efficiently make use of it to create an added value for the end consumer. Finally, it exists a tension field between sustainability and quality, as not all sustainable materials benefit the quality of a product. Thereby, a T&C company has to create high efforts in testing to ensure that both aspects are according to highest possible standards.

5.1. Limitations and Future Research

Regardless of our case study results, limitations have to be drawn. First, the limitations of generalizing from a single case study are known and documented, even if it can be considered as an exemplary (Yin, 2009). Second, this research only makes use of a qualitative research method with a limited number of participants. Third, VAUDE is family-owned, meaning, that it is not obligated to maximize shareholder returns and can freely pursue sustainability approaches without inevitably maximizing profits. Therefore, it is difficult to compare to public owned companies. Finally, the research took a cross-sectional rather than longitudinal approach.

Thus, future research could conduct a multiple case study analysis and make use of mixed research methods. The study could for example be extended by conducting cross-cultural comparisons of the sample or a longitudinal study of T&C companies that have sustainability integrated into their corporate strategy. Finally, it could also include other perspectives from external stakeholders.

5.2. Managerial Implications

Although we are aware of the limitations of this paper, it provides clear case study results and extensive insights into the current status of drivers and barriers for the integration of sustainability into corporate strategy of T&C companies. VAUDE's pioneering strategical sustainability approach in Europe and particularly in the global T&C industry offers strong support for our results. The findings present significant suggestions for other T&C companies, that seek to integrate sustainability into their corporate strategy as well as for the T&C industry to create a sustainability friendly environment to drive more T&C companies to become sustainable. It further supports T&C companies to identify potential barriers and how to overcome them. Our results reveal that it only works, if sustainability is strongly integrated into one's corporate strategy and deeply anchored in all departments and daily tasks of a T&C company.

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Appendix – Tables

Table 1: Drivers for the integration of sustainability into corporate strategy

Level of Analysis	Name of Driver	Drivers – General	Drivers – T&C
Institutional	**Standards and Regulations**	Montabon et al., 2007; Handfield et al., 2002; Hopkins et al., 2009; Giunipero et al., 2012; European Commission [a]; Cordano, 1993 as cited in Giunipero et al., 2012; Rondinelli and Vastag, 1996; Gordon, 2001	Rieple and Singh, 2010
	Consumer Awareness		Dickson, 2000; Hill and Lee, 2012
	Competitive Advantage	Cici and D'Isanto, 2017; Porter and Kramer, 2006; Murthy, 2012; Hopkins et al., 2009	Ararat and Göcenoğlu, 2006; McAdam and McClelland, 2002
	Public Pressure		European Union, 2014; Boström and Micheletti, 2016
	Sustainability as a Business Case	Cici and D'Isanto, 2017; Carroll and Shabana, 2010; Eccles et al., 2014; Renukappa et al., 2013; Ganesan et al., 2009	
Organizational	**Corporate Reputation**	Renukappa et al., 2013; Othman et al., 2011	Arora et al., 2004; Ho and Choi, 2012
Individual	**Top Management**	Andersson and Bateman, 2000; Renukappa et al., 2013; Banerjee et al., 2003; Hopkins et al., 2009	Niniimäki, 2010
	Originality		Cline, 2013; Smelik, 2011; Ozdamar Ertekin and Atik, 2015

Table 2: Barriers for the integration of sustainability into corporate strategy

Level of Analysis	Name of Barrier	Barriers – General	Barriers – T&C
Institutional	**Standards and Regulations**	Nidumolu et al., 2009; Koplin et al., 2007; Montiel et al., 2019; Balasubramanian, 2012	Goworek et al., 2012; Pedersen and Andresen, 2013; Oelze, 2017
	Consumer Behavior	Mathiyazhagan et al., 2013; Luthra et al., 2011; Nidumolu et al., 2009; Koplin et al., 2007; Banerjee et al., 2003	Desore and Narula, 2018; Hobson, 2004; Scaraboto and Fischer, 2012; Eckhardt et al., 2010; Dolan et al., 2006; Pedersen and Andresen, 2015; Eder-Hansen et al., 2012; Joergens, 2006; Bhaduri and

			Ha-Brookshire, 2011; Vermeir and Verbeke, 2006; Karaalp and Yilmaz, 2012; Niinimäki, 2010; Luchs et al., 2010
	Economic Growth		Dolan et al., 2006; Thøgersen, 2005
	Reluctance from well-established Brands		Chesbrough, 2010; Oelze, 2017
Organizational	**Sustainability as a Business Case**	Hopkins et al., 2009; Luthra et al., 2011; Al Khidir and Zailani, 2009; Mathiyazhagan et al., 2013; Nidumolu et al., 2009; Renukappa et al., 2009; Cici and D'Isanto, 2017; Koplin et al., 2007; Giunipero et al., 2012	Lo et al., 2012; Youngjoo and Dong Kyu, 2015; Pedersen and Andresen, 2015; Oelze, 2017
	Value Chain Management		Mihm, 2010; Beard, 2008; Todeschini et al., 2017; Oelze, 2017
Individual	**Top Management**	Cici and D'Isanto, 2017; Renukappa et al., 2013; Hopkins et al., 2009; Du et al., 2012; Volberda, 1996; Giunipero et al., 2012	

Table 3: List of interviewees and their respective departments

Name	**Job Title/Department**
Antje von Dewitz	CEO
Uwe Gottschalk	Chief Product Officer (CPO)
Uwe Abraham	Logistics Manager
Bettina Roth	Head of Quality and Chemical Management (QCM)
Anika Mauz	Vendor Manager

Table 4: VAUDE's production facilities

Production country	**Number of producers in country**	**Share of produced goods (in %)**	**High-risk/Non-risk production country**
Germany	4	5.2	Non-risk
Austria	1	0.1	Non-risk
Portugal	2	0.4	Non-risk
Lithuania	2	3.7	Non-risk
Bulgaria	1	1.7	High-risk
Croatia	1	1.0	Non-risk
Turkey	1	1.3	Non-risk
Myanmar	1	8.9	High-risk
China	10	9.2	High-risk
Cambodia	1	0.8	High-risk
Vietnam	14	67.7	High-risk

Source: Own representation based on VAUDE (2018)

Table 5: Drivers and barriers for the integration of sustainability into corporate strategy identified from interviews with the case company

Category	Existing	New	Level of Analysis
Drivers			
Consumer Awareness	x		Institutional
Competitive Advantage	x		Institutional
Sustainability as a Business Case	x		Organizational
Corporate Reputation	x		Organizational
Top Management	x		Individual
Originality	x		Individual
Barriers			
Standards and Regulations	x		Institutional
Consumer Behavior	x		Institutional
Limited Options and Comparisons		x	Institutional
Uncertainties		x	Institutional
Infrastructure		x	Institutional
Situation in Production Countries		x	Institutional
Sustainability as a Business Case	x		Organizational
Value Chain Management	x		Organizational
Data Handling		x	Organizational
Trade-off between Quality and Durability		x	Organizational