Josefina Jonsson

Sustainable Business
A Case Study of Oatly and Saltå Kvarn

UPPSALA UNIVERSITET

Master’s thesis in Global Environmental History
Abstract


This case study presents the factors that define a sustainable entrepreneurship in theory and how a sustainable business can be presented in practice. The questions that will be answered are: (1) How do Oatly and Saltå Kvarn implement sustainable practices within their organisations? (2) How do the representatives of Oatly and Saltå Kvarn perceive the impact that sustainable practices have on business results? (3) How do the representatives of Oatly and Saltå Kvarn use sustainability to create innovation? (4) How are attitudes and values related to the organisation of sustainable practices in Oatly and Saltå Kvarn? Also, I will present how different practices of sustainable business is related to each other and how it can be implemented in theory. To retrieve as much useful information as possible I have collected material by conducting a literature study and semi-structured interviews with one representative from Oatly AB and one representative from Saltå Kvarn AB. The interviews aim to give the reader of this thesis an in-depth and detailed perspective of the chosen organisations. I conduct a qualitative research method where my aim is to present an exemplification of the subject and provide the reader with a deep analysis of the chosen companies in the paper.

There are several motives behind why a company choose to move in a more sustainable direction and therefore engage in some practices. There might be a strong value based core at the foundation of the business or it can be a reaction of the trends in society. The reasons are many, and it is possible to see the different engagements in different levels of socio-economic management thinking. Businesses that are engaged in single issues can be defined as mere philanthropy or a compliance issue. Corporations that have taken their engagements one level further see their responsibilities related to their core business. That is, it is integrated within their business model. These firms can engage in explicit responsibility management or integrative business models.

The thesis is concluded in the definition of sustainable entrepreneurship where the business itself contributes to urgent societal as well as ecological challenges by having it in their core competences. By having this new innovative approach, the sustainable entrepreneurship at its finest would increase value for business as well as increased value for society by fostering social innovations.

Keywords: Sustainable Business, Corporate Sustainability, Swedish Food industry, Environmental Management.

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<tr>
<th>Abbreviation</th>
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<tr>
<td>CBA</td>
<td>Cost Benefit Analysis</td>
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<td>CED</td>
<td>Committee for Economic Development</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>CSV</td>
<td>Creating Shared Value</td>
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<td>DJSI</td>
<td>Dow Jones Sustainability Indexes</td>
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<td>EU</td>
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<td>GHG</td>
<td>Greenhouse Gases</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GRI</td>
<td>Global Reporting Initiative</td>
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<td>International Labour Organization</td>
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<td>IPI</td>
<td>Industrial Production Index</td>
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<td>ISO</td>
<td>International Organisation for Standardization</td>
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<td>LCA</td>
<td>Life Cycle Assessment</td>
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<td>LOHAS</td>
<td>Lifestyle of Health and Sustainability</td>
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<td>MNCs</td>
<td>Multinational Companies</td>
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<td>NGOs</td>
<td>Non-Governmental Organisations</td>
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<td>NPV</td>
<td>Net Present Value</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>SCB</td>
<td>Statistiska Centralbyrån (<em>Statistics Sweden</em>)</td>
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<tr>
<td>SE</td>
<td>Sustainable Entrepreneurship</td>
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<td>SEK</td>
<td>Swedish Krona</td>
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<td>SMEs</td>
<td>Small and Medium Sized Enterprises</td>
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<td>TBL</td>
<td>Triple Bottom Line</td>
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<td>UK</td>
<td>United Kingdom</td>
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<td>UN</td>
<td>United Nations</td>
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<td>US</td>
<td>United States of America</td>
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<td>WBCSD</td>
<td>World Business Council for Sustainable Development</td>
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1. Introduction

“Sustainable entrepreneurs destroy existing conventional production methods, products, market structures and consumption patterns, and replace them with superior environmental and social products and services. They create the market dynamics of environmental and societal progress.”

The root of sustainable practices within businesses dates to the late nineteenth century when companies had concerns regarding the welfare of the employees and the company’s impact on the society (Carroll 2004). With the industrial revolution in the late 19th century, new business organisations were being created and production methods was changing rapidly at the same time as there were a formation of the labour movement. Companies started to acknowledge the need of their employees and started to be engaged in social welfare, although on a quite limited scale, in comparison to today’s measurements. These social actions could include distribution of food coupons, or the construction of hospitals and cleaning facilities, such as bath houses (Carroll 2004). The beginning of sustainable practices within companies was emerging with simple gestures, such as the already mentioned food coupons or in companies taking lead in constructing health and recreational buildings for employees and members of society. In the late 19th century, individual business philanthropists also made themselves known for offering benefits for society, particularly in the United States. These philanthropists quickly became recognised and welcomed by local communities and multiple social groups, thus initiating a new identity and image of the philanthropical entrepreneur (Sharfman 1994).

In the 19th century organisations were also characterised by their focus on societal goodwill and philanthropy, mostly motivated by religious motives. One of the most famous example of such an organisation might be the Young Men’s Christian Association (YMCA). In the US during the late 1920s, the Great Depression strengthened the trend of integration of public trusteeship management, in contrast to the traditional profit-maximising focus management (Hay and Gray 1974). This period is also defined by Carroll (2008) as leading the development of what was later to be called Corporate Social Responsibility (CSR) both as a practice and as a concept.

It was not until the 1950s when Howard Rothman Bowen discussed the role of businessmen and the implications for the surrounding society, that CSR became more wide spread as a concept. The actions and decisions of businessmen affect the lives of us all, something the individual often fail to fully comprehend. As stated by Bowen (1953) himself:

“When the far-reaching scope and consequences of private business decisions are recognized, some questions naturally arise: Are businessmen, by virtue of their strategic position and their considerable decision-making power, obligated to consider social

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consequences when making their private decisions? If so, do they have social responsibilities that transcend obligations to owners or stockholders? The answer to both these questions is clearly yes.”

With this statement, Bowen (1953) showed that he believed that companies should consider social consequences, such as pollution or the working environment, when making their strategic market decisions. Bowen (1953) also states in the quote above that with the corporative power comes corporate responsibilities for the greater good in society. That means that the owners should have a wider perspective that includes more than monetary factors in the decision process to ensure society’s good.

The linking between private decisions and the public welfare is highly connected. Bowen was the first to use the term CSR and he defined it as: “the obligations of businessmen to pursue their policies, to make their decisions or to follow their lines of actions which are desirable in terms of objectives and values of society” (Bowen 1953). Bowen (idem.) argued that there were more responsibilities for businessmen than mere financial performance and that the corporate social performance should be valued as important to build a good business enterprise.

Current studies within the financial field suggests that the financial market rewards companies that practices good ethics and good corporate governance (Neal and Cochran 2008). During the last couple of years, the approach of corporate social responsibility has been well discussed within the field of business as well as within society. The Government Offices of Sweden have published several reports, discussion articles and guidelines to stimulate and affect Swedish corporations (Regeringen 2017). Apart from the political initiatives, there are also Swedish agencies such as the Tax Office, The Swedish Companies Registration Office, The Swedish Agency for Economic and Regional Growth that together engages in sustainable business and helps companies with information and guidance (Verksamt 2016). There are several incentives for engaging in sustainable practices, as it can help with a more positive image. Companies have exploited the goodwill of consumers and the green marketing has been perceived as greenwashing when companies have communicated in a manner to appear to be more sustainable than they really are. The origin of CSR was shaped in a reactive atmosphere, were companies shaped their policies and practices as an afterthought, defensively or merely as a means to greenwash a label (Azevedo et al., 2014). Since the 2000s there has been a move towards a stronger focus on a more innovative management concept, in terms of sustainable entrepreneurship (Weidinger et al. 2013).

Weidinger et al. (2013) suggests that leading companies have seen the green growth agendas and have identified the need to revisit their concepts of value and profitability that are the driving factors within their business models. The green growth and sustainable business models have two main motivations. The first motivation is that the global market is growing and with that, economies and markets have a higher demand for natural resources that are becoming increasingly scarce. The second motivation is that it now is necessary to decouple global economic growth from the extraction and consumption of natural resources (Azevedo et al., 2014). The trend of today’s global economic growth is based on the high consumption rate in societies which generates multiple negative externalities for humans, societies and the environment. It is evident that the current resource efficiency and the business transition is too slow to respond to the need for change to meet the current global challenges regarding sustainability (idem.). The demand for new or modified techniques, business models, processes, practices, systems as well as products is increasing to reduce the environmental problems that are visible today (idem.). Companies are
considered to be the main players in creating environmental and social problems, therefore change must begin with companies that can lead a transition. (Schaltegger and Wagner 2011)

The term sustainable entrepreneurship (SE) emerged during the beginning of the 21st century as a way of describing this new, entrepreneurial, business driven approach to both businesses itself and society. (idem.) SE is mostly visible within the energy, the financial and the automotive sectors where they already have been challenged by the present progress. This because the use of energy and fuel is directly connected with costs, so therefore there has been a progress in these industries to create more and more efficient technological solutions, but not primarily for sustainable reasons but rather for monetary. There are also other sectors where it is visible that only the companies that have been through a sustainable transition are the winners of tomorrow, by adapting a more efficient resource allocation model. More efficient use of resources creates benefits for the companies and possibly market shares. Successful companies have actively taken the opportunities to incorporate the challenges of the contemporary predicament (idem). Special internal targets have been designed to redefine the structure of companies by incorporating social, environmental and economic components of sustainability within the organisation’s design. (Hosseininia and Ramezani 2016)

But these new business models should be understood as a part of a greater whole and the economy shouldn’t be disconnected as something of itself, as recent management pioneers stress (Weidinger et al. 2013). Williams (1980) claims that we would achieve a radically more honest accounting if the two disciplines of ecology and economy would merge as one. To achieve an ‘honest’ accounting, we should see the totality of relationships between all our products and activities, good and bad, and the connected externalities. The relationship between individuals are reflected in the relationship with nature. Williams (1980) further claims that “It will be ironic if one of the last forms of the separation between abstracted man and abstracted nature is an intellectual separation between economics and ecology.” With this statement, Williams (1980) acknowledges that the relationship between abstracted man and abstracted nature is improving, but there is a problem with the academic discrepancy between scholars in the two mentioned fields of economics and ecology. Many economist and business scholars are focused on the existing theoretical framework of their discipline and Williams (1980) highlights the lack of internal transdisciplinary work.

In the case of the food industry, the World Resources Institute (WRI) presented a report where it is stated that “about one-third of all food produced worldwide, worth around US $1 trillion, gets lost or wasted in food production and consumption systems.” (Lipinski et al. 2013) It is then clear that we have used energy and natural capital in vain and it is likely that the production process has generated emissions and environmental degradation due to transports, pollutions in the process, over-exploitation of soil and work force, to name some. There are negative impacts deriving from food loss both when it comes to economics and the environment. Economically, the food loss is a wasted investment that consequently can reduce farmers’ incomes and the expenses for the costumers can increase. Environmentally, as mentioned above, the food waste generates unnecessary greenhouse gas (GHG) emissions and the industry has used water and land inefficiently. This might lead to diminishing natural ecosystems but also the services that they provide. (idem.) But it is not only the food waste that is a problem, but also the industrialisation of the food produced in combination with the intense energy use. This especially applies to the part of food production where cattle are included. The livestock production is the source of around 15 % of the world’s total greenhouse gases. The meat and dairy products have a massive climate
impact. A majority of the greenhouse gases emitted because of the agriculture (on a global scale) are methane and nitrous oxide, generated by biological processes such as nitrogen turnover in the soil and animal manure management and husbandry. There is also an increase in carbon dioxide emissions associated with land use, related to the food production and other agricultural products (Jordbruksverket 2017).

The food industry in Sweden consists of more than 3000 food producers whereof about 40% are sole proprietorships and only a small part consists of large companies. The industry is the fourth biggest in Sweden, in terms of production value and the numbers of employees. The turnover for the sector in 2010 were estimated to 170 billion SEK and the value added to the Swedish GDP was roughly 38 billion, which is a refinement correspondent to 22%. The companies together employ 55,000 people but with retail, transport, service et cetera the total number of employees is much greater. The food industry is also of great importance for a thriving countryside (Livsmedelsföretagen 2016 a).

In August 2016, The Swedish Food Federation presented a report on the economic situation of the Swedish food industry. The industry is showing a thriving business that has a growing profitability and increasing sales. The employment in the industry has been declining since 2008, but the last two quarterly reports have shown a slight growth which is perceived as very good news in the industry. The industry in general is characterised by rapidly changing demands and consumers that are trend-sensitive. Companies who want to sustain in the long run, need to be able to respond to fluctuations in trends and be up to date. One of the more recent trends, is the changed demand on proteins, where a larger share of the market now demands vegetable protein (Livsmedelsföretagen 2016 b).

The Swedish food industry is prosperous thanks to a good economic situation in the country, where the Swedish households have a good economic standard. The disposable income has grown with about 4.4% (real) in the beginning of 2016. A growing disposable income enables more trends to set since consumers can increase their consumption or try new products and the demand for more quality products rises. This demand has resulted in a rise in sales of premium brands and products (Livsmedelsföretagen 2016 b).

The industry has been facing a lot of challenges the last couple of years, with a growing competition from foreign brands and on the Swedish market. However, the SCB Industrial Production index (IPI) for 2016, shows a slight improvement. The downward facing trend is slowly stagnating and show a positive development for the first half of 2016, in comparison with the previous years. Thus, the industry in general experience a good year and the companies are feeling hopeful regarding the future. There is a hope that the production volumes are going to rise from now on (Livsmedelsföretagen 2016 b).

The companies that are successful within the industry points out the importance of knowing what the next big trends will be and how to use that knowledge in your business. During the year of 2016, one important trend that has made a visible impact lies in the growing demand for vegetable protein because of growing awareness among consumers regarding the impact food has on environmental and health. The shift in trends and demand on the market results in new business opportunities for already established companies and opens opportunities for new establishments. Despite the many challenges that are facing the industry, there is a strong growth of companies within the industry. In 2014, the number of companies grew with roughly 5% and compared with

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2 The SCB industrial production index (IPI) measures the real production output in Sweden. The IPI presents the growth in the respective industry. If the IPI is growing monthly for an industry, this is a indication that the companies in the industry are performing well.
the other industry branches, no other sector is growing as fast. The other industries rather see a negative trend in terms of the number of companies. The growing number of companies is a sign of a big interest in the market and presence of entrepreneurs who respond to demands by having new ideas regarding products, or innovations regarding the market in general.

More people chose to invest in the Swedish food industry which can be perceived as a sign of a prosperous market segment. For the newly established companies, there is a possibility to grow fast and either become a big actor by itself or to become an attractive business, to attract amalgamations by the bigger companies. The Swedish Food Federation claim that one of the strengths with the Swedish food industry is the large number of actors on the market which generates vitality within the branch. Buying smaller companies can create value through economies of scale, which in turn can add value to both parties. Although, 85% of the member of The Swedish Food Federation (Livsmedelsföretagen 2016 b) believes that the strength is in the large numbers of actors that creates a more innovative market climate.

One of the major challenges in the food industry pf Sweden (as other high-income countries) lies in the problem of waste. The waste deriving from the food industry varies depending on how waste is defined. Definitions of waste depends on if you can use the waste for animal feed, use as a bi-product or similar. This is dependent on cultural aspects, or rather what is defined as ‘food’. When talking about food waste, it is common to divide the terms in necessary and unavoidable food waste:

Necessary food waste – food that could have been eaten, provided that it has been handled correctly and eaten by its use-by date. Examples of unnecessary food waste are bread, food leftovers, fruit and vegetables. Unnecessary food waste is sometimes referred to as food wastage.

Unavoidable food waste – generated during food preparation or production and difficult to reduce. Examples of unavoidable food waste are coffee dregs, various types of peel and abattoir waste.

The volume of food industrial waste in Sweden during 2012 varies from 171,000 to 642,000 tonnes depending on definition. The number 171,000 tonnes, signifies edible food waste for humans, while the higher number is based on a broader definition of waste that includes more possible use of the waste, such as animal feed. These numbers are based on environmental reports from 135 companies where they have specified how much food waste that is generated within their company. Along the supply chain, food waste has a variety of causes. Examples of steps in the supply that affect how much waste is used can be handling, transportation, spillage or breakage. If a product is lost late in the supply chain, the environmental coast is much greater than if it lost early. The incremental environmental cost in the supply chain lies in the accumulated resources that has been invested in the product (Naturvårdsverket 2014). Although there are major engagements from different stakeholders, to reduce the volume of waste since it is both connected to economic as well as environmental issues. Waste has become something that is negatively connected for producers and several initiatives³ has formed during the last couple of years.

The Swedish government presented a bill to the Swedish parliament on January 30th 2017, regarding a national food strategy for a sustainable food policy until 2030 (Näringsdepartementet 2017). In the bill, it is mentioned that Sweden has the capacity to produce more sustainable food

³ For example: SaMMe: A Co-operation Group for Reduced Food Waste initiated by the Swedish Board of Agriculture, The National Food Agency, Sweden and The Swedish Environmental Protection Agency. And EWWR: the European Week for Waste Reduction, an initiative aiming to promote the implementation of awareness-raising actions among authorities, private companies, civil society and citizens about sustainable resource and waste management during a week.
with the help of knowledge and innovativeness. This goal will be achieved by focusing on three strategically important areas, as it is formulated in the bill the aims set up are as follows:

Rules and conditions: Rules and conditions shall be designed to support a competitive and sustainable, growing production chain. This will be made by strategically reviewing both taxes, legislation, administration costs et cetera. The aim is to increase the profitability for the sustainable and innovative food producers (Näringsdepartementet 2017).

The consumer and the market: The aim within this area is to increase the consumer trust in food for the consumer to make sustainable choices (defined as local or organic produced). The consumers should be able to make informed choices no matter their socio-economic status. For this to be done, Swedish agencies play an important role in the distribution of information. The Swedish food market shall have a functioning competitiveness both internally and externally to meet the demands on the relevant markets. With a higher competitiveness, the government hopes to bring more value to the consumers and to have more choices regarding origin of products, health aspects or sustainability. The government aims at reducing the barriers on the food production market to enable more companies to be established and introduce innovative ideas (Näringsdepartementet 2017).

Knowledge and innovation: It lies within the government’s interest to support the systems for knowledge and innovation production, to increase productivity in a sustainable manner. As the market for food and the needs of consumers are changing it is of vital importance to increase the level of knowledge within the society and business. New knowledge need to be produced and spread to companies as well as individuals. The government has defined innovation as an important milestone, as they believe that the development of new products that are sustainable by default will help in the sustainability transition. For the development of knowledge will go as planned, it is of great importance that new research and knowledge is created in collaboration between institutions, industrial research institutes, enterprises and other relevant sectors of society (Näringsdepartementet 2017). These political ambitions will affect the industry and the sustainable business models that exist today. The strategy is connected to an action plan with concrete objectives and the need for a change in the legislation, which will affect the food producing companies.

Two examples of food producing companies that have sustainable practices in Sweden are Oatly AB and Saltå Kvarn AB. In the autumn of 2016, Oatly was rewarded as “one of the most sustainable brands” in Sweden. It was the only food producing company that managed to be top three in the Swedish sustainability ranking. (HD - Sydsvenskan 2016). In another ranking conducted by Sustainable Brand Index™ in 2017, Oatly is ranked as number 38. (Sustainable Brand Index 2017). In the survey made by Sustainable Brand Index, Saltå Kvarn is perceived as the most sustainable brand within the Swedish food industry for the fourth year at a row, and the second best in total among all sectors (Saltå Kvarn 2017).

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4 Sustainable Brand Index™ is a Nordic brand study, that focuses on sustainability. The study is based on 30 000 consumer interviews. The interviews include branding, communication and the areas of sustainability. Source: Sustainable Brand Index, 2017.
1.1 Research Question and Purpose

With this background, the following questions will be answered:

1. How do Oatly and Saltå Kvarn implement sustainable practices within their organisations?
2. How do the representatives of Oatly and Saltå Kvarn perceive the impact that sustainable practices have on business results?
3. How do the representatives of Oatly and Saltå Kvarn use sustainability to create innovation?
4. How are attitudes and values related to the organisation of sustainable practices in Oatly and Saltå Kvarn?

The research question is “How can a sustainable entrepreneurship be defined in theory and how can a sustainable business be understood in practice?”

By answering these questions, my aim is to present the reader with an exemplification of how a sustainable business can be conducted and how the theory relates to the area of interest.

1.2 Relevance of the Subject

We can see that our impact on nature can lead to a decrease in biodiversity. Since all living organisms are formed by the conditions under which they have evolved, organisms are adapted to a type of state to attain a stable life. This includes humans and our development as well. If we then are to change the conditions, we might not be able to adapt and, in the long run, survive. It can be perceived as easy to understand the principle regarding animals and plants, but more difficult to understand that this includes humans as well and that we are adapted to live under current conditions (Ammenberg 2012).

In the atmosphere, there are levels of substances that are naturally occurring and exist in variations. It has been clear that the substances we take out from the surface of the earth can generate that other substances occur in a higher level in the atmosphere, through the process of refining material in accordance with the laws of thermodynamics. (idem.) Materia and energy cannot be destroyed, disappear or be recreated, but simply be transformed to a new state (Keszei et al. 2012). On top of the actual use of the material, another cause of environmental problems is the vast use of energy and energy flows (climate change, radiation to mention some) (Ammenberg 2012).

The creation of products and services made by companies is demanding both material and energy to meet the demands from the market. Therefore, many business models are based on how to use the needed resources effectively, in monetary terms. These calculation methods do not often take the social or environmental aspects, such as biodiversity, in mind. Since we rely on companies to supply necessary products and services, it is in our interest that we promote sustainable practices to make sure that future needs also are going to be met (Jones et al. 2011). The demand for sustainable practices and policies within business has become more and more important to justify the business’ actions to society in general, but to stakeholder specifically (Ingenbleek et al. 2007).

Environmental economists are seeing the current market development as problematic since it encourages individuals to increase their consuming which leads to a bigger environmental impact. These issues are addressed when discussing how the market should be shaped and what role
institutions should have. Economists warn for a situation where the natural resources are diminishing, the welfare will decrease. As long as the economic growth of nations is connected to the use of physical resources, it is not a green growth and not sustainable. There is a need for the concept of welfare to be decoupled from the energy and material flows to have sustainable growth (Ammenberg 2012).

During the 21st century, the concept of ‘sustainability’ has become more commonly used and discussed in society as well as within the political branch. Due to this growing awareness, companies should be more aware of their actions and their consequences if they want to maintain their market position (Jones et al. 2011).

The concept of corporate social responsibility (CSR) has many interpretations and mostly include social, economic and environmental dimensions. The meaning and implications is well discussed among multiple scholars (Carroll 2004) and it is quite frequently used among companies. The interest has increased because of the vast efforts and engagements of international organisations (such as the UN), governments taking on leading roles and the change in preference made by the civil society. There has been an increase in the use of renewable energy, improved labour standards and measures has been taken to reduce the level of corruption (UNGC 2012).

Current studies within the financial field suggest that the financial market rewards companies that practices good ethics and good corporate governance (Neal and Cochran 2008) and the demand for new or modified techniques, business models, processes, practices, systems as well as products is increasing to reduce the environmental harms that are visible today (Azevedo, S.G et al., 2014). The main players creating environmental and social problems are considered to be companies, but they are also the possible solution (Schaltegger and Wagner 2011).

With the newly launched Swedish Food Strategy, the increased interest in sustainable food consuming and production is at the Swedish agenda. In the bill, it is mentioned that Sweden has the capacity to produce more sustainable food with the help of knowledge and innovativeness. Rules and conditions shall be made to support a competitive and sustainable, growing production chain. The aim for the consumers and the market is to increase the consumer trust in food for the consumer to make sustainable choices (defined as local or organic produced). So, it lies within the government’s interest to support the systems for knowledge and innovation production, to increase productivity in a sustainable manner.

Regarding the food industry, the issue of food waste is highly connected with sustainable development, as it has a great impact on both the economy and environment. The production of food causes significant environmental consequences, regarding climate, acidification, ecotoxicity, eutrophication and biodiversity. The production of food also contributes in the spreading of pesticides and other environmental toxins and in addition to that, it is also one of the most water-intense sectors. The amount of food that is thrown away every year in Sweden only is equal to around two million tonnes of carbon dioxide emissions. (Swedish Environmental Protection Agency 2012) If we would eat the food that were to be thrown away, we could reduce production quantities which would lead to reduction of the environmental impact from the food supply chain. In a longer perspective, we will be able to feed more people without increasing the environmental impact which would lead to a sustainable food production. This is vital if we are going to solve the problems that are linked to the environment and natural resources and attain a sustainable food production.

With this background, it interesting to see how business within the food industry use sustainability in their innovations and business strategies to make a change.
1.3 Disposition

The present thesis is divided into six chapters. In the first chapter, the aim is to present the reader with an overview of the subject in the introduction and to put the thesis subject in a more broad context. With the background in the introduction, the research questions and aims are presented. From the research questions, four themes are defined as important for the following chapters. The themes are innovation, implementation, perceived impact on business and attitudes and values. Further, the relevance of the subject is discussed to show why the thesis subject and case study companies were chosen in brief.

In the second chapter, the methodology used for the research is presented. The study includes a comparative case study using qualitative research. The material was collected by conducting a literature study and semi-structured interviews with representatives of Oatly AB and Saltå Kvarn AB. In the second chapter, it is presented in detail how the data was collected, how the questionnaire was designed and which theories that have been used, but also how the analysis of the data is conducted, the process of the discourse analysis and a finishing discussion regarding the choice of method.

The third chapter is the main theoretical framework where a detailed background to Corporate Social Responsibility (CSR), sustainable practices and the development during the 1900s is presented. Presenting the roots of CSR contributes to a better understanding regarding the meaning and context, as well as a better idea of what business’ roles in development and what their contributions to society is. The theories presented in chapter three are used to present the reader with material that I have used in the formulating of the study, in the formulating of questions for the interviews, but it also contributes to answering the first part of my research question: “How can a sustainable entrepreneurship be defined in theory”. The chapters, 3.2 – 3.6 are dedicated to the four themes, are innovation, implementation, perceived impact on business and attitudes and values. This derives from the field of environmental economics. The theoretical framework was chosen due to the present representation in the literature by scholars and the relevance for the four themes that are the base for the case study as well. Within the theoretical framework of environmental economics, the present thesis assumes that sustainable business is something that companies can be transformed into or added to an existing business solution.

In the fourth chapter, the empirical data from each study is presented and divided into the four predefined themes innovation, implementation, perceived impact on business and attitudes and values. By mixing quotations with longer texts, the chapter aims at presenting the reader with a look into the interview situation and to sense the respondent’s personality. In the beginning of the fourth chapter, the background information of the two case study companies Oatly and Saltå Kvarn is presented. Each chapter ends with a discourse analysis of the annual reports from 2000 to 2015, where it is presented how the use of words regarding sustainability has changed.

The fifth chapter presents the discussion of the data presented in the previous chapters and summarises the findings to answer the research questions of how Oatly and Saltå Kvarn work with the four themes, what a sustainable business can look like and how sustainable entrepreneurship can be defined.

The sixth chapter will conclude the findings in brief.
2. Methodology

This thesis presents a comparative case study using qualitative research. To retrieve as much useful information as possible, the material is collected by conducting a literature study and semi-structured interviews with representatives of Oatly AB and Saltå Kvarn AB (from here after named Oatly and Saltå Kvarn) in Sweden. Since the study is conducted in Sweden, it is logical to include Swedish companies and therefore the Swedish food industry due to the relative ease of accessibility. The results from the interviews present the reader of this thesis with an in-depth and detailed perspective of the chosen organisations. The aim is to present an exemplification of the subject and provide the reader with a deep analysis of the chosen companies in the paper.

2.1 Formulating the Study

When I started formulating my research question and study object, I identified literature that would be suitable for my learning objectives. When talking about sustainable business, I found four themes that I defined as central to show different aspects of an organisation’s sustainability engagements. I defined those four themes as implementation, innovation, perceived impact on business and attitudes and values. I choose to use these four themes throughout this thesis, with both choice of literature as well as formulating research questions. I choose to formulate the study in this way, as I did not find any existing framework that I believed would be optimal for my type of research. The literature I defined as relevant for this thesis is presented in chapter three and includes existing research regarding sustainability, environmental management, attitudes and related research that has been considered as the main theoretical framework. The review is also used to motivate the formulation of the research questions and the design of the empirical study.

2.2 Study Sample

As I have background within the field of business and economics, it would might be suitable to have conducted a social science research study with a sample suitable for the chosen confidence level. However, due to my current interest in the individual’s role in organisations, I believe it would be interesting to conduct a deeper study of two companies to show an exemplification of how a sustainable business can look in practice.

The focus of the empirical study in this thesis lies on the Swedish food industry since it is the fourth biggest in Sweden, in terms of production value and the numbers of employees. The food industry in Sweden consist or roughly 3000 food producers whereof about 40% are sole proprietorships and only a small part is large companies. Further, it is well discussed within the government how to work strategically with the food production in Sweden with both national and regional strategies (Lantbrukarnas Riksförbund Mälardalen 2015). For this, the defined area of research would be perceived as relevant in relation to society and governmental work.
The interviews include representatives from companies, defined as working in a sustainable manner according to their own definitions on their websites.

In accordance with the European Union’s definition of small and medium sized enterprises (SMEs), this study includes companies with less than 250 employees, a turnover that is equal to/or less than € 50 m, or a total balance sheet equal to/or less than € 43 m. (European Union 2003) The selection was conducted based on the most recent accessible data from December 2015. The focus on SMEs is selected due to:

“Importantly many sustainability-improving innovations (which tend to require some level of technological radicalness) are carried out by smaller firms, reflecting the theoretically and empirically well-established negative association between firm size and the level of technological radicalness of an innovation. This implies a significance of entrepreneurship for the nexus of sustainability and innovation. Therefore, addressing the entrepreneurship–innovation–sustainability nexus from the point of view of small and medium sized firms is an important contribution. Concerning innovations that are not suitable for the mass market, but can survive in a niche, these frequently go along with providing supply for a peer group initially, and this is especially related to start-ups. For example, the supply of ecological food products can often be traced back to founders emerging from the green movement that start out their activities with customers from a specific milieu/peer community.” (Wagner 2012)

2.3 Interviews

The companies’ representatives were purposively selected for the interviews based on the sector, size and due to their relative ease of access. Thanks to contacts at the consultant company U&we, where I did my internship, Oatly and Saltå Kvarn were chosen and willing to participate in the study. Oatly and Saltå Kvarn were defined as appropriate for in depth analysis of sustainable business due to their documented work with sustainability issues. The companies were selected based on the following criteria:

Sector
When the background research was conducted in the beginning of this thesis process, it was concluded that it would be interested to consider companies within the food industry due to issue with food waste, production methods and the size of the sector.

Company size
In accordance with the European Union’s definition of small and medium sized enterprises (SMEs), this study includes companies with less than 250 employees, a turnover that is equal to/or less than € 50 m, or a total balance sheet equal to/or less than € 43 m (European Union 2003). The selection was conducted based on the most recent accessible data from December 2015.

Those who have a minimum of 5 years’ working experience within the selected company
As I had the ambition to look at the development within companies over time and compare with the status regarding their sustainability work. Therefore, the age of the company and how long the representatives had worked in the company were considered in the selection process (putting a 5-year minimum).
Accessibility
The companies were also chosen based on willingness to participate in the study. I had the opportunity of being assisted by colleagues at the organisation U&We, a consultant company where I did an internship. Through U&We I was able to establish contact with respondents.

Those who are defined as working with/or responsible for sustainability
The respondents must be defined as the person responsible for or directly working with the companies’ sustainable practices or an overall executive for the business and therefore responsible for the whole company.

The interviews are focused on four areas: (1) implementation, (2) perceived impact on business results, (3) Innovation and, (4) attitudes. Interviews were conducted to attain a greater understanding of how sustainability is defined in the company, how the interpretation of the concept has changed, and the companies as well as the responsible individuals' views of entrepreneurship. The questions are presented in section 2.3.2.

2.3.1 Data Collection
The collection of the data follows a structure interview question protocol (see 2.3.2 Interview Questions) based on the review in chapter three, consistent of the literature study and theoretical background. This, to gather data systematically and consistent. The interviews were recorded, made full transcripts, coded thematically, translated and then presented.

The collection of the data for the study took place in the winter of 2016/2017. The primary data consists of the information from the semi-structured interviews and open-ended questions with the representatives from Oatly and Saltå Kvarn. As explained above, I had a set number of questions that I raised, but I also allowed the respondent to elaborate or add to these questions freely. The semi-structured interviews are based on a checklist of issues and questions that the researcher asks during the interviews to attain answers. As they are open ended, the respondents can tell a more vivid story which is a flexible approach that is strongly recommended by Hammersley and Atkinson (2007). The interviews were held in Swedish, recorded and then transcribed. Questions are described in more detail below. After recording and transcription the interviews were made available to the respondents for feedback, this to attain a higher level of reliability regarding the answers.

The answers have been processed, translated and summaries are being presented in section 4.1 and 4.2. In addition, official reports from the companies are studied as primary data through a discourse analysis. A summary of the interviews, time and date for the interviews are being presented in table 1 below.

<table>
<thead>
<tr>
<th>Company</th>
<th>Interviewee</th>
<th>Position</th>
<th>Date and length of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saltå Kvarn</td>
<td>Johan Ununger</td>
<td>CEO</td>
<td>24th of November 2016, 00:58 hours.</td>
</tr>
<tr>
<td>Oatly</td>
<td>Carina Tollmar</td>
<td>Sustainability Manager</td>
<td>4th of January 2017, 00:52 hours</td>
</tr>
</tbody>
</table>

Table 1. Information about the interviews.
2.3.2 Interview Questions

The questions are divided into four main parts, and the themes (see below in figure 1) are explained in more detail in Chapter 3. The questions (see full list appendix 1) was the core of the interview and additional follow up questions were added to clarify statements. The questionnaire is divided so that questions 1 to 6 regard implementation, 7 to 9 is impact on business, 10 to 11 is about innovation and 12 to 15 attitudes. See figure 1 below and in appendix 3 for the English version and appendix 4 for the Swedish version.

![Diagram of interview questions]

**Figure 1. Operationalisation regarding the questions of themes within the interview.**


During the interviews, the focus was to include the four themes in the conversation and not to focus blindly on the pre-defined questions. This gave me as a researcher the opportunity to have a more dynamic conversation with the respondent.

2.3.3 Analysis

The data collected from the interviews was analysed by using a thematic technique that is suitable for the chosen format of interview. Five steps of analysis are defined, as developed by Hosseiniinia and Ramezani (2016):

1. Transcription: the recordings were transferred into a text and the audio formats are saved for reference of the detailed statements. Full transcriptions are stored with the author.
2. Process the data: Following the transcription, the interviews were read several times to fully understand and to become familiar with the texts.
(3) Coding: I divided the information into different categories based on characteristics. I have sorted the interview answers into the categories *implementation, innovation, perceived impact on business* and *attitudes and values*, based on my interpretation.

(4) Translation: After the division and processing of the text, it is translated into English.

(5) Thematic charting: I present the data thematically in chapter four.

2.3.4 Discussion

Depending on several factors such as the formulation of question, the person asking the questions, the person who is representing the company, and the degree to which the respondent and the company she/he represents have discussed these issues with company staff and management, the responses will vary greatly. This thesis is an in-depth analysis based on two individuals from two companies and the responses presented in this study cannot automatically be regarded as applicable on other companies or can be generalised on a broader scale. It is the information, opinions and beliefs of those representatives that are participating in this study that is presented in chapter four. Their understanding cannot really be proven as wrong, as it is their opinion.

The internal reliability is relatively high (Saunders *et al.*, 2012) due to semi-structured interviews where it is possible to explain and clarify the questions for the respondent, which minimise the risk of misinterpretation. In addition, respondents have been asked to comment interviews after transcription. There is always a risk that the researcher misinterprets what the respondent mean, but the risk is reduced with feedback from the respondents. The aim is to be objective to the answers and ask if there is something that is not clear. There is also a risk that the respondent would change perspective and narrative if another researcher would conduct the same interview. But since the questions are defined on a relatively general level there would not be a problem for respondents to provide other researchers with a similar answer. And besides, since this study aim at providing an image to the reader of what the representatives of the chosen companies have said, it is relevant to keep their personal opinions and views. By showing an exemplification, it is not something that can be generalised on a broader scale or that can be applied on other representatives of the two companies.

The interviews are made with representatives from the companies, which increases the risk of subjectivity. This is a risk in general when conducting interviews. But the attitudes and values of individuals responsible for sustainable work are relevant for this thesis. It is how the impact of result and how the development has been being perceived by the individual that is of interest. The questions are presented in advance via email for them to prepare, which hopefully have contributed to make them feel comfortable and answer the questions more accurately and freely.

It is of importance to acknowledge the language aspect. The interviews were held in Swedish and the written information in this thesis is presented in English. Therefore, there is a risk information might be lost on the way, but as mentioned in the part of the discourse analysis, (2.3.1 the information is presented as accurately as possible and with help from my colleagues and I have given the respondents the opportunity to correct me if they feel misquoted.

The case study approach conducted in this thesis enables a detailed analysis of how sustainable entrepreneurship is framed by the selected actors/companies. I show the philosophy and practice when it comes to sustainability differ in these two companies. But there are also some similarities which I will draw out in chapter six, discussion. Whether these similarities are relevant for the broader context of sustainable entrepreneurship is something which must be explored further by
adding more case studies. With the results presented here there are some interesting points raised that should be explored and included in questions in the future.

2.4 Literature Study

2.4.1 Discourse Analysis

“Discourse analysis makes it possible to see the remarkable in something ordinary.”

In this thesis, I conduct a comparative case study using qualitative research by analysing the content of the non-financial part of the annual reports. I analyse both terminology used and concrete evidence of environmental work as well as the lack thereof. In the companies’ reports, I consider documents from 2000 – 2015. As annual reports are published every year, they are relevant for a comparison over time. Comparing documents over time through a discourse analysis is a helpful tool to unveil small changes that has taken place continuously (Börjesson and Palmblad 2007). It is possible to question whether the companies’ actual sustainability work can be presented in a report, but I believe it is a good complement to the interviews. Importantly, it is also an official document that shows how the company wants to represent themselves towards stakeholders. I will ground my assumptions in a critical analysis of the available evidence in accordance with the recommendations from Tamm (2014). By looking at companies’ annual reports at an early stage in the writing process, I get a glimpse of what and how they work with sustainability.

I base my discourse analysis on the definition and framework from Fairclough as presented in Saunders et al. (2012) and the perspective of discourse psychology as presented in Winther Jørgensen et al. (2000). However, I have adapted this analytical framework to make it applicable for the thesis subjects and the research questions. The analysis consists of two parts; one quantitative and one qualitative as presented in figure 2 (below). I focus on analyse empirically the use of words in their context.

The quantitative data is collected by counting the number of words that is mentioned regarding sustainability efforts based on the terminology of environmental sustainability. Here, I use my pre-existing knowledge collected from the theoretical framework (presented in chapter three) and the collected knowledge that I have attained from my master’s programme in Global Environmental History.

The quantitative part will be presented graphically, to make a broad, generalised comparison between the selected companies in the case study. This form of presentation is selected to provide the reader with an overview of the results. Emphasis will be on the qualitative part where I choose to focus on the text and analyse four major aspects. The first one is to identify if the information is to be found. If so, the following three aspects will be considered:

**Choice of words:** Which terminology is chosen to present the work? Whether the company presenting “prevention” or “reduction”, “risks” or “chance” for example.

**Goals:** Does the report mention any obtained goals? Completed or uncompleted? This will give an indication on how the companies report their progress.

**Theoretical framework:** Is any certain framework implemented in the reports? For example, certifications such as ISO.

### 2.4.2 Discussion

As a student within the transdisciplinary field of Global Environmental History and engaged in environmental issues, I may have a different understanding or even meaning of the words than the authors of the annual reports. It is important to try to put this aside and see what the writers intend with their choice of words (Börjesson and Palmblad 2007). Also, it is perceived as important to present the context of the words used and the author behind them, why that context is chosen and potential consequences of that choice (idem).

The time frame chosen is a result of the available information and I believe it is a sufficient period in the framework of this thesis. To attain a more extensive understanding of the development of sustainability work, it would be recommended to have a longer comparison over time. Preferably from the companies’ foundation until today. However, I believe that the time focus used here, e.g. the time span of 15 years will provide sufficient information to complement the interviews. I believe this diachronic perspective will help me in understanding the development which have led to the current situation.
The annual reports are in Swedish. I am aware of the fact that some information might be lost in the translation process into English due to the fact that I am not a professional translator and my native language is Swedish. Cultural symbols, idiomatic expression and the use of words are different in English and Swedish, but I believe that an understanding of the Swedish companies and the Swedish language will counter that. Therefore, my understanding regarding the information will be greater and therefore provide the reader of this thesis with a better analysis. The meaning or content will be able to be translated, thanks to the help of many helpful colleagues.

“The companies that are able to develop the best business solutions to the most urgent social as well as ecological challenges, will be the leading companies of tomorrow.”

In this thesis, the definition of sustainable development as presented by the UN is used: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” as presented by the World Commission on Environment and Development in 1987 (UN 2016). Sustainability is consisting of three pillars, that seeks to achieve, in a balanced manner, economic development, social development and environmental protection, as presented in figure 3 below.

![Sustainable Development Diagram](image)

Figure 3. Definition of sustainable development as presented by the World Commission on Environment and Development in 1987.

These three areas include many sub categories, that are interrelated. The UN has defined sustainable development goals for transforming the world. It is called the 2030 Agenda for Sustainable Development. Deriving from the definition of sustainability and sustainable development, the UN has defined five areas that are vital for the humanity and the planet. These include the people, the planet, prosperity, peace and partnership. Seventeen goals and 169 targets are defined as concrete areas to focus on and to show the scale as well as the ambition of the new universal agenda.

3.1 The Development of CSR and Sustainable Practices in Business

1950’s - Social Responsibility of Businessmen

Howard Rothman Bowen (1953) discussed the role of businessmen and the implications for the surrounding society. The actions and decisions of businessmen affect the lives of us all, something the individual in an organisation often fail to fully comprehend. Private decisions and the public
welfare is highly connected. Bowen (1953) was the first to use the phrase of CSR and to define it as “the obligations of businessmen to pursue their policies, to make their decisions or to follow their lines of actions which are desirable in terms of objectives and values of society” (Bowen 1953). Bowen (idem.) argued that there were more responsibilities than financial performance for businessmen and that the corporate social performance should be valued as important to attain a good business. The following sections will present the development of the concept.

1960s – 1970s: Stakeholder Approach and the three-dimensional model

In the 1960s, Davis (1960) presented his own take on the concept of CSR. He would refer to it as “The businessmen’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest”. Davis (1960) claimed that CSR should be discussed in a wider managerial context, where some types of socially responsible strategic decisions would be able to get justified by a long-run profitability for the firm, which would then become a pay-back for the socially responsible behaviour.

During the same time, Frederick (1960) presented his view of CSR as “a private contribution to society’s economic and human resources and a willingness on the part of business to see that those resources were utilised for broad social ends”. The early development of CSR could be divided into three core ideas, mainly presented the concept’s development during the 1950s: (1) By having a shareholding system, corporate managers become public trustees, (2) the stakeholders make claims on corporate resources and (3) business philanthropy is accepted (Frederick 1960).

In general, there was a rapid growth of social movements in society, escalating during the 1960s and the 1970s claiming labour rights, protection of consumers’ rights, but also environmental preservation. Meanwhile, the ideas about the ethical and environmental responsibilities of businesses grew stronger and more scholars considered corporations to be responsible for issues other than the narrow economic, technical or legal requirements. Instead of simply striving for larger returns, the responsible enterprises would consider the interest of both employees, dealers, suppliers and the whole nation, meaning all the different types of stakeholders (Johnson 1971).

During the 1970s, CSR got a real upswing by the Committee for Economic Development (CED) in the US when they defined CSR as “a business function to serve constructively the needs of society” (Caroll 2008). With this definition, the CED believed that business should meet the responsibilities to society and actively work with the changing contract between business and society. On the other hand, there were critics who argued that social welfare is to be done by the already existent social institutions and that the sole responsibilities of business are creating profit for shareholders, which in turn will create national growth for the country and therefore contributing to society (Friedman 1962).

It was at the end of the 1970s that a framework of CSR was presented as a three-dimensional model presented below in figure 4. The corporate responsibilities include both the economic, legal, ethical and philanthropic perspectives of the business. The social issues can include a plethora of topics such as human rights, the standards of labour, anti-corruption and environmental protection. The corporate actions include generalised modes of responses, such as reactive, proactive, defensive et cetera.
By having this division, firms could define which activities to engage in and react upon, depending on the seriousness of the different issues perceived by the society. With this model, managers could get a clearer view of the issues they were facing and plan to improve their social performance.

**1980s – 1990s: 3P-model, institutional framework and extended corporate actions**

In the 1980s and 1990s the concept CSR was refined by Wartwick and Cochran (1985) where they presented another three-dimensional model. This model was called the 3P CSR model as it consisted of principles, policies and processes as presented below in figure 5.

CSR was now framed as an evolving process, where ongoing debate, analysis and modification should be present in the managers’ decision procedure. CSR was perceived to be a process that would include companies taking various actions to social issues in combination with reacting on the changes in society. The 3P model aimed to integrate corporate responsibility principles, policies related to different social issue management and a dynamical system for the processes (Wartwick and Cochran 1985).

During the 1990s the model was further developed by Wood (1991) where the focus was on the outcomes or results of the CSR initiatives. Wood saw CSR as the outcomes of performance in relation to society’s expectation. Wood further defined three principles of CSR related to his view of the concept. Legitimacy was one principle raised by Wood. Legitimacy refers to the right of companies to do business, a right that is given by the society which in return demand that the corporation should follow the rules. A second principle of Wood is public responsibility which indicates that businesses are responsible for the outcomes and consequences of their areas of involvement. The last principle listed by Wood is managerial discretion which refers to that managers are moral actors and only they can make CSR matter. Thus, the concept of CSR has developed since the 1960s, during the 1990s it started to make way for alternative approaches of business sustainability in different forms. Corporate citizenship, business ethics or stakeholder theory are some examples. But the underlying concept of CSR was still reflected in the new approaches.
2000s: Three-domains approach and New Concept

During the twenty-first century, the focus has been on the implementation of CSR initiatives and empirical studies of the impact and results of different engagements of business. CSR has been dominated by a result oriented approach to social issues. The biggest development of CSR during this time, was the European Commission (2011) who launched a new definition: “CSR is the responsibility of enterprises for their impacts on society”. The World Business Council for Sustainable Development (WBCSD) (2012) emphasised: “There should be a balance on return on financial, natural and social capital” and suggested that the CSR reporting should be integrated in the annual reports.

Schwartz and Caroll (2003) launched the three-domains approach where it is stated that the corporate responsibilities should answer to the economic, legal and ethical aspects. During the last couple of years, managements of leading companies have been pushed towards CSR by market trends and the demand for visibility, which has resulted in that companies have started to become drivers of sustainable development. This development has led on to the use of the concept sustainable entrepreneurship, instead of simply reacting on market trends as was the case in CSR, sustainable entrepreneurs are now shaping society substantially with their innovations or with their product lines (Schaltegger and Wagner 2011). Companies have included non-financial factors in the presentation of the business’ profitability for a long time, but during the second half of the 20th century environmental trends in society has led to new and higher demands on companies. Because of the new demands, firms soon recognised new business opportunities in environmental improvement. By the rise of growing awareness and change of values, this has changed the market conditions (Bryson and Lombardi 2009). With the increasing demand for responsible business solutions for consumers and stakeholders, the market needs sustainability innovation and entrepreneurs for its realisation. This by creating superior products or processes that are connected to environmental or societal goals for the marketplace of mainstream consumers (Schaltegger and Wagner 2011).

A summary of the development is presented below in table 2, from the beginning of the 1950s with the obligations of businessmen until today’s concept of creating a process for companies to integrate social, environmental, ethical, human rights and consumer concerns into business objectives and core strategy in corporation with the stakeholders.
<table>
<thead>
<tr>
<th>Period</th>
<th>Name of concept</th>
<th>Description</th>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950s</td>
<td>Social responsibility of businessmen</td>
<td>The obligations of businessmen to pursue policies, to make decisions or to follow lines of action which are desirable in terms of the objectives and values of society.</td>
<td>Bowen (1953)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Some socially responsible business decisions can be justified by the long-run economic gain of the firm, thus, paying back for its socially responsible behaviour.</td>
<td>Davis (1960)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Private contribution to society’s economic and human resources and a willingness on the part of business to see that those resources were utilized for broad social ends.</td>
<td>Frederick (1960)</td>
</tr>
<tr>
<td>1960s–1970s</td>
<td>Stakeholder approach</td>
<td>Instead of striving only for larger returns to its shareholders, a responsible enterprise takes into account the interests of employees, suppliers, dealers, local communities and the nation as a whole.</td>
<td>Johnson (1971)</td>
</tr>
<tr>
<td></td>
<td>Three dimensional model</td>
<td>The concept consists of corporate responsibilities (i.e., economic, legal, ethical and philanthropic), social issues of business (e.g., labour standards, human rights, environment protection and anticorruption) and corporate actions (e.g., reactive, defensive, accommodative and proactive).</td>
<td>Carroll (1979)</td>
</tr>
<tr>
<td>1980s–1990s</td>
<td>Three-dimensional model of principles, policies and processes</td>
<td>Integration of the principles of corporate responsibility, the policies of social issue management and the process of action into an evolving system.</td>
<td>Wartick and Cochran (1985)</td>
</tr>
<tr>
<td></td>
<td>Institutional framework and extended corporate actions</td>
<td>Four types of corporate responsibilities (i.e., economic, legal, ethical and philanthropic) were linked to three institutional levels (i.e., legal, organisational and individual), while corporate actions are extended to assessment, stockholder management and implementation management.</td>
<td>Wood (1991)</td>
</tr>
<tr>
<td></td>
<td>New concept</td>
<td>A process to integrate social, environmental, ethical, human rights and consumer concerns into business operations and core strategy in close corporation with the stakeholders.</td>
<td>European Commission (2011)</td>
</tr>
</tbody>
</table>

*Table 2. A systematic overview regarding the development of sustainable practices and the related literature, as presented in UN: ESCAP, 2013.*
3.2 Sustainable Development and Entrepreneurship

There are various terms in the literature for the relationship between entrepreneurship and sustainable development: ecopreneurship, social entrepreneurship, institutional entrepreneurship and sustainable entrepreneurship. When considering this terminology, there are some factors that differ, which is presented in table 3 below. Ecopreneurship is much represented in the literature when authors have dealt with environmentally oriented questions in relation to business. The core motivation for ecopreneurship are often expressed as earning money by solving societal environmental problems (Schaltegger and Wagner 2011).

The rather new notion of sustainable entrepreneurship has been raised to address the relationship of business activities to sustainable development in a more comprehensive way. Sustainable Entrepreneurship attempts to develop the organisation itself as sustainable, but also has the ambition to affect the market and society. To achieve these societal and market goals sustainable entrepreneurship also requires sustainable innovations (Schaltegger and Wagner 2011). Below are four types of entrepreneurship are presented in their relation to sustainable development. With their different backgrounds, you might wonder how distinct their differences are, but even though their historic trajectories differ, there are similarities regarding the underlying motivations for the activities.

<table>
<thead>
<tr>
<th></th>
<th>Ecopreneurship</th>
<th>Social entrepreneurship</th>
<th>Institutional entrepreneurship</th>
<th>Sustainable entrepreneurship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core motivation</td>
<td>Contribute to solving environmental problem and create economic value</td>
<td>Contribute to solving societal problem and create value for society</td>
<td>Contribute to changing regulatory, societal and market institutions</td>
<td>Contribute to solving societal and environmental problems through the realisation of a successful business</td>
</tr>
<tr>
<td>Main goal</td>
<td>Earn money by solving environmental problems</td>
<td>Achieve societal goal and secure funding to achieve this</td>
<td>Changing institutions as direct goal</td>
<td>Creating sustainable development through entrepreneurial corporate activities</td>
</tr>
<tr>
<td>Role of economic</td>
<td>Ends</td>
<td>Means</td>
<td>Means or ends</td>
<td>Means and ends</td>
</tr>
<tr>
<td>Goals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Role of non-market</td>
<td>Environmental issues as integrated core element</td>
<td>Societal goals as ends</td>
<td>Changing institutions as core element</td>
<td>Core element of integrated end to contribute to sustainable development</td>
</tr>
<tr>
<td>Goals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisational</td>
<td>From focus on environmental issues to integrating economic issues</td>
<td>From focus on societal issues to integrating economic issues</td>
<td>From changing institutions to integrating sustainability</td>
<td>From small contribution to large contribution to sustainable development</td>
</tr>
<tr>
<td>development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>challenge</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3. Characterisation of different kinds of sustainability oriented entrepreneurship. As in Schaltegger and Wagner 2011.

Sustainable entrepreneurship is about combining the companies’ business interest with the sustainability needs of the society. Innovation thus is a key concept in SE and this is also why I have chosen to incorporate it as one of the four main themes in this case study.
3.3 Attitudes and Values

Another important theme that I also pursue in the interviews is that of attitudes and values. I will explain this in more detail here as it runs as a core through my analysis in the following chapters.

Values is the root of our guiding principles, influencing our attitudes and how we act. They are a strong guiding force and the base of our social and environmental concerns and actions. Understanding values reveals an underlying connection between what we believe and the actions we do. It is therefore important to define what values companies endorse, and what the implications are for the issues they attend to. These set of ideas, is also a key factor for how interactions take place and the consequences of it (Holmes et al., 2012).

The values shape how we organise and the organisation structure helps to strengthen values in return. It is through the physical spaces and organisational structures we work that become our lived experience and value emphasiser. How we interact within organisational structures strengthen or shape the values we have embedded within. Therefore, the interaction between colleagues are important to analyse. Also, policies, institutions and practices will have effects on the values and actions (Holmes et al., 2012).

Sustainable entrepreneurs often influence the company with their personal preferences in such extent that they are visible in the company’s goals. This is mostly applicable to smaller enterprises or start-ups. By this, it is possible for a small company to have very good sustainable practices, even without an environmental or CSR manager. It is often so that the sustainable entrepreneur constitutes the core of the company. Because of this strong influence of the leaders of such a company, the sustainable profile of that company is visible to external stakeholders (Schaltegger and Wagner 2011).

Institutional theory considers the influences of social pressures that lie outside an organisation (Bryson and Lombardi 2009). According to Marshall et al. (2005) firms seem to react similarly when facing either alteration in institutional structures or market issues regarding environmentally sound behaviour. This means that a shift in value and demand on the market, can lead to changed behaviours and strategies within the companies.

During the 21st century, the concept of sustainability has become more commonly used and discussed in society as well as within the political branch. Due to this growing awareness, companies should be more aware of their actions and their consequences if they want to maintain their market position (Jones et al. 2011). New practices represent entrepreneurial behaviour created around the identification of profitable market niches based on values, derived from incorporating sustainability into the market (Bryson and Lombardi 2009). Integrated sustainability work can now be perceived as a competitive advantage.

When it comes to the food industry, it has showed that the production methods influence the consumer’s perceptions of the quality and taste experience regarding certain food types. People’s beliefs can have a strong influence regarding their experience of a restaurant, for example. The Northeastern University (2016) shows in a study that:

“Our beliefs about how farm animals are raised -- whether on 'factory farms' or in more humane conditions -- can shape our meat-eating experience, from how we think it smells and tastes to how much we'd be willing to pay for it.”
With this study, the researchers present that the background information about how the meat (in this case) is produced can have an influence on what people perceive the food they eat. It should be in the companies’ interest to listen to and to meet the thoughts of the public (Northeastern University 2016).

3.4 Organising Sustainability Work

Another important theme that I pursue in the interviews is that of implementation of sustainability efforts, strategies and practices. Chapters 3.4 and 3.5 is the foundation to the questions and theoretical framework regarding implementation in the case study.

According to Ammenberg (2012), the purpose of an organisation is defined by three key questions; which values are we expected to produce? To whom? And when? These questions make up the foundation to the sustainability work that the organisation chose to engage in (or not). When the managers have established a commitment to engage in sustainable practices, corporations need to implement the choice of strategy through performance measurement, organisational structures and reward systems. The connection between structure, strategy and management systems is vital when it comes to motivating employees, but also in coordinating the choice of activities (Rejc Buhovac and Leonard 2014).

Challenges connected to organising sustainability work is the many multinational corporations that should consider how the resources and activities should be spread throughout the many locations. There are also different legislations and practices to consider in different countries. The corporation should decide whether the key resources should be decentralised or centralised and what level of central control versus business unit autonomy is suitable for the choice of strategy. Rejc Buhovac and Leonard (2014) describes that decisions of this type are usually made based on core values and corporate culture. Whether the organisational structure of sustainability work should be centralised or not, often depend on numerous contextual factors such as the size of the organisation, which type of product diversification the company have, if the geographical diversification is vast and social as well as environmental impacts (Rejc Buhovac and Leonard 2014).

Multinational companies (MNCs), that might also engage in multiple industries, face more organisational challenges which often results in a decentralised structure. A decentralised organisation often lead to a greater flexibility on a local level and an increased responsiveness to market demands and competitors. Rejc Buhovac and Leonard (2014) have the conclusion that managers have autonomy and, based on local knowledge, they can engage in experimenting and developing new ideas which can lead to efficient and innovative solutions. On the other hand, can decentralised organisation experience a loss of scale economics as well as the duplication of functions. With local autonomy, the risk is that decisions and principles might be inconsistent throughout the business units and the long-term whole business profitability is disregarded.

This thesis regards the two companies Oatly and Saltå Kvarn that are SMEs, based on the financial number of 2015. Since all farmers have quite high level of autonomy, while of course being influenced by the two companies, this would fit in as a local sustainability standard with a quite decentralised corporate structure. The global and local organisation alternatives are presented in figure 6 below.
It is necessary for decentralised organisation to incorporate a system for collecting data and information from business units. This can be done in similarity with Canon, a global manufacturer of cameras amongst other products.\textsuperscript{7}

Regardless whether it is a centralised or decentralised decision process, it is of great importance that the whole organisation is involved in the integration of sustainability into the organisation. By assessing the collected impacts of each of the organisation’s activities, it is possible to define the most sensible areas and how different departments could promote sustainability. Below in figure 7, support activities and primary activities are presented as a tool for defining which efforts regarding sustainability a company can engage in.

\textsuperscript{7} Canon developed a \textit{Product Environmental Information System} where the business units were allowed to enter environmental data in the company’s intranet. The units then could use the data to acquire information to develop improved products and the information can be used by the management to compile sustainability and management reports, plan investments, evaluate results etcetera. The use of such a system can provide the managers with information regardless of the unit’s location. (Rejc et al. 2014)
Figure 7. The value chain and sustainability. As presented in Rejc Buhovac and Leonard 2014.
3.5 Sustainability Strategies

In the following sections of chapter 3.5, five types of sustainability strategies that are common in the literature is presented. This is to present to the reader with exemplification and information regarding how implementation can be made and the driving factors behind the strategies. This continuation of the implementation theme is important for the understanding operationalisation of interviews.

Already in 1990s, more environmental issues were integrated into decision-making (Bryson and Lombardi 2009). The reasons for why and how a company chose to incorporate sustainability in the organisation might differ radically. Different organisations have different opportunities for engaging in sustainability work due to the purpose of the organisation and the amount of resources available (Ammenberg 2012). When a company decides to engage in sustainability, it is common to either focus on the product perspective or the operational perspective.

Product perspective
1. Innovate at the system level by redefining the system of the industry in which the product draws resources. This can be done by changing individual elements, dematerialise a product so it generates fewer resource inputs and sequentially also material output or creating a completely new system (Ottman 2011).
2. Develop and/or use new materials such as bioplastics. (idem.)
3. Develop new technologies in products to create better efficiency for the consumer. Three examples of new technology products developed for the broad market are Light-emitting diodes (LEDs), human-powered products and alternative automotive. (idem.)
4. Restore the environment by creating a product that improves the nature in some perspective. This might include a water purifier or cleanser of car pollution, such as a catalyst. (idem.)

Operational perspective
1. Develop new technologies for the production sight or office, such as the use of renewable energy. (idem.)
2. Develop new business models that surmount the hurdles of eco-innovative products and services that are said to be more expensive than their conventional equals. For example, can the product be partially or completely delivered by a service? (compare selling DVDs with “borrowing” films from Netflix). (idem.)

In the product perspective, companies focus on the actual products the company are producing or the surrounding processes within the organisation. If the company at the start up already has the sustainable issues integrated within their core, the developing decisions will be made on the premises of the core values. Ottman (2011) enhances that if companies are deriving from a sustainable idea, such as a technological solution, the business has an initial sustainable product perspective, while others rather focus on the organisation itself and how the working processes can be transformed into a sustainable manner.

In the food industry, it is more common to focus on efforts such as organic farming, climate compensation, more efficient use of water and energy systems, social engagements, all with the hopes of reducing the effects on the environment and society. The operational perspective rather includes both new business solutions for the company’s products or services as well as efforts
being made in the office sight. This might include a green cleaning company, renewable energy, company bikes instead of company cars et cetera. But it can be difficult to draw a line between what is the product perspective and what is the operational perspective, especially when it comes to agriculture. However, when working with sustainability it is important to remember that the whole world is connected in a large complex system, and therefore it is not possible to completely isolate a small section of business’ impact. All perspectives are essential and make up the companies’ total effects and possibilities. The nature, economy, society and wellbeing are connected as in the real world and the different directions do not have a hierarchy but instead, all are important (Atkisson 2011).

3.5.1 The Four Step Model
In figure 8 (below) a four-step model from Ammenberg (2012) is presented which summarise how the decision-making process of sustainability work might be conducted.

![Figure 8. Sustainability strategies; a four-step model (Ammenberg 2012).](image)

As a base to sustainability work, organisations might draw up policies or codes of conduct based on the internal values. This is often presented as a short document to function as a framework and for guidance (Ammenberg 2012). These policy documents are a vital factor in the progress towards action as they show a will of a change of behaviour, it is the foundation towards action taking but it can also be a strategic document for marketing strategy purposes. This document also shows which types of engagements that are important for the managers. These engagements might include biodiversity, women’s rights, engagements in the local community or other. Often, a code of conduct, a management’s commitment or international guidelines are at the base of the policy. Guidelines for this step can include OECD Guidelines, UN Global Compact, UN Guiding Principles and ILO core conventions and tripartite declarations.

The next step is to define long-term goals of the organisation for an overview of where the organisation sees itself in some years’ time. The goals should be closely connected to the purpose of the organisation and can be divided into different categories. These might include goals for the economy, quality, sustainability or other. A broader perspective on the internal resources, might contribute to develop a more profitable business with care for the environment (Ammenberg 2012). When the organisation has defined clear goals and purposes, they now should define a plan for how to achieve those goals. This including an overview of the supplier and distribution chain, monitoring the established objectives, using the 2030 agenda in product and business development or maybe establish collaborations. Guidelines for the procedure might include the 2030 agenda, ISO standards and Children’s rights and business principles. On top of guidelines, it is wise to consider which stakeholders to acknowledge, how to meet costumers and what types of products
or services the organisation shall provide (Ammenberg 2012). When strategies are in place it is vital that the organisation use the information available to assess the development or effect of their actions. This assessment includes questions of how the organisation is doing comparing to other organisations as well as how or to which degree the organisation has been able to attain its own goals. The follow up and measurement should include both financial as well as sustainability reporting, a dialogue with stakeholders and the assessment should also act as a whistle-blower. Some guidelines for the reporting can include the Global Reporting Initiative (GRI), Integrated reporting, EU Directive on Sustainability Reporting or the Carbon Disclosure Project.

In the interviews, I define the implementation of sustainability strategies of Oatly and Saltå Kvarn. By using the theories connected to the strategies that will be presented in the following sections 3.5.2 – 3.5.6, I have been able to operationalise questions to identify engagements. The following sections aim at showing an exemplification of some strategies that are common in the literature regarding environmental management.

3.5.2 Contribute to a More Sustainable World

Many organisations compare their progress over time or in comparison with competitors to assess how much the company has improved, or how much better/more efficient your organisation is compared to others. When it comes to sustainability, this should not be the case. It is about how sustainable the company is not in relation to others, but in absolute terms (Ammenberg 2012). Some companies might have the incentive to transform their business into a more sustainable one, while others might not see the opportunities or connect the development with high resource demand, cost or labour (idem). As I present in figure 9 (below), several aspects develop the Swedish market over time, which in return will lead to less flexibility for the organisations. In the beginning, the business can engage in those activities that are most profitable for the moment, but in the long run it is wise to engage in aspects that at first might not seem to be profitable. Those companies that manage to adjust to the trends, legislation, business strategies and the technical development will have a competitive advantage over those who do not keep up with the development.

![Figure 9. The business’ flexibility will decrease in time due to societal development and demands. Josefina Jonsson, after a presentation in Ammenberg (2012).](image-url)
Ammenberg (2012) presents that analyses which provide the organisations with information regarding what is sustainable and how is it possible to get there, will be a vital foundation of the long term strategic work and will provide the organisation with competitive advantages. If a company want to engage in a more sustainable business model, the starting point would then be to analyse how the business affects the surrounding society. This includes both the existing positive engagements as well as the parts that results in environmental degradation. All of this is the foundation on which new corporate strategies will emerge.

Both the companies in the case study, Oatly and Saltå Kvarn, have a truly sustainable and value based core in their business models. Saltå Kvarn has been operational since the 1960s and have the environmental focus in the whole production ever since the start. In the 1960s, Saltå Kvarn was the place to visit for alternative farming methods, before the organic farming became as big as of today.

3.5.3 Meet Legal Demands

Some companies only engage in environmental activities as a reaction to what is demanded by institutional structures\(^8\). There are existing demands on Swedish companies to present non-financial information in the Annual Report to understand the business’ results and information regarding the business’ environmental impact as well as staff related aspects. Further, companies that are bound by the Swedish environmental code\(^9\), have to present information on the impacts on the environment in their annual report. (6 KAP, 1§ ÅRL.)

The overall goal for this strategy is to meet the legal demands put up for the type of business you have. In 2016, the Swedish Government designed a policy for corporate social responsibility as a part of the Ministry of Enterprise and Innovation’s goal to create more jobs and growing companies.

A communication to the Riksdag (the Swedish Parliament) presents the Government’s view of several issues linked to CSR (Communication 2015/16:69). These include human rights, decent working conditions, environmental considerations and anti-corruption efforts, as well as gender equality, diversity, business ethics and taxation. CSR is part of different policy areas of the Government such as financial markets, the environment, labour markets, trade and development cooperation. The communication also describes the Government’s expectations of companies’ sustainability efforts, including recommendations of how these efforts should be pursued. The Government will take a number of measures to support Swedish companies in these efforts (idem.).

From the financial year starting the 31\(^{st}\) of December 2016, Swedish companies that are larger than 250 employees, has a turnover that is equal to/or more than € 50 m, or a total balance sheet equal more than € 43 m are by the government suggested to present a sustainability report where it should be stated how the company works with their environmental impact, social conditions in their productions process and organisation, information about the staff and human rights, and how the company work to prevent corruption within their responsibilities. This is a way for the government to enlighten and start acknowledging the companies’ responsibilities when it comes to sustainable development (Regeringen 2016). The current trend is that companies will be facing more and more legal demands relating to sustainable issues the following years. More

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\(^8\) Institutional structures refer to large organisations that have the power to influence or have the legal power over other organisations. These institutions might be the government, municipalities as well as universities or a religious institution.

\(^9\) The purpose of the Swedish environmental code is to “promote sustainable development which will assure a healthy and sound environment for present and future generations.” (1 kap. 1§ Miljöbalken) The Swedish Environmental Code lists a number of restrictions regarding operations that have an impact on the environment.
organisations have higher demands regarding environmental management in purchasing processes in Sweden, especially the Swedish municipalities and larger firms (Yttra 2013). And it is visible in numerous sectors that the legal demands regarding the environment in the production are getting more, this applies specially to the transport sector (Bergh 2013).

3.5.4 Risk Management
It is generally agreed that companies should be aware of surrounding risks and plan their actions accordingly. When it comes to sustainability work, risk management can be a main focus for a business. This means that companies only engage in sustainable practices that they define as a risk area for their business, for example activities that are in the zone of having a higher taxation. Risks include issues such as emission and leakages as well as changing social trends regarding customer behaviour and changed legislation. Companies can be either more proactive and investigate which risks are connected to the activity beforehand or reactive where they continue their business as usual, and during the mean time analyse the risks that might occur (Ammenberg 2012). Risk assessment in the sense of mapping consumer trends and legislative development must be a continuous endeavour for a company.

3.5.5 Economic Incentive
It is possible to focus the environmental and sustainability work on reducing the costs or even increasing income. The focus lies within how to make the organisation more efficient by looking over processes, waste disposal management, flows of energy and use of materials. This to identify potential opportunities for improvement. (Ammenberg 2012.) According to this strategy, a prosperous economy goes in hand with resource efficiency. Therefore, the environmental work that the business invests within the organisation become economically important.

The fourth theme that is used in the questionnaire regarding perceived impact on business result, will be presented further in section 3.6.

3.5.6 Image and Communication
By externally communicating the sustainability work, an organisation can improve their image towards their different stakeholders. To succeed with the communication, it is of great importance that the actual work is well executed and in line with what is being said. If so, the business has a good opportunity to have a competitive advantage on the market and influence the trends. This can take place by using labelling, standards or applying new rules (idem). There is a growing demand amongst consumer for products and services that are healthy and/or sustainable. This lifestyle of health and sustainability, also known as LOHAS, has emerged during the last couple of years as a segment that represents consumers that are the most environmentally conscious, active and holistically oriented (Ottman 2011). The share of LOHAS within a population has grown since 2007 (KRAV 2016). LOHAS has emerged as a group that is both more interested in organic, local and/or healthy food products and is willing to pay more for them (KRAV 2016). In 2009, this segment represented roughly 19 % of all US adults (Ottman 2011) and in Sweden around the same time, the number was 27 % (KRAV 2016). The latest poll from KRAV shows that the share has increased to 38 % of Swedish population (idem.) The typical LOHAS consumer is a well-educated, married woman in her middle ages and tend to be less sensitive to price changes, in comparison to other consumer segments (Ottman 2011). LOHAS is an important group for companies to focus on if they
want to sell food products that are sustainable. Therefore, it is of vital importance that the company has sustainability embedded in the image. The LOHAS intentionally seeks out information about products to make a well-informed decision based upon a set of rules they have defined for themselves, based on their social and environmental standards (Ottman 2011). Both the companies Oatly and Saltå Kvarn mentions in the interviews (see chapter five) that they have a segment of end-consumers in store that are well educated, or at least very aware of what they eat (either of dietary or ethical reasons) and how it has been produced. That type of consumer behaviour can be included in the definition of LOHAS, as it represents a plethora of driving factors for the health and/or sustainability engagements within consumers. As presented in Ottman (2011), 71 % of LOHAS in general will boycott a company or brand if it has practices that are incompatible with the values of the individual.

If a food producer wants to engage in reviewing their image accordingly in relation to LOHAS, there are four sub-segments that are characterised by specific causes and issues. These are: health, animals, resources and the great outdoors, as presented in figure 10 below.

![LOHAS Diagram](image)

*Figure 10. Segmenting LOHAS by green interests. Josefina Jonsson, after a presentation in Ottman 2011.*

To know how to use your image and communication to attract LOHAS, it is important to define the green consumers’ motives as well as buying strategies. Ottman (2011) has defined some needs and strategies to meet those wishes, presented in table 4.

<table>
<thead>
<tr>
<th>Needs</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take Control</td>
<td>Take preventive measure</td>
</tr>
<tr>
<td>Get information</td>
<td>Read labels</td>
</tr>
<tr>
<td>Make a difference/Alleviate guilt</td>
<td>Switch brands or stores</td>
</tr>
<tr>
<td>Maintain lifestyle</td>
<td>Buy interchangeable alternatives</td>
</tr>
<tr>
<td>Look smart</td>
<td>Buy “conspicuous” green</td>
</tr>
</tbody>
</table>

*Table 4. Green consumer motives and buying strategies (Ottman 2011).*
With information about the consumers and their needs, the producing company can design packaging and the information presented upon it, as well as more strategic marketing positioning decisions to meet the desires. As a food producer, you can map the consumers that lies within the frame of potential interest groups to meet the demands of desired consumers and to frame your image. However, in the interviews (see chapter four) with representatives from Oatly and Saltå Kvarn, they mention that it is important to meet the needs and requirements from the retailers, such as ICA, COOP, Martin & Servera et cetera. And of course, the retailers have their own choice of segment and market niche, so the products the retailers chose to have on the shelf in their stores have to be in line with their marketing strategy and image. It is important for a food producing company to have a communication and a good relationship with both the big retailers as well as the individual end consumers that buy the products on the shelves. Retailers are likely to be more bound by policy documents and negotiations, while the individual customer in store are likely to be more trend influenced or value based when making a purchase decision.

The consumers have shifted needs during the last couple of years and the market demands have changed. In table 5 below, it is presented some significant differences between conventional marketing and the new green marketing as presented in Ottman (2011).

<table>
<thead>
<tr>
<th>Consumers</th>
<th>Conventional Marketing</th>
<th>Green Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumers</td>
<td>Consumers with lifestyles</td>
<td>People with lives</td>
</tr>
<tr>
<td>Products</td>
<td>“Cradle to grave”</td>
<td>“Cradle to cradle”</td>
</tr>
<tr>
<td></td>
<td>Products</td>
<td>Services</td>
</tr>
<tr>
<td></td>
<td>Globally Sourced</td>
<td>Locally sourced</td>
</tr>
<tr>
<td></td>
<td>One size fits all</td>
<td>Regionally Tailored</td>
</tr>
<tr>
<td>Marketing and communications</td>
<td>Product end-benefits</td>
<td>Values</td>
</tr>
<tr>
<td></td>
<td>Selling</td>
<td>Services</td>
</tr>
<tr>
<td></td>
<td>One-way communication</td>
<td>Locally sourced</td>
</tr>
<tr>
<td></td>
<td>Paid advertising</td>
<td>Regionally tailored</td>
</tr>
<tr>
<td>Corporate</td>
<td>Secretive</td>
<td>Transparent</td>
</tr>
<tr>
<td></td>
<td>Reactive</td>
<td>Proactive</td>
</tr>
<tr>
<td></td>
<td>Independent and autonomous</td>
<td>Interdependent/allied with stakeholders</td>
</tr>
<tr>
<td></td>
<td>Competitive</td>
<td>Cooperative</td>
</tr>
<tr>
<td></td>
<td>Departmentalised</td>
<td>Holistic</td>
</tr>
<tr>
<td></td>
<td>Short term-oriented</td>
<td>Long term-oriented</td>
</tr>
<tr>
<td></td>
<td>/profit-maximising</td>
<td>/triple bottom line</td>
</tr>
</tbody>
</table>

Table 5. The difference between the conventional marketing and the new green marketing (Ottman 2011).

To build credibility and to create brand value for a company, it is wise to avoid any risk of greenwashing\(^\text{10}\) as credibility is key for building a brand. Credibility can be built by engaging the whole company through adopting an approach to greening that is deeply rooted in the corporate culture. By presenting the companies’ work to the customers, it is possible to justify the statements of sustainability. Most big business chose to use a voluntary framework to measure and present the status of environmental and social engagement in the company. The usual framework used is the International Organisation for Standardization (ISO’s), the ISO 14000 family. The ISO standard aim is to provide helpful tools for organisations to manage their environmental responsibilities.

\(^\text{10}\) Greenwashing is described by Oxford Dictionary of Marketing as: “The practice of overemphasising a company’s environmental credentials, often by misinforming the public or understating potentially harmful activities.”
By applying this framework to an organisation, it is possible to attain a holistic approach of identifying and controlling the business’ environmental impacts deriving from products, services or activities. The ISO standard makes it easier to assess actual progress in environmental work by enabling measurements, follow up and strategic work (Ottman 2011). By presenting the progress and engagements in a framework such as ISO, the companies provide consumers with the information consumers demand to evaluate brands and products. According to Ottman (2011), by having transparency with the work, companies attain more consumer credibility. Companies that are serious with their sustainability engagements gives the consumers information based on the company’s actual environmental or sustainability work. This honesty is important for the reliability of the brand. It is easy to accidentally mislead customers, which might lead to a boycott if the individual feels fooled. For example, a box labelled as: “made from recycled material” can contain 30 % or 100 % recycled material if it is not defined. But the consumers probably perceive the information differently and then also perceive the company in different ways. If the consumers feel fooled, there might be economic consequences because of a loss in sales.

A company interested in building trustworthiness would do better communicating the whole story and to include the whole lifecycle when making claims about products or services (idem). For example, it can be relevant to engage outside organisations such as NGOs for their support regarding labelling a product or service. This can lead to co-benefits for both organisations as the NGO gets more exposure and the brand can benefit from the goodwill and members of the NGO.

If the company chose to engage in certifying the product, there are many different labels to choose from. The choice of a label is a market strategic decision and the company needs to choose wisely in aspect to the company’s values and whether the label is certified by a third-part and the credibility of the label among consumers (idem).

In summary: To be credible regarding the image and communication, the company should have a sustainable practice internally, communicate externally and promote sustainable choices and practices to the consumer. A production can never be sustainable, if we consider the whole life cycle, if the market does not have responsible consumption (idem). For companies to establish a credible sustainable image there are a number of simple rules: walk your talk, be transparent, don’t mislead, engage the support of third parties and promote responsible consumption.
3.6 Sustainability and Profitability

The interdependencies between economic activity and the environment are pervasive and complex. In the late 1980s there was an increased awareness of the effect non-financial matters has on financial performance. As reviewed above, during this time, there was a rise in investments regarding social responsibility and companies were faced with new challenges in how to balance profit and non-financial objectives (Bryson and Lombardi 2009). A frequent opinion within the field of business is that environmental efforts cost money and therefore should not be prioritised more than necessary (Ammenberg 2012). Companies and business are defined as a unit with purpose to maximise the monetary profit (idem). The monetary focus is also controlled by law, for example the Swedish Companies Act in Sweden. This means that the business is highly controlled by monetary means and incentives which managers act upon (idem). The trend for managers of businesses today is to be more controlling, and to demand returns over shorter time which has resulted in reports not being made annually, or quarterly but monthly or even shorter. Because of the short accounting and economic reporting periods, there are several issues to address. It is difficult for managers to show profitability in a quarterly report, since many sustainability investments are about risk minimisation, increased goodwill, co-benefits, shared value, long term profitability or not even relating to economic accomplishment.

Sustainable practices within industries are related to increased initial costs in the shape of investments in new, cleaner technology, salaries to environmental manager et cetera. But it also results in internal savings since the resources are being used more efficiently and therefore a smaller amount is being used. But sustainable practices can also result in positive economic effects, in the cases where the sustainable efforts result in an improved sustainable image leading to competitive advantages and/or the possibility to increase prices (idem.). There are also many tech and consulting companies with its sole purpose is to solve or improve environmental issues creating revenue through a sustainable business model.

It is generally agreed that to combine profitability and sustainability, education within the organisation is the key factor to make it work. The cost that derives from implementing sustainability is a fixed, short cost that could rather be seen as an investment. It is presented in Bryson and Lombardi (2009) that more and more firms start to redefine the concepts of value and profitability that are the backbone to the classic business models. More firms have started to review the balance between having (at least) two objectives, one that is profitability and the other sustainability.

In the findings of Scholtens (2008), there is support that there is a positive a significant interaction between financial and social performance, and financial performance precedes social performance much more often than the other way around. According to Hosseininia and Ramezani (2016), having sustainable products give entrepreneurs new opportunities to attract both customers, partners and investors. The study showed that the main reason for entrepreneurs to move towards sustainability is to attract confidence from the customers as well as new advertisement opportunities and lower costs. As mentioned in Brealey et al., the theories and current business models of corporate finance is about value maximising. The monetary balance between costs and benefits for an investment decision is taken in to account. There are some principles that makes it more difficult for managers to motivate sustainability investments or efforts. One is that one safe dollar is worth “more” than a risky dollar which indicates that spending

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11 The act contains provisions regarding companies limited by shares.
the company’s money on sustainable investments, that have no data regarding the connected profitability might be difficult to motivate.

But according to the precautionary principle\textsuperscript{12} decisions should always be made without risks for the environment or the society.

3.6.1 Valuation Methods

“If the environment is one of the bloodiest political battlefields, economics provides many of the weapons. Environmental lawsuits and regulatory debates would be starved of ammunition if economists did not lob their damage estimated into the fray. The trouble with these numbers wars is that the estimate’s accuracy is often more akin to that of second-world-war bombers than precision-guided missiles.”\textsuperscript{13}

Financial decisions are central within corporations as they are the drivers for business development and economic growth (Brealey\textit{ et al.}, 2014). Investments, tangible as well as intangible, are expected to create return which can enable new investments. According to Brealey\textit{ et al.}, (2014), every investment decision should be connected to a financial decision, that is, every decision regarding spending money should also include a decision that raises money. But when it comes to the classical model and connected theories of financial decision making, how is the environmental impact measured?

When investment decisions are made in companies, 75\% of the firms always, or almost always calculate net present values (\textit{NPV}). \textit{NPV} enables the assessing of a project’s payback based on estimated future cashflows. When combining \textit{NPV} with cost-benefit analysis (\textit{CBA}), you’ll get a more accurate result. The principle of \textit{NPV} is easy, by subtracting all costs from the present value of all benefits you get the \textit{NPV} of the project. If the benefits outweigh the costs, the \textit{NPV} is positive and you should proceed with the project, while if the \textit{NPV} is negative the project will never pay for itself (\textit{often regarded as a monetary loss}). And by putting a monetary value on nature, it is possible to include it in a cost-benefit analysis (Perman 2011).

If a value is put on ecosystems services, it is possible to make investment decisions and assess the consequences it has regarding man’s dependence on a functioning ecosystem. Politicians, enterprises and individuals make decisions daily that affects the surrounding nature. By adding a value, decision makers can consider different options to ensure the societies’ dependence on ecosystem services on a long scale (Naturvårdsverket 2015). However, I argue that it is of importance that we do not only focus on economic or monetary values when we regard value of nature. I have defined four valuation methods based on the reading of Naturvårdsverket (2015) which I find relevant in this case:

- Qualitative valuation method, where the value is put in words.
- Semi-quantitative valuation methods where the values are rated and put on a scale.

\textsuperscript{12}The principle that if the (long-term) consequences of an action are unknown, but have the potential to be harmful, the action should be avoided. (Oxford English Dictionary)

\textsuperscript{13}The Economist, 3 December 1994 p.106
• Quantitative valuation method where the value is transformed into another unit, for example how much goods of some kind can be extracted from the area, how many visitors does a place have.
• Monetary valuation method where the value is put in terms of money.

The process can be as such:
1) Decide what you want to use the valuation for
2) Identify the relevant ecosystem services that are effected
3) Define your analysis
4) Determination of starting point for the analysis
5) Apply valuation methods
6) Evaluate the process and outcomes

In the case study, I look at the representatives perceived impact on business as one of the four themes I have chosen to focus on. By discussing whether they perceive the company as more successful because of the sustainable efforts, gives an indication of what the perceived value of the sustainability is for the representatives and how it is discussed.

3.6.2 Triple Bottom Line
In accounting, the term financial bottom line is used to express the total value equation, though it is often perceived as misleading as it only regards financial factors. Because of this, John Elkington launched the concept triple bottom line (TBL) in 1994 to reflect both the social and economic impacts as well as the environmental dimensions of the companies’ performance (Kessler 2013).

The use of the TBL approach has grown since its first introduction and has been incorporated within governmental policies in Australia for example. Elkington linked the phrase “People, planet, profit” in 1995 which was subsequently implemented by companies in their sustainability reports shortly after (Kessler 2013). The trend-phrase of the early 1990s was “eco-efficiency” as launched by the World Business Council on Sustainable development, that focused on economic profitability with a more efficient use of natural resources and/or in pollution reduction. Kessler (2013) presents that when Elkington launched the concept of TBL, there was reluctance to its adoption (particularly in the United States) as it widened the financial part of the business to include a range of economic externalities and the social dimension. The TBL was designed to inspire business leaders to engage in identifying, valuing, invest in, constituting and managing the three dimensions of value creation:

People: Businesses have become more used to treating employees well by engaging human resources in the organisation, but also to treat people well externally. That is customers and consumers. But human rights, intragenerational as well as intergenerational equity is consistent aspects to focus on to have a viable business model for the future (Kessler 2013).

Planet: Climate change, loss of biodiversity and ozone depletion are consequences of human activities. Such externalities are business more often held account for (Kessler 2013).

Profit/prosperity: The central idea is to redefine the forms of capital, for companies to create brand value and to make a profit. The companies can drive down costs, reduce future responsibilities, innovate and drive down costs by protecting human, social, cultural or natural capital (Kessler 2013).
The concept of TBL has originated several institutions: the Dow Jones Sustainability Indexes (DJSI), the Global Reporting Initiative (GRI), and Triple Bottom Line Investing (TBLI) (Kessler 2013).

3.7 Discussion
The selection of these chapters above is due to their relevance for answering my question regarding how can a sustainable entrepreneurship be defined in theory but also as a foundation to formulating my study and therefore also the questions for the interviews. When conducting a pre-study, I noticed that four themes where reoccurring when talking about sustainable business models of different kinds. These I have defined as implementation, innovation, perceived impact on business results and attitudes and values. The chapters above functions as information related to each one of these themes that I find relevant.

The first part of chapter three is regarding the development of sustainable practices within business, to contextualise the historical narrative of the current situation and to put the subject into perspective. I look at annual reports from 2000 – 2015 and the information presented in that material is a part of a much longer chain of events. The status of the companies, as presented by the representatives, are also something that has been affected by the historical development.

When reading about all these different sustainability strategies, it is relevant to ask oneself whether there can be a business case if we truly focus on sustainability. If we use my definition of sustainability14, taken from Wagner, E (2012) and then a firm pursues either sustainability oriented or socially responsible business solutions with the intention of profit, a critical stakeholder would be right to question the true social benefit of it. If the firm pursue these activities with an altruistic motive instead, the stakeholders would probably react in the opposite direction. These altruistic motives can initially be more difficult to benefit from, but can result in higher sales volumes or prices due to improved product or corporate image. As showed above in the section 3.5.5 Image, different segments of the market have characteristics which make some more willing to pay more for products made by companies with a sustainable profile, beyond self-interest or short term economic benefit.

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14 A bundle of public goods (intra- and inter-generational equity, improvement or preservation of environmental quality, and protection of human health)
4. Case Study

With background information about the status of the Swedish Food Industry, I believe it would be relevant to look more into two companies within that sector who work with sustainability issues. Therefore in the following sections, a case study with Oatly and Saltå Kvarn is conducted.

This case study entails an empirical analysis of two food producing companies in Sweden. As explained in chapter two, this thesis use two case studies from Oatly and Saltå Kvarn to answer the second part of my research question and show an exemplification of what a sustainable business can look like in practice. The result is a collection of data from both semi-structured in-depth interviews regarding the four themes explained in chapter 3: implementation, innovation, perceived impact on business and attitudes and values. In the second part of each sub section, I will conduct a discursive analysis of terms and formulations used in the annual reports from the companies 2000 – 2015.

4.1 Case 1: Oatly

Oatly were founded in 1994, under the name Ceba and were based on research from Lund University. It started with a patented enzyme technology, which turns fibre rich oats into liquid food that is nutritional and designed for human consumption. The technology copies nature’s own processes. The founder of Ceba, Rickard Öste conducted his research at Lund University in the late 1980s. While there was a professor, Arne Dahlqvist, who defined lactose intolerance in the 1960s there was no products for the ones who had the need for complementary products without lactose. With this background, Rickard Öste started to see what alternatives they could create. The use of soy or rice milk was quite common on the market in the US and the UK, but there was a narrow selection in Sweden. Rickard Öste choose to focus on oats and founded Ceba (Cereal Base) where the first oat drink was created. Oatly started with five people and now they have 127 employees (Carina Tollmar 2017-01-04). Today, the Oatly brand is available in more than 20 countries in Asia and Europe (Oatly 2017).

The company has its headquarters situated in Malmö and production and development centre in Landskrona, in the south of Sweden. In the autumn of 2016, Oatly was rewarded as “one of the most sustainable brand” in Sweden. It was the only food producing company that managed to be top three in the Swedish sustainability ranking. (HD – Sydsvenskan 2016). In another ranking conducted by Sustainable Brand Index™ in 2017, Oatly is ranked as number 38 (Sustainable Brand Index 2017).

Oatly and Carina Tollmar (sustainability manager) was selected for this case study based on five criteria.

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15 Sustainable Brand Index™ is a Nordic brand study, having the focus on sustainability. The study is based on 30 000 consumer interviews. The interviews including branding, communication and the areas of sustainability. Source: Sustainable Brand Index, 2017.
1. **Sector:** Oatly is a part of the pre-defined sector of choice, that is, the Swedish food industry.

2. **Size:** Oatly is defined as a SME based on the data available in the annual report from 2015. When the selection of the companies was made in the autumn of 2016, the companies were selected due to the size presented in the most recent annual reports available.

3. **Experience:** Carina has been working at Oatly since the late 1990s. The criteria for the sample is to have a representative with minimum of 5 years’ working experience within the selected company.

4. **Accessibility:** Oatly is a client to the company where I did my internship and therefore I had the opportunity to get in contact with Carina Tollmar via the consultants at U&we.

5. **Responsibility:** Since Carina is the sustainability manager, she is defined as responsible for or working with sustainable issues within the selected organisation.

As presented in table 6 below, Oatly is producing oat based food products manufactured in Sweden. The company have had a steady economic growth ever since their foundation both regarding the turnover as well as the total balance and employees. In the annual report from 2015, it was presented that the number of employees was 87 and when I spoke with Carina Tollmar in the beginning of 2017, I was told that the number had increased so the now are 127 employees. A significant growth in only a limited time.

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Type of products</th>
<th>Number of employees, 2015-12</th>
<th>Turnover, 2015-12 (in K SEK)</th>
<th>Total balance sheet, 2015-12 (in K SEK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oatly AB</td>
<td>Malmö, Sweden</td>
<td>Oat drinks and other oat-based food products.</td>
<td>87</td>
<td>365 098</td>
<td>149 097</td>
</tr>
</tbody>
</table>

*Table 6. Case study overview, Oatly.*

Carina Tollmar is the sustainability manager at Oatly since September 2015. With the employment of Carina Tollmar, Oatly started to have a designated person in responsible for the sustainability work. Carina herself has a background within agricultural sciences at *Swedish University of Agricultural Sciences* focusing on food production and Carine later continued her studies to become an agronomist. Carina Tollmar started to work at Ceba (*which later became Oatly*) when writing her MA thesis in 1999 and have been within the company ever since.

Oatly itself as a label was founded in 2001, when the Oatly products first were launched on the Swedish consumer market. Before that, the strategy was to sell business to business, approaching other companies producing cowmilk such as Arla and Skånemejerier. The aim initially was to provide companies with a vegetable alternative in their portfolio. But the response from other businesses were weak. With the help of external investments, Oatly was launched on the Swedish market in 2001 as its own brand (Carina Tollmar 2017-01-04).

In the following four sections, I have allowed Carina Tollmar as sustainability manager and spokesperson of the organisation for this thesis to define her view of the company and its role in terms of implementation, impact, innovation and attitudes and values.
Implementation of Sustainable Practices

In the early years, when the company was named Ceba, the main focus was the products itself. The ambition was to explore the possibilities of producing more alternatives to animal products by using oats. The motivation for Ceba was that using oats to create a drink, instead of using the detour through a cow, is a much more efficient production method. Underlying this motivation was the founders of Ceba who saw that it is not possible to provide the whole world with cow’s milk, since it is very resource demanding. For Ceba then the sustainable focus was in the resource efficiency and the environmental gains that lies within the product itself. Carina Tollmar presented during the interview that in the beginning, the new oat based drinks was more resource efficient than ordinary cow’s milk, but in order to communicate with the consumers and big retailers, they had to know exactly how much better. As Carina explains it: We knew that oat drinks are better, but we did not know how much better (Carina Tollmar 2017-01-04).

The company carried out an evaluation together with the consultant company u&we in 2014. In the evaluation, they mapped the company’s strategically important sustainability issues. This analysis was commissioned by Oatly to assess where the organisation could best focus its efforts to create the biggest difference. With the evaluation as a basis, Oatly formed an action plan and discussed with the consultants which areas that should be prioritised. Four areas were defined as focus areas: committed co-workers, smart systems, super suppliers and upgraded society. These areas include both external as well as internal communication, something Carina Tollmar says is very important.

Later, in 2015 Oatly conducted a life-cycle assessment\(^{16}\) (LCA) on another of their products, the organic oat cream, to have a good base for external communication and to identify areas where improvements could be made. Oatly also decided to have an analysis made of the whole company to identify where they could put efforts in reducing their environmental impact. The result of these analyses was the recommendation to have a dedicated person responsible for the sustainability work. In September 2015, Carina Tollmar became employed as a sustainability manager at Oatly: her responsibility included to ensure a constant sustainability focus in all the business’ actions. In the interview, Carina Tollmar herself emphasise that the responsibility of ensuring sustainability practices should however, permeate the whole organisation. In addition, Carina Tollmar explains that Oatly as an organisation agree that they do not want to end up in the position where other employees of Oatly believe that it is only Carina Tollmar working with questions of sustainability. Rather the philosophy should be that sustainability is something everybody in the organisation is working towards together.

The procedure in improving sustainability at Oatly took place in several steps: the first steps of the new sustainability work within Oatly has been to systematise and to see how the new knowledge from evaluations and the analyses can be applied into practice within Oatly. The first step has also included reviewing the policy documents towards suppliers et cetera. Carina Tollmar is careful to point out that she sees it as important to work with the behaviour and to let the sustainable choices permeate the whole organisation.

It is important for Oatly to make their sustainable practices visible throughout the organisation, regardless of where the company is in their process the important thing is to communicate that actions are being made. For instance, Carina Tollmar presents that they have been monitoring their waste, and how much greenhouse gases that is saved by practicing recycling both within the

\(^{16}\) LCA is a method to assess the environmental impacts associated with all of the stages of a product's life, including raw material extraction through materials processing, assembly, distribution, use, repair and maintenance, and disposal or recycling.
production as well as within the office space. These types of actions are a way of communicating and to give feedback to the employees to make the effort that all are doing more visible. In Carinas words (2017-01-04) feedback is important to acknowledge everybody’s efforts: “It is important to engage and to give feedback to the employees so that everybody feels that they contribute.” (Carina Tollmar 2017-01-04).

As a part of this new phase of sustainability work within Oatly, there has been an ongoing dialogue with the suppliers, who, according to Carina Tollmar have responded well to this integration: suppliers in general tend to appreciate being included in the process and want to know more about the sustainability work. Another example of sustainability work at Oatly is that they have converted from using natural gas to only have bio gas today.

When it comes to the use of resources, Carina Tollmar points out that sustainability and the business’ economy is highly connected. Saving energy is good for the business’ balance as well as the environment. Oatly is a part of a network focusing on energy use organised by the local County Administrative Board. It is a forum for companies to exchange ideas and inspiration (Carina Tollmar 2017-01-04).

In addition, Oatly have recently done an energy audit as a base to develop even more energy efficient production. They are going to regard issues such as heating and isolation, water management, and how it is possible to renew heating systems et cetera. Carina Tollmar mentions that Oatly have a lot of projects going on at the moment on a larger scale, but they also engage in the smaller scale actions that are visible for the everyday employee such as automatic lighting on the toilets and the paper usage. The most important thing as Carina Tollmar sees it is working with large scale analysis and improvement as this is where the possibilities for big difference in sustainability lies, but the perceived value is still seen as very important for Carina Tollmar and for Oatly. Carina Tollmar is absolutely convinced that all actions in a sustainable manner, big and small, will become a positive spiral that rubs off throughout the organisation.

During the last couple of years, Oatly’s retailers17 has started to demand information on the ethical guidelines and practices of the company to meet the retailers’ codes of conduct. These demands are mostly revolving around social sustainability issues and are something that has emerged more and more during the last couple of years. The requirements have emerged as a result of an ongoing trend, where more and more stakeholders are asking for information regarding the area of sustainability in agreement of their policy documents. In Carina Tollmar’s words (2017-01-04) this demand derives from concerned and aware stakeholders: “The buyers want to see that there is a record, a code of conduct and that there is a plan for monitoring and for the shortcomings in the area of sustainability. Quite formal and fairly basic.”

Perceived Impact on Business

Having discussed the more general points regarding the implementation raised in the Interview with Carina Tollmar I will now discuss the connection between sustainability efforts and economic performance.

When asked about perceived impact of business, Carina Tollmar (2017-01-04) explains that many of the efforts being made in the production within the area of sustainability are profitable both when it comes to environmental as well as monetary terms. For Oatly, the environmental and financial profitability has been achieved when looking at the use of water, energy use, waste et

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17 That is the large whole sale companies in Sweden such as ICA, Axfood, COOP, Martin & Servera to name a few.
cetera. In the view of Carina Tollmar, these efforts are good overall for the business, but most importantly they are crucial for the strength of the brand and therefore, by extension, for sales figures. As Carina Tollmar explains, the consumers in the stores are expecting Oatly to have certain commitments towards sustainability and this expectation and trust is also crucial for the communication of the products.

Some environmental commitments are more expensive, such as the use of biogas while other such as less water use is also a financial gain. However, Carina stress that costliness of sustainable investments must be accommodated and that these costs hopefully will lead to increased sales and increased goodwill and trust in the brand from the perspective of consumers.

Innovation
The innovative perspective is continuous in the interview with Carina Tollmar (2017-01-04) and in the following section, it is the main focus.

At first, it was not that obvious to launch the products in Sweden since the consumers on the Swedish market drink quite large volumes of cow’s milk and have an acquired taste of cow’s milk (Carina Tollmar 2017-01-04). In the US and UK there were already an assortment of soy product milk substitutes and the consumers on the UK market were better acquainted with milk substitutes and/or vegetable drinks. Oatly started therefore to export their product. In the late 1990s Oatly was contacted by ICA when they had discovered that their consumers demanded non-lactose milk. ICA wanted Oatly to produce an oat drink for them as but labelled as an ICA-brand. This was the start of Oatly to the Swedish market.

As Carina Tollmar explains, the competition on the Swedish food market is extensive and for a company with only five employees, which Oatly was in the beginning, and to establish themselves on the market is not easy. However, in the case of Oatly there was a gap, with an increasing consumer demand for vegetable alternatives to cow’s milk that was not being fulfilled. Therefore, in August 2001 Oatly launched three products on the Swedish market: an oat drink, one ice cream and one pancake batter. The choice of products was made based on knowledge of the character and taste of oats. In the releasing of the new Oatly products in the early 2000s, the response from nutritionists and consumers was vast from the very beginning. Both consumers and nutritionists were demanding more information on the new products. The interest created a pull effect, in the words of Carina Tollmar (2017-01-04):

“We started with all those who could not drink milk. And then we have continued our development from there, but there has always been a crowd of very loyal, devoted consumers who have bought a lot and bought everything we have launched. And it has given us an opportunity to grow.”

Apparently, as already indicated by the quote from Carina above, the timing was completely right for the launch of the oat products, and this was also something she came back to in the interview (Carina Tollmar 2017-01-04). Oatly has increased constantly every year and vegetable drink alternatives in Sweden has also increased with more brands and a big growth within the sector. The ongoing trend and development amongst the consumers consequently shows that the timing was right for establishing such products.

Carina Tollmar (idem.) has identified the last couple of years’ sustainability debate as something that probably has increased sales due to a growing awareness of the environmental impact of food and the connected production. In the beginning of the 2000s, there was a lot of
discussions about functional foods and the beginning of a health trend. Oatly’s products could meet those demands, especially the health aspects as the oat drinks can contribute to lower your cholesterol and other health benefits. Carina Tollmar stress that both for her and for Oatly (and the consumers) it is not sufficient to have simply an environmental alternative, the product also has to meet the health requirements as well, as a co-benefit. In the philosophy of Oatly, environment and health goes hand in hand.

**Attitudes and Values**

In the interview with Carina Tollmar presented above, it is visible that the management in Oatly is highly engaged in questions of sustainability and Carina Tollmar sees a possibility for Oatly products to change patterns of consumption and make an impact on environment and health. This brings me to the point of attitudes and values. Carina Tollmar adds that this possibility is not specific for the Oatly brand, but relevant also for society in general, in the sense that Oatly visualises what it is possible to achieve within businesses. The challenge and success lies not only in how to communicate your brand, it is about being trustworthy and to contribute to a positive development. Carina Tollmar (2017-01-04) goes on to tell us that:

> “Even if we would only have one good product, we would still improve every stage in that process. Being a part of and driving force for change in the transport sector, to make sure that there will be a discussion regarding the use of fuels and how to develop the Swedish biogas. You can participate and influence in many places and make a real difference.”

Importantly, as Carina Tollmar points out here, the attitudes of the management are very important to make a difference in the society. Carina recognises that the current management of Oatly are very engaged in sustainability issues, but as the new sustainability manager, she wants to push them even more to be in the front line. Carina Tollmar believes that it is more difficult to conduct a sustainable practice if the management is reluctant.

The challenge is to have every employee engaged in the process of working for more sustainable production and products and having the same knowledge regarding sustainable practices within Oatly when the company is growing. Carina Tollmar points out that Oatly give an introduction for the newly employed where they present and discuss the values, among other information.

The present CEO of Oatly share the values that have been shaped historically in the organisation of Oatly and have strong values of his own that are reflected in the organisation. For instance, the CEO arranges two kick off sessions where internal values are discussed and broken down into how the different departments within the organisation can put these values into action and how to contribute to decreasing the total environmental impact of the company. This means that internally both values and practices and measurements of accomplishments in relation to values are discussed (Carina Tollmar 2017-01-04).

**Analysis of Annual Reports**

Above, I have allowed Carina Tollmar, as a spokesperson of Oatly, to define her view of the company and its role in terms of implementation, impact on business, innovation and attitudes and
values. In this section, I present information to answer the question regarding how the self-image corresponds (or not) to other official documents of the company. To assess this, I have reviewed the annual reports of the company from 2000 – 2015. This analysis will also reflect how the framing of sustainability in the company has changed over time.

The quantitative part is presented graphically to provide the reader with an overview of the extent of the words of sustainability work that is presented. See figure 11 below.

Figure 11. The number of words in the annual reports that present sustainability work within Oatly between 2000 – 2015. The quantitative data is collected by counting the number of words that is mentioned regarding sustainability efforts based on the terminology of environmental sustainability.

Before 2013, there are no mentioning of sustainability work is made and it is also not possible to trace any work related to sustainability. The annual report is rather a goal oriented presentation of the products development and growth of the company.

In the annual report of the year 2013, it is stated that Oatly want to transform from being a non-dairy company towards becoming a leading company within Sustainable Nutritional Health. Presenting a visionary goal, shows direction and willingness to develop the organisation. It is also stated in the 2013 annual report that Oatly will move from being a traditional food production company to being a ‘lifestyle oriented brand’ (Oatly 2013). The reason behind the direction change is given in the report as a strategic move toward increasing the economic and organisational growth of the company (idem). Further, it is stated that during 2013, several efforts were made to incorporate sustainability on a strategic level.

In the report of 2014 a new section named The Environment and Sustainability18 is introduced. The chapter about the environment and sustainability is a section of three paragraphs that presents a background about sustainability relevant for Oatly, what has been done within the organisation in terms of sustainability and the objectives for the coming years. The sustainability section in the report from 2014, explains that Oatly conducted a life-cycle assessment to identify improvements in the processes and to compare the total environmental effect in comparison to milk (as was also related by Carina Tollmar above). The theoretical framework used for the report was developed.

18 Miljö och hållbarhet
by SIK – the Swedish Institute for Food and Biotechnology, who also carried out the analysis. The conclusion from the institute shows in the report from 2014 that in 9 out of 10 points, the plain Oat beverage from Oatly has a lower environmental impact than 1.5% fat milk19.

The Environment and Sustainability dedicated section in the 2014 Annual Report continues with presenting ambitions with the environmental work until 2017. It is explained that “Oatly intends to take a leading position and work with sustainability at a strategic level”. The code of conducts (explained by Carina Tollmar above) is mentioned as a document where it is ensured that the production is carried out in accordance with the environment, ethics and health. In addition, the Annual report 2014 sets a goal for Oatly to reduce water and energy use with 30 % until 2017 (compared with the outcome in 2014).

The 2014 report presents Oatly as an innovative company within Sustainable Nutritional Health and presents nutritional health as an already accomplished goal. But adding to the nutritional goal the 2014 report also establishes the aim to be an “international life style company that is world leading within its technological field.” (Oatly 2014). It is also written that the company managed to exceed the challenging objectives of 2014 in the beginning of the report.

The annual report of 2015 is quite identical in the section about The Environment and Sustainability, but with some additions. Oatly is presented as an innovative company within Sustainable Nutritional Health as an accomplished goal, but presents that the aim is to be an “international life style company that is world leading within its technological field.”

In the first section about sustainability and the environment, a background is given to what impact food production in general has on global sustainability, declaring that “The world's leading researchers, universities and environmental organisations fully agree that a change from animal to vegetable diet is necessary to achieve the climate goals and keep global temperature rise below two degrees.” (Oatly 2015). The report proceeds to explain that Oatly can be a part of that solution, on a global scale.

It is further mentioned that Oatly has conducted life cycle analyses on two oat products; the regular oat drink and an ecological iMat20 and two milk-based products; cow’s milk and cream (15% fat). The analyses were made by SP Food and Bioscience and reviewed by a third party. The results showed that the oat based drink has lower environmental impact in eight out of nine aspects than the corresponding dairy product. The iMat had a lower environmental impact than the corresponding dairy based cream in nine out of nine aspects. In the last section of the chapter about The Environment and Sustainability another goal is added, in comparison to the report from 2014; the GHG emissions will be reduced with 25% (per sold liter) until 2020 compared with the outcome in 2014.

19 Swedish mellanmjölk that contains around 1.5% fat
20 An oat based cream-like product that is meant to be included in a stew, soup or gratin for example.
4.2 Case 2: Saltå Kvarn

Saltå Kvarn is a manufacturer of locally produced organic\textsuperscript{21} grains and an importer of organic products. The company was founded in 1964 in the anthroposophical context in Järna, south of Stockholm in Sweden.

There is a back story to the foundation of Saltå and to the choice of its name. In the 1930s a home for mentally disabled was founded in Järna. The home was provided with bread made by a man in Saltå by name of Carl-Emil Sörgärde (Saltå Kvarn, 2016). The staff of the mental care hospital believed that what you eat will affect how you feel mentally. The bread made by Carl-Emil Sörgärde became very popular in the local community and it was decided to start a larger scale bakery. In connection with the foundation of the bakery, the mill in Saltå came up for sale. At the same time the demand for bread made with biodynamic\textsuperscript{22} produced cereals had grown and the Bakery therefore also acquired the Saltå mill. Saltå Kvarn has drawn upon and built on this long history of healthy and renowned food and the same story was also related to me by Johan Ununger during my interview on 24th of November 2017.

At its foundation in 1964, Saltå Kvarn in Järna chose to focus on engaging in Rudolf Steiner’s ideas about biodynamic farming, which derives from an anthroposophical ontological perspective. At first, Saltå Kvarn focused their production and conceptualisation of themselves as a company around quality, a conceptualisation that later changed into becoming more a question of environmental awareness. The biodynamical farming method is the birthplace for the organic movement. According to Johan Ununger, present CEO of Saltå Kvarn, in the 1980s Saltå Kvarn and Järna was the place to go for anyone interested in new farming methods as few other places in Sweden experimented with new farming methods in the same way as they did in Järna at that time. Saltå Kvarn AB, took over the activity from the foundation Saltå Kvarn in 1997.

Saltå Kvarn and Johan Ununger (the CEO) was selected for this case study based on four criteria.

1. **Sector**: Saltå Kvarn is a part of the pre-defined sector of choice, that is, the Swedish food industry.
2. **Size**: Saltå Kvarn is defined as a SME based on the data available in the annual report from 2015. When the selection of the companies was made in the autumn of 2016, the companies were selected due to the size presented in the most recent annual reports available.
3. **Experience**: Johan Ununger has been working at Saltå Kvarn since the early 2000s. The criteria for the sample is to have a representative with minimum of 5 years’ working experience within the selected company.

\textsuperscript{21}Organic cultivation or farming was formerly known as alternative farming and is rooted in the understanding that only local, renewable resources should be used. In organic farming, no fertilizers or chemical pesticides can be used. The nutrient supply is based on a balanced crop rotation. The livestock farming is an integrated part of the production system on an organic farm. Often, the volume of feed that can be provided by the farm, decides the number of animals in production. The animals provide the farm with manure and contribute to the landscape. (Nationalencykolpedin 2017b)

The share of organic farmland in Sweden in 2013, is 16.5 % of the total farmland and it is growing rapidly in Europe. The European Union has established a brand for organic products, named Organic farming. (Idem.)

\textsuperscript{22}A type of organic farming that refrains from factory-made, easily soluble fertilizers and chemical pesticides and have faith in cosmic influences. Some biodynamic preparations are used in the production. These are field and compost preparations that can be made of cow manure that has been buried in the ground, in a cow horn during the winter and then being mixed with water and spread out on the field. Another method preparation is to bury silicon in a cow horn, in the ground during summer. (Nationalencykolpedin 2017a) The biodynamic farming method is rooted in the anthroposophical ideas founded by Rudolf Steiner. The core of Steiner’s work is the inner development through studies, involvement in nature, exercises in moral in order to develop ones’ imagination, inspiration and intuition. It is then possible to attain a supernatural reality, or spiritual knowledge and freedom. From this theoretical approach, arose several practical applications such as Waldorf education, the anthroposophical oriented medicine and education as well as the biodynamic cultivation method. (Nationalencykolpedin 2017c)
4. **Accessibility:** Saltå Kvarn is a client to the company where I did my internship and therefore I had the opportunity to get in contact with Johan Ununger via the consultants at U&We.

5. **Responsibility:** Since Johan Ununger is the CEO, he is defined as responsible for the whole organisation and therefore also the sustainable aspects within Saltå Kvarn.

As presented in table 7 below, Saltå Kvarn is manufacturing locally produced organic grains and is an importer of organic products. Since the company was founded in the 1960s and it has had a focus on long term profit. In the annual report from 2015, the number of employees was stated to be 57 and with a turnover of 210 074 K SEK and a total balance sheet of 95 138 K SEK.

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Type of products</th>
<th>Number of employees, 2015-12</th>
<th>Turnover, 2015-12 (in K SEK)</th>
<th>Total balance sheet, 2015-12 (in K SEK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saltå Kvarn AB</td>
<td>Järna, Sweden</td>
<td>Locally produced organic grains and an importer of organic products.</td>
<td>57</td>
<td>210 074</td>
<td>95 138</td>
</tr>
</tbody>
</table>

*Table 7. Case study overview, Saltå Kvarn.*

When Johan Ununger himself started at Saltå in 2002, everything they sold, were produced in Järna. Today, Saltå Kvarn also imports organic goods and have a product range around 150 products. Thus, production has changed from being solely locally produced and biodynamic, into a stronger focus on organic products more broadly. The production and marketing of Saltå Kvarn is rooted in the belief that food tastes better if it is produced in a natural and gentle way, without artificial fertilisers or chemical pesticides and this philosophy has been there from the start. Presently the focus for the broader production and range of production processes is also to have a minimal environmental impact. Saltå Kvarn is ranked as number two by Sustainable Brand Index™ in 2017 (Sustainable Brand Index 2017).

In the following four sections, Johan Ununger as CEO and spokesperson of the organisation will define his view of the company and its role in terms of implementation, impact, innovation and attitudes and values.

**Implementation of Sustainable Practices**

Johan Ununger (interview 2016-11-24) the CEO of Saltå Kvarn (Saltå) tells a story about a company that were engaged in sustainable practices through the biodynamical farming methods long before the general trends about sustainable certifications and branding took off in the late 1900s. Because of this long history and conceptualisation of the company, Saltå Kvarn prefers not to couch their environmental and sustainability approach in terms of *Sustainability* or *CSR*. Sustainability to Saltå Kvarn is more than social responsibility, it is one of their core engagements, it lies at the core of everything the company does and has done for a long time. For the history and development of Saltå Kvarn the concept of creating shared value (CSV) has been more important for the company and this is also something Johan himself believes in. In my interview with Johan Ununger (2016-11-24) he explained that:
“What’s good for the business is the engagements that does good for the community. The long-term benefits of companies are the efforts that benefit society. These are the efforts we must maximise. And that is when Michael Porter talks about Creating Shared Value (CSV) and that is something I believe in.”

(Johan Ununger, 2016-11-24).

The shared values created by Saltå Kvarn, originally was to ‘save the Baltic sea’. Johan Ununger defines that goal now as “a big hairy audacious goal”. Though, a goal impossible to achieve for one single company, Johan Ununger argues that the large scale ambitious goal was beneficial to Saltå Kvarn. Having a joint goal facilitated for Saltå Kvarn to form an ideologically positive vision within the organisation. This positive vision permeated the whole range of necessary decision making processes and customer engagements both when it comes to producers and consumers. However, over time the grand goal of saving the Baltic has changed to a more subtle aim. Saltå Kvarn now have the mission to give the ‘power back’ to the consumers and to make possible for the consumers to make the good choices. Compared to previous visions this may seem to be a vague one, but Johan Ununger argues that with this goal, Saltå Kvarn must also define what they an organisation perceive as the good choices. In most cases those choices for Saltå Kvarn are about the agricultural production methods and the transition towards organic farming. Johan Ununger (interview 2016-11-24) stress that the base of the work at Saltå Kvarn focuses around organic farming. But as a side effect of organic farming, according to Johan Ununger, Saltå Kvarn also produces healthy food and food that tastes good in the consumer’s perspective.

By having a reliable relation and dialog with their farmers, Saltå Kvarn has together with the farmers managed to develop the production continually, which also goes along with the aims of Saltå Kvarn to encourage organic farming. The consultant company U&W have together with Saltå Kvarn developed a toolbox for the farmers, which was implemented in 2012. The aim of the toolbox is to facilitate more opportunities for the farmers in the transition of making their production more sustainable. The toolbox is not about adding more rules or certifications, but rather introduces more freedom in the farmers’ ability to design methods that works locally. The toolbox is rooted in the theoretical framework of Planetary Boundaries23 and Stockholm Resilience Centre. The base of the toolbox is the areas that an organic farmer affects and can improve, for example the climate, biodiversity, the cycles and loss of nitrogen and phosphorus. Within a range of areas, there are measures at mitigation that a farmer can take, some more challenging and on a larger scale than others. All measures are scored, so the more measures the farmers take on, the more points they attain. The point-system is then connected to a monetary reward to create an incentive for engagement (Johan Ununger 2016-11-24).

From previous experience, Johan Ununger and Saltå Kvarn took the position that how the food is produced is more important than where it is produced: the argument has been that transportation is usually a small factor in the total energy use, in comparison with the energy required when using fertilisers et cetera. But, over time Saltå Kvarn and Johan Ununger himself has acknowledged that the costs of transportation of food is something that the consumers are worried about. Therefore, Saltå Kvarn have increasingly begun to think in terms of climate compensation for their transports.

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23 The planetary boundaries estimate how the different variables for novel entities, stratospheric ozone depletion, atmospheric aerosol loading, ocean acidification, biogeochemical flows, freshwater use, land-system change, biosphere integrity and climate change, have changed from 1950 to present. Definition from Stockholm Resilience Centre (2017).
In 2006, they became the first company in Sweden to make climate compensation for their imports of figs from Turkey. In 2006, climate compensation was perceived as some sort of indulgence. Johan Ununger (2016-11-24) argues that companies can better engage in climate compensation by having a sound production. As a first step, the company should streamline the production and use renewable energy sources. For instance, Saltå Kvarn use the leftovers from the oat grinding in Järna to create heat for the office space that is connected to the mill facility and thus have reduced energy consumption through its own production. Climate compensation then for Johan Ununger is a last resort if there are no other ways to reduce energy consumption.

**Perceived Impact on Business**

When I asked Johan Ununger to define the purpose of business according to the Saltå Kvarn company, Johan Ununger (2016-11-24) replied that: “The purpose of the business is to define what its mission is in society and the purpose within the society that is the purpose with the business. Profit is a restriction that is necessary to sustain the business, so at least long-term profit is necessary.”

As Johan Ununger argues here, profit is a restriction that is necessary to sustain the business over long term, so at least long-term profit is necessary. But the purpose, according to Johan Ununger is not the money itself, rather it can be to provide a rich life for people through entertainment, culture, integration, environmental awareness or the relation with the planet – that we now name sustainability. In other words, according to the self-definition of Saltå Kvarn the company does not sell organic products to create profit, the company do what they do because it is something they are engaged in and have been doing for over 50 years.

Saltå Kvarn have been rewarded with being named a Gazelle Company²⁴ by the business magazine Dagens Industry four years in a row which indicates that the company has been doing well both as an organisation and in terms of visions but also financially. Johan Ununger have attended several reward ceremonies and read about other rewarded companies and he believes to see some similarities between the entrepreneurs that have received similar awards. To earn money is not the focus, in any of these companies according to Johan Ununger, profitability is rather a consequence but the main goal is to achieve something broader and that goal is often the driving force of the success of the company.

Saltå has been on the market since the 1960s, so as Johan Ununger also stress Saltå Kvarn has managed to stay profitable over long terms. He believes that Saltå Kvarn and other companies with similar common long-term goals and will of doing good for society shows that this over long term is a more successful concept both organisationally and financially. As Johan Ununger (2016-11-24) states: “If you enter a company with the idea of making as much money as possible, you’re doomed!”

Johan Ununger together with the shareholder owners see Saltå Kvarn as a strong brand, but for the last four years, the company has not been as profitable as before. Johan explains this with that you can have a green business but this does not automatically generate more profit. You can do good, have an admirable goal and contribute to society, but you must also be business smart for the company to make profit. Regardless, it is important for a company to have a commitment to do good, but also be smart when it comes to profitability and long-term earnings.

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²⁴ The criteria on which a Gasell Company is evaluated I based on the four latest annual reports. A gasell company has a turnover of more than 10 MN SEK, at least 10 employees, doubled the turnover within the period of investigation, increased its turnover every year the latest three years, presented the latest four years with profit, grown organisationally and healthy finances.
Johan Ununger also points out that in the case of the Swedish food industry, a producer is dependent on the big actors selling the products and the low prices they demand in the negotiations.

Innovation

When Johan came to Saltå in 2002, everything that were being sold were being produced in Järna by the mill and bakery as discussed above. In that era, Saltå got a question from COOP to develop the health food section by adding organic products. Johan said yes and created a team that together introduced 45 new products and brand new design. The new selection of Saltå opened for trade outside of Sweden.

The product package would become important for Saltå’s branding. The new line of products was in multiple colours that attracted consumers to not only taste the new products, but to have the package as a part of the interior design at home.

Attitudes and Values

“Sustainability is a concept that everybody can say that they engage in. It has become a vague concept, that can mean whatever really. And if it can mean whatever, then it doesn’t mean anything. But at the same time, it is good that more people are engaged in discussing sustainability, and the important thing is: what is being done.”

(Johan Ununger 2016-11-24)

The CEO of Saltå Kvarn started as a field biologist and an environmental activist. From seeing the corporations as the root of environmental degradation, his attitude changed. He started to believe that businesses are an important tool in the transition towards changing the world. He believes that there is no cooler way to change the world than through companies.

The internal values of Saltå Kvarn and the relations with the suppliers is important for Johan Ununger. They have a lean project in process in Järna, where they establish ruling principles et cetera.

Saltå consistently work with the attitudes and values with the suppliers, in Sweden and around the world. For Johan Ununger (2016-11-24), it is important to see that the producer share the same values when establishing a partnership. It is a long chain of partnerships, from the farmer in Turkey to his workers, to Saltå’s contact in Turkey to Saltå. But the problem is that this is very difficult to communicate to the consumers when the product lies in the shelf of a supermarket. Saltå’s relation with the big retailers is strictly governed by contract and price. Johan Ununger sees that Saltå builds a chain of trust with the producers and invest in their societies, but in the end at the supermarket they have to compete with other eco-brands that only follows certifications. These other brands, like ICA I LOVE ECO are often products that have been bought to a very low price, so the producers are not really the focus. The focus lies instead on price and not taste or soft values. It is a challenge to communicate the situation to the consumers.

Johan Ununger also believes that consumers should always choose organic products, regardless of their origin. This, in order to put pressure on Swedish farmers to convert to organic farming. Johan Ununger says that if consumers buy locally produced conventional apples, nothing happens. To have a sustainable farming, more producers should switch to organic farming.
Analysis of Annual Reports

Above, I have allowed Johan Ununger, as a spokesperson of Saltå Kvarn, to define his view of the company and its role in terms of implementation, impact on business, innovation and attitudes and values. In this section, I will analyse the Annual Reports of Saltå Kvarn to assess how the self-image corresponds (or not) to other official documents of the company. To analyse this, I have reviewed the annual reports of the company from 2000 – 2015. This analysis will also reflect how the framing of sustainability in the company has changed over time.

Below is presented a quantitative summary of the extent of the words of sustainability work that is presented in the annual report (fig. 12), same as was done for Oatly (fig. 11). Thus, the figures provide a generalized comparison between the companies in the case study.

Figure 12. The number of words in the annual reports that present sustainability work within Saltå Kvarn between 2000 – 2015. The quantitative data is collected by counting the number of words that is mentioned regarding sustainability efforts based on the terminology of environmental sustainability.

The reports from the early 2000s, presents Saltå Kvarn as a company selling organic products but there is little to no specific mentioning of sustainability work. Measures for sustainability is mentioned for the first time in 2005. The 2005 Annual Report states changes in production to new heating praxis; an old oil pan for heating has been replaced with a new one that runs on oat peel. “The new machine can be used with oat peel and the energy from the peels now warms all buildings in the area of Saltå Kvarn. This investment provides huge ecological and economic savings.” (Saltå Kvarn 2005).

In the report from 2006, the first use of the word Greenhouse effect occurs. Greenhouse effect is mentioned in a section about Saltå Kvarn being the first Swedish company to use climate compensation for their products. The climate compensation in 2006 was also mentioned by Johan Ununger (above) as an ‘indulgence’ but in the 2006 report the climate compensation scheme was described as follows:

“As the first Swedish company, Saltå Kvarn has begun to use climate compensation for selected products. The method is to compensate for the carbon dioxide emissions from long transports by planting trees corresponding to the extent necessary to bind the
carbon dioxide that is released in the transport. Every tree planting project is certified and linked to a specific product. This allows consumers to choose products that reduce the contribution to the greenhouse effect.”

(Saltå Kvarn 2006).

The annual report from 2007 declares that the sales of Saltå Kvarn generated several positive effects on the environment. It is presented a framework where the farming methods of Saltå Kvarn (organic and biodynamic farming) is compared with the environmental effects of conventional farming. It is also presented that during the last five years, the growth of Saltå Kvarn has generated a ten-doubling of the biodynamic farming of cereals. The report also goes on to explain that the biodynamic farming has given rise to a reduced leakage of fertilisers and nutrients, which have had positive effects (Saltå Kvarn 2007).

The positive effects of Saltå farming methods on environment is also brought up in the 2008 Annual Report: “An important effect of Saltå Kvarn's growth is environmental benefits, including in terms of reduced use of manure and chemical pesticides in agriculture.” (Saltå Kvarn 2008). Apart from the environmental benefits, it is stated that the company is continuing with its climate compensations for transports in combination with a strive for using only fossil fuel-efficient ways of transport, such as train or boat in the report from 2008. The report also mentions that Saltå Kvarn was rewarded with eight different prices during 2008.

The following years, the annual reports bring up the continuation and development of climate compensation and that Saltå Kvarn has started to compensate for all its transports, business trips as well as product transport (Saltå Kvarn 2009; Saltå Kvarn 2010; Saltå Kvarn 2011). In 2011, the annual report also states that to buy grains or cereals from producers, the minimum requirement is KRAV standards.

A new framework for working with the farmers is presented in the report from 2012. It is a points system, where the farmers can attain extra reward for engaging in more actions connected to securing several important ecosystem services, on top of those that are demanded by the Swedish KRAV standards.

A new section was introduced in the report from 2014. “Our vision: Saltå Kvarn is an inspiration source and an example for other activities around the Baltic Sea. Together with them, we help to save the Baltic Sea, thus creating a better environment for 85 million people in the region.” (Saltå Kvarn 2014). As a goal, it is mentioned that Saltå Kvarn wants to be the most credible brand for food within the Swedish Food Industry and that they were rewarded with a top position in the Sustainable Brand Index.

In 2015 Saltå was rewarded as the most sustainable brand, in the Sustainable Brand Index. (Saltå Kvarn 2015).

25 Årets uppstickare i Livsmedelsbranschen (LRF, Livsmedelsföretagen, jordbruksdepartementet), Änglamarkspriset (COOP), Diploma (Lät måltiden blomma), Leva bättre-priset, Company of the year (the magazine Leva), Gazell company (Dagens Industri), Nominee for Social Capitalist Award (Veckans Affärer), Company of the year in Södertälje/Södermanland (Swedbank), Årets Svenska Mältidslitteratur (Måltidsakademien).

26 “KRAV standards are adapted to the IFOAM Standards and included in IFOAM Family of Standards. KRAV standards also fulfil the EU regulation for organic production (EC) No 834/2007. In some cases KRAV standards are stricter than the EU standards.” (KRAV 2017).
5. Discussion

“Companies can have market advantage by integrating sustainability into their business models by supplementing conventional definition of value creation defined by growth and profitability with concerns over the integration value systems constructed around sustainability.”

Oatly and Saltå Kvarn present their sustainability engagements in quite different ways. Oatly have a clear view of their objectives and a plan of how to achieve them. While Saltå Kvarn, with its long history, have stated that the sustainability is in their core from the beginning in the 1960s, whereof they do not talk about their engagements in terms of CSR or Sustainability.

In the sections above, it can be discussed that the sustainable efforts made by business should be integrated into the core business activities and through that, add value to the business’ success. However, in much of the economic literature regarding environmental management, another approach is presented (that I will refer to here as the conventional approach). The company may have a CSR or Sustainability programme which is often perceived as ‘charity’ on a global scale. In the conventional approach, CSR is something that is separated from the organisation’s core operations.

The formulation of a specific programme for societal, social or sustainable engagements can be perceived merely as a tool in order for the company to improve their image. In that sense, CSR becomes a mere communication or marketing strategy. But if the engagements are highly integrated within the core of the business (how I define sustainable entrepreneurship), the goal is to minimize all the possible negative impacts that are the consequences of the business activities on the society and environment.

This approach, requires continual work with the codes of conduct, update on the labour and environmental standards, as well as the refining of production methods, energy use and organisational structures. In this way, business can make a greater impact on the environment and society.

In this chapter I will come back to my question of how a sustainable business can be presented in practice. Below I will go in to detail regarding my own reflections of the four themes implementation, perceived impact on business, innovation and attitudes and values as presented in the theory of sustainable entrepreneurship presented in Chapter 3 and the results from the case studies. I will end this chapter with a diachronic analysis reflecting how the framing of sustainability in the companies have changed over time in their annual reports. Last, I will answer the question of how a sustainable entrepreneurship can be defined in theory.

Implementation

Oatly’s development of implementation of sustainability work can be divided into two major phases: before and after 2014. From the foundation and onwards, the focus was the product itself for development and how the resource efficiency was contributing to less environmental impact in combination with that product as such created health benefits. By having this innovative approach to create a business around a product that is sustainable by default (more or less) Oatly has managed to have the sustainable aspect at the centre of the business, as it is the products that are at the core.

After 2014, it is clear that with the help of external consultants the work shifted from being more product oriented to also include the operational perspective with the organisation as such as well as a complement to the sustainable products. The process starting from 2014 follows the principles of environmental management with risk analysis of support activities such as firm infrastructure, human resource management, technology development (for example develop cleaner processes) and procurement efforts. But also, looking at the product, and the primary activities regarding inbound logistics, operations (manufacturing), outbound logistics (like transport, choice of material for products), marketing and sales. From the interview with Carina Tollmar presented in the previous chapter, I could not identify whether Oatly engage in some after-sale service in order to include the whole life cycle and making a more circular production (actions like take back or providing recycling et cetera).

My impression is that Oatly is frequently aiming at optimising and improving their products, and as a part of this effort was the life cycle assessments starting in 2013. With the LCA and analysis of the company from 2013 an onwards, Oatly has an information base for extensive sustainable commitments. With the extensive review of Oatly’s work from 2014 onwards, Oatly aimed at improving both the products with new research and new technologies to create better efficiency for the consumer. But also, the operational perspective where new technologies and customs for the production sight and office.

Regarding Oatly, I get the impression that they now work towards having structure, strategy and management systems for the sustainability work, which is vital when it comes to motivating employees, but also in coordinating the choice of activities. This very structured type of system helps to measure, do follow ups and evaluate, but it might have a limiting effect on the internal creativity. On the other hand, without any measurement it is difficult to communicate and to show transparency of what is being done and which improvements to present.

Moving on to Saltå Kvarn and implementation of sustainable work. As Saltå Kvarn is founded within the anthroposophical context in Järna, and the biodynamic farming method is a part of the anthroposophical philosophy, the idea of farming without fertilizers or chemical pesticides and a sustainable awareness for the environment has always been present. Everything that is sold under the brand Saltå Kvarn is organic and that makes me define the product as produced in a sustainable manner. The business as such has over 50 years of experience when it comes to selling organic goods. With the company’s background, it can be difficult to change old patterns as the identity of the company can be highly connected with its history.

A question to ask is: what values does Saltå Kvarn want to produce? To whom? And when? The values of Saltå Kvarn is giving back the good choice to the consumers, as presented by Johan Ununger in the interview presented in previous chapter. This can be defined as a part of the implementation of sustainability practices, since the good choices here refers to the choice of sustainably produced food products. As mentioned in the interview above, the Saltå Kvarn CEO
does not use the words sustainability strategy or CSR work, since the aim of Saltå Kvarn is to have sustainability being synonymous with everything they do (and what they have done). A core in the Saltå Kvarn brand is that everything under the brand is organic. The product perspective is central, when assessing the sustainable implementations of Saltå Kvarn. Johan Ununger presented that the toolbox is a way for Saltå to implement sustainability work within their organisation. The toolbox is regarding how the farmers can optimise their production accordingly. As mentioned above, the base of the toolbox is the areas that an organic farmer affects and can improve, for example the climate, biodiversity, the cycles and loss of nitrogen and phosphorus.

Perceived Impact on Business Results

After talking about how the sustainable efforts are affecting the business profitability with the representatives from the two companies, it is clear that business and sustainability is connected in different ways. One is related to expectations and the other relates to savings.

Beginning with expectations, these can come both from the consumers and/or retailers. Retailers are often bigger and can be included in the new Swedish law regarding sustainability reporting. The smaller companies that are dependent upon the business relationship (or sales to be exact) with larger ones, might have demands regarding codes of conduct as they have to present a sustainability report. In the case of the Swedish food industry, a producer is dependent on the big actors selling the products and the low prices they demand in the negotiations. The demands regarding codes of conduct are mostly revolving around social sustainability issues and are something that has emerged more and more during the last couple of years. The requirements have emerged because of an ongoing trend, where more and more stakeholders are asking for information regarding the area of sustainability in agreement of their policy documents. Connected to this, is the relationship with the consumers of the products. If a brand is targeting towards a segment of aware consumers, that for example can be included in the definition LOHAS, the consumers might have certain expectations regarding sustainability engagements on the company, whereof the sales figures are directly connected to the efforts that are being made. It is not only the external expectations that should be considered, but the internal expectations. Staff members are expecting the company to work actively towards sustainability goals and my impression from the interviews is that at least from the perspective of leadership, this also goes together with staff loyalty.

Moving on to savings. Sustainability work can lead to decreased costs. The most obvious type of connection between sustainability and profitability in some way, is the investments that save money. By using the resources such as energy or water much more efficient, through investing in technologies or reviewing the processes, money can be saved. There is a possibility that more expensive engagements, that are not directly profitable, will reflect the business positively in terms of brand or because it is stringent with the values of the organisation. This type of investment can be necessary because of the values in the organisation and therefore because the business want to be considered as consequent in all of its actions. The motivation can then be to keep up the image of the brand towards the external stakeholders to sustain sales relationships. The companies are always dependent upon their customers, since it is the costumers who provides them with the income. This makes the companies to be sensitises towards shifts in demand and if the values are changing in the segment. If then a strong group of buyers decide to put a high value on biodiversity,
they expect this change in values from the companies as well or they change brand. Maintaining or increasing sales figures and image is a driving factor in sustainable engagements.

On the other hand, as pointed out by Johan Ununger from Saltå Kvarn in the previous chapter, profitability is necessary but also a restriction. It is evident that for a company to manage to combine sustainability and profitability, it is important to be business smart and innovative. Another key factor is education within the organisation, so that all employees can operationalise the key concept of sustainability but in a business framing. Otherwise, it is easy to only do business as usual and have the sustainability as something separate that is disconnected from the whole organisation and all of the processes. This has to do with the loyalty and expectations of the staff. The sustainable efforts should be integrated in the complex business system. The cost that derives from implementing sustainability is a fixed, short cost that could rather be an investment on a long-term scale as of it can lead to several positive externalities. The profitability or value creation is based upon your own values and how the companies choose to frame their investments.

**Innovation**

Oatly established themselves as a brand in the opposite direction of what is custom: They started with export, then did a brand for buyers (ICA) and then the launched their own brand. Oatly has succeeded in the whole, with both the product, how they communicate and how they are present in relation to their products. By establishing the products in the opposite direction of what is “custom”, the innovation for Oatly is not only the products as such, but also the launching strategy of starting with export and then move on to the home market. One can consider if the Swedish consumers react differently if a product already exist on another market. It is possible that an already existing product can be perceived as safer, as it is already tested by other consumers.

For Oatly the innovation of the product and the notion that the production of food relates to environmental impact, in retrospect was very good timing. The trend of companies communicating sustainability efforts took off a couple of years in to the 2000 century, presenting a sustainable, functional food in that precise moment was perfect timing. Oatly had identified a gap on the food market, where the consumers demanded vegetable alternatives to cow’s milk and they saw the opportunity to take that chance to launch their products.

I would define the founders at Oatly as sustainable entrepreneurs in the definition explained in chapter 3, as they create sustainable development through entrepreneurial corporate activities. For Oatly there has probably been a transition of values and goals, the main focus in the beginning of company history was primarily on health, but also closely connected to the use of resources efficiently and this latter value has been given more emphasis over time.

For Saltå Kvärn, the innovation in the 1960s was to implement the strategies of the biodynamic farming methods, something that was not common at the time in Sweden. The core values, ever since the 1960s, could be defined as environmental sustainability. When talking to Johan Ununger from Saltå Kvärn, I get the impression of that in the 1960s, the founders of Saltå Kvärn were sustainable entrepreneurs since their core element is to contribute to sustainable development, which in the beginning also was a question of quality and health. In more recent years, this aim has become more clear and more communicated by having large societal objectives such as “saving the Baltic sea”. Since the beginning of the 2000th century, Saltå also shifted product range when given the opportunity by a large retailer in Sweden. With a larger product assortment of only organically produced goods, Johan Ununger at Saltå Kvärn came up with a new product design and new strategic market decisions they managed to create growth, while keeping their core
element of contributing to sustainable development. From the interview with Johan Ununger presented in the previous chapter it became clear that the role of economic goals if both the means and ends within the organisation. My impression is that Saltå Kvarn is much about maintaining the historical core of the company in combination with renewing products.

The age of the two case study companies is relevant when talking about innovation. It might be easier for a younger company to try new products, new business solutions, and review values as a part of an ongoing establishment process, while an older company can have more expectations from loyal customers, owners and stakeholders. This I believe can affect the opportunity of trying new innovative solutions.

**Attitudes and Values**

The companies’ representatives both talked about values and the importance of value based work. The values shape how the companies organise and the organisation structure helps to strengthen values in return. Carina recognises that the current management of Oatly are very engaged in sustainability issues, but as the new sustainability manager, she wants to push them even more to be in the front line. The present CEO of Oatly share the values that have been shaped historically in the organisation of Oatly and have strong values of his own that are reflected in the organisation. This enables the efforts and initiatives suggested by both external consultants and the motivation. The internal values of Saltå Kvarn and the relations with the suppliers is important also for Johan Ununger. Saltå consistently work with the attitudes and values with the suppliers, in Sweden and around the world. It is not only the internal values that are important for an organisation when engaging in sustainability, but also the values of the suppliers and the attitudes when creating new partnerships. This regards both the trust aspect as well as how the suppliers work with sustainability.

Johan Ununger uses the value chain of sustainability as something he believes in, as presented in 3.4. From the case of Saltå it is clear that they strive for creating value both for the business but also for the society. In contrast to some of the managerial literature presented in the theoretical framework, sustainability efforts are not something that can easily be put ‘on top’ of an existing business model in order to be truly sustainable, but rather something that should be found in the core engagements. The creation of value for both society and business is in their core engagements.

It is quite evident that the values permeate both Oatly’s and Saltå Kvarn’s practices. There is a strong influence of the management of those companies and therefore, the sustainable profile of the companies is visible through the communication to external stakeholders. The values of the management seem to be the root of the guiding principles, influencing the attitudes and how both Oatly and Saltå Kvarn act. The attitudes and values are a strong guiding force and the base of the social and environmental concerns and implemented strategies within the organisations. Understanding values reveals an underlying connection between what the companies believe and the actions they do. It is therefore important to define and be transparent of what values companies endorse, and what the implications are for the issues they attend to. These set of ideas, is also a key factor for how interactions take place and the consequences of it.

**Annual reports**

A generalized comparison between the companies in the case study is presented below in figure 13. Since Oatly have an own chapter in their annual reports from 2014 regarding the environment

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and sustainability, the extent of words is bigger, as a result of their new efforts. Saltå Kvarn has a quite consistent, lower level of the number of words. This probably result in that they do not have so much new information to present, the stakeholder might already know everything that Saltå Kvarn does within the environmental field.

![Number of words](image)

**Figure 13.** The number of words in the annual reports that present sustainability work within Oatly and Saltå Kvarn between 2000 – 2015. The quantitative data is collected by counting the number of words that is mentioned regarding sustainability efforts based on the terminology of environmental sustainability.

In the presentations of the annual reports in 4.1 and 4.2, the sustainability engagements are presented in different ways, and I have also attempted to compare the two companies.

Oatly has a quite clear defined progress, with both objectives and ambitions from 2014 and onwards. While before 2013, nothing is stated regarding sustainable engagements, whereof I cannot see a development over time in the annual reports. It is interesting to notice how closely connected the health and sustainability aspects are in both cases. But in the case of Oatly, as has already been discussed health was the primary goal initially. Later, it was required for Oatly to have clear goals and an action plan for further development in the sustainability area. In 2014 Oatly wanted to communicate the process of more actions to stakeholders and to emphasize the ambitions as well as the actions that already have been taken. My interpretation is that when it was decided on a strategic level that Oatly want to be lifestyle oriented brand (presented in the annual report 2013), they moved towards attracting consumer both from the green and health segments. With this shift and in combination with the efforts being made, the environmental sustainability efforts are presented more clear in the annual reports of 2014 and 2015 with its own section. This is probably consistent with the external help as mentioned by Carina in the interview.

For Saltå Kvarn who has been an actor within the Swedish Food Industry since the 1960s, the annual reports from 2000 – 2015 focus on presenting the different concrete actions that has been done or the status of the farmers and the products. Maybe it is implicitly that Saltå Kvarn has a lot of sustainable actions, as they only have organic products and an ongoing development of strategies. In the annual reports, the efforts are being presented in brief and the two reoccurring areas that are being presented is reduced use of manure and chemical pesticides in agriculture and climate compensation. From the reporting, it is clear that the main focus for Saltå Kvarn is to
reduce the environmental degradation and preserve both ecosystems and biodiversity. Saltå Kvarn appears to have a less strategic attitude to presenting their sustainability work in comparison with Oatly. Since, Oatly has a dedicated person and objectives for sustainability which makes it easier for people of interest to identify their progress. But just because it is easier to understand the information, does not mean that it is necessary better.

Definitions

Having summarised the main findings from the case studies and the history of the companies work with sustainability, it is clear from both case studies that the values and goals of the companies as also implementation and attitudes have changed over time. This change is very clearly reflected in the annual reports as shown in chapter 3. Though I have here only looked at two companies, the case studies do give us a better understanding of sustainable entrepreneurship in practice. With this experience, I now want to attempt to answer the first part of my research question, that is: How can a sustainable entrepreneurship be defined in theory?

As shown already with the two case studies, there are several motives behind why a company choose to move in a more sustainable direction and therefore engage in some practices. There might be a strong value based core at the foundation of the business as was the case with both Oatly and Saltå Kvarn or it can be a reaction of the trends in society (and these motivations can sometimes be interlinked). The reasons for moving into a sustainable direction are many, and it is possible to see the different engagements in different levels of socio-economic management thinking. Businesses that are engaged in single issues, such as efforts as only giving money to charity for example, can be defined as mere philanthropy or a compliance issue. Business that has taken their engagements one level further sees their responsibilities related to their core business. In the case of Oatly and Saltå Kvarn, that is having only sustainably produced food and as in Saltå Kvarn’s case, to have the sustainability as a part of everything they do. Sustainability is integrated within their business model. These firms can engage in explicit responsibility management or integrative business models. The concept of CSR as we see it today can be more of a single-issue business. For these companies the concept of CSR may be unsuited (as indicated by Johan Ununger), as it may distract attention from sustainability being at the core of the company rather than a single-issue business.

I would then define sustainable entrepreneurship as where the business itself contributes to urgent societal as well as ecological challenges by having it in their core competences. By having this new innovative approach, the sustainable entrepreneurship at its finest would increase value for business as well as increased value for society, this by fostering social innovations. What is presented in the literature regarding how a sustainable entrepreneurship is defined is the business innovation where the business interests meet sustainability’s needs, as presented in figure 14 below.
Sustainable entrepreneurship can be defined as the business innovation where the business interest meet sustainability needs. However, the business interest might be solely of monetary character, whereas the broad definition would not fill the purpose nor answer my question. I argue that to truly be an innovative sustainable entrepreneur, the focus should lie in contributing to solving the problems of societal and environmental character through the realization of a successful business. The sustainable entrepreneurship is where the increased value for society meets the increased value for business, in contrast to only profit maximization or pure philanthropy. Conservative business ethics lies within creating monetary value for the shareholders and there are social institutions in societies that should focus on the other aspects of society. But with a sustainable incorporated business model, the business purpose is to create growth for the company and because of that, generate value for society. However, as a sustainable entrepreneur who use innovation to create value for both society and business, there should be no contraposition between satisfied shareholders as well as sustainable solutions and social accountability beneficial for society. In figure 15 below, I have graphically presented a concise presentation of how a sustainable entrepreneurship can be defined in theory based on my reading and research connected to this thesis.

**Sustainable Entrepreneurship**

*Figure 14. Sustainable entrepreneurship can be defined as the business innovation where the business interest meet sustainability needs.*

*Figure 15. Sustainable entrepreneurship is where an innovative business solution creates increased value for both the business as well as the society.*

It should be noted that all types of sustainable actions within business derives from the attitudes and values of the people in the management, shareholder and/or founders. All the important stakeholders for a business will affect the business decisions and actions in the desired direction. Whether it is engaging in equality, biodiversity or simply greenwashing as a means to increase
profit. It comes down to which values the individuals in leading or influential positions have and therefore, which direction the companies choose to move in. Why and when a company chose to engage in a sustainable manner has to do with the branding and trust of that company.

The case study presented in chapter four, build up a common goal within the organisation and this is a key to success. The staff, consumers and producers have the same ambitions, goals and values to make the sustainable practice really work.

Both companies have also stressed the importance of codes of conduct and that consumers want to have information. Thus, trust and transparency is a key in a successful company.
6. Conclusion

In this thesis, I have conducted a case study with the two food producing Swedish companies Oatly and Saltå Kvarn to answer the research questions of how can a sustainable entrepreneurship be defined in theory and how can a sustainable business be understood in practice. By collecting information regarding the development of sustainable practices within business, I have given a diachronic narrative of the development of sustainable practices to understand the current theory and practices of sustainable business. I have also used the annual reports from the two case study companies, Oatly and Saltå Kvarn to present the development of their use of sustainability related information from 2000 – 2015.

A sustainable entrepreneurship can be defined in theory as an innovative business solution where the increased value for business meets the increased value for society. It should also be noted that the drives for sustainable engagements within organisations are highly value based and dependent on individual stakeholders’ preferences (both internal and external stakeholders).

The second part of my research question, how a sustainable business can be understood in practice, is divided into four themes that I have defined based on my literature study. The implementation of sustainable strategies differs between the two companies; Oatly has a new phase of sustainability work initiated during 2014 that contains objectives for different parts of the organisation. Their products derived from a health aspect, but has transformed into becoming perceived as a vegan alternative for many and therefore a sustainable alternative to the animal products. Saltå Kvarn, on the other hand does not really talk about sustainability or CSR. Sustainability to Saltå Kvarn it is one of their core engagements, as it lies at the core of everything the company does and has done since the beginning. All Saltå’s products are organic and produced without fertilisers or chemical pesticides.

Regarding the perceived impact on business results, Oatly is aware that some sustainable actions are more costly than others. Investments for example reducing the energy use is directly connected with a lower energy cost in a long-term perspective. In the case of Oatly, they perceive that the people that buy their products expect them to have a certain level of sustainable engagements and when meeting those demands, it will show in the sales figures. Saltå Kvarn claims the company does not have organic products in order to create profit, but the company do what they do because it is something they are engaged in and have been doing for over 50 years.

The product itself is the innovation for Oatly as well as the launching strategy. The innovative product design based on research is really shows that the business itself contributes to urgent ecological challenges by promoting sustainable use of vegetable resources in their products. As a complement to the products, Oatly’s way of launching the products were somewhat innovative. They started with export, then did a brand for buyers and then the launched their own brand. For Saltå Kvarn, the use of biodynamic products could be perceived as innovative, regarding that it was the 1960s in Sweden. In the interview, Johan stated that it was Järna and Saltå Kvarn that was the place for looking at alternative farming methods back during the second half of the 1900s. In the beginning of 2000s, Saltå Kvarn designed the new line of products was in multiple colours that attracted consumers to not only taste the new products, but to have the package as a part of the
interior design at home. By moving away from the conventional product design, sustainable products could be something that was intriguing.

Carina Tollmar points out in the interview that the **attitudes and values** of the management is very important for Oatly to be able to create a difference in society. The management in Oatly is highly engaged in questions of sustainability and Carina Tollmar sees a possibility for Oatly products to change patterns of consumption and make an impact on environment and health. Saltå Kvarn consistently work with the attitudes and values with the suppliers, in Sweden and around the world. For Johan Ununger, it is important to see that the producer share the same values when establishing a partnership. I perceive both companies as value based and let the internal values of the management and important stakeholders to influence the practices and policies within the organisations.

With the two case studies I have presented, I have come one step closer to understanding the process of sustainable entrepreneurship. An expanded study should be designed to go further into what motivates sustainable entrepreneurship and how can that motivation be transferred to more actors in order to create a sustainable business climate.


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Tollmar, C., 2017. Interview with Carina Tollmar, Oatly on 4th of January. [Recording in possession of author].


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Appendices

Appendix 1. Interview questions

First, I would like to explain my definitions of sustainability:
“a bundle of public goods (intra- and inter-generational equity, improvement or preservation of environmental quality, and protection of human health”

First, please tell me about yourself and your role in the company.
Can you present a general overview of the company’s history?

Can you tell me about the sustainable/CSR practices in your business?

When did the company start using sustainable practices?

Have the practice changed over time?

What sustainable practices have you implemented to save energy?

What sustainable practices have you implemented to reduce waste?

What recycling practices have you implemented?

Do you think that implementing sustainable practices has helped your business become more successful?

How do you measure the profitability deriving from sustainability?

Which savings opportunities have you defined?

Which opportunities have you seen during your years as [position]?

Which trends have you defined or focused on during your years as [position]?

As an individual, what things are important for you?

Do you think sustainability is important to a [position] like yourself?

Do you feel that your customers want you to implement sustainable practices?

How does the company work with internal values?
Appendix 2. Interview questions in Swedish

**Först vill jag berätta min definition av hållbarhet:**
En samling kollektiva fördelar inom och mellan generationerna, som är en förbättring eller bevarande av miljökvalitet och skyddet för människors hälsa.

- Presentation av dig själv och din roll i företaget
- Sedan vill jag gärna höra om företagets övergripande historia.

Berätta om företagets hållbarhets- eller CSR-arbete.

När började företaget använda sig av hållbarhetsarbete?

Har tillämpningen av hållbarhetsarbete ändrats över tid?

Vilka hållbarhetsåtgärder har ni för att spara på energi?

Vilka hållbarhetsåtgärder har ni för att minska på avfall?

Vilka åtgärder har ni inom återvinning?

Tror du att ert företag har blivit mer framgångsrikt, med hjälp av era hållbarhetsåtgärder?

Hur mäter ni/följer upp lönsamhet som uppstår från hållbarhet?

Vilka sparmöjligheter har ni sett i erat arbete med hållbarhet?

Vilka utvecklingsmöjligheter för företaget har du identifierat under din tid på Saltå?

Vilka marknadstrender har du identifierat under din tid på Saltå?

Vad brinner du för/vad är din drivkraft?

Anser du att hållbarhet är viktigt att tänka på som VD?

Anser du att era kunder vill att ni ska arbeta med hållbarhet?

Hur arbetar företaget med sina egna värderingar och värden?
Appendix 3. Operationalisation of the interview

What is Sustainable Entrepreneurship in practice?

Implementation
- Q1: Can you tell me about the sustainable/CSR practices in your business?
- Q2: When did the company start using sustainable practices?
- Q3: Have the practice changed over time?
- Q4: What sustainable practices have you implemented to save energy?
- Q5: What sustainable practices have you implemented to reduce waste?
- Q6: What recycling practices have you implemented?

Impact on business
- Q7: Do you think that implementing sustainable practices has helped your business become more successful?
- Q8: How do you measure/follow up the profitability deriving from sustainability?
- Q9: Which savings opportunities have you defined related to your sustainability work?

Innovation
- Q10: Which opportunities for development have you seen during your years as [position]?
- Q11: Which trends have you defined or focused on during your years as [position]?

Attitudes
- Q12: What are your passions/ What is your driving force?
- Q13: Do you think sustainability is important to a [position] like yourself?
- Q14: Do you feel that your customers want you to implement sustainable practices?
- Q15: How does the company work with internal values?
Appendix 4. Operationalisation of the interview in Swedish

Vad är hållbart entreprenörskap i praktiken?

Genomförande
- Q1: Berätta om företagets hållbarhets- eller CSR-arbete?
- Q2: När började företaget använda sig av hållbarhetsarbete?
- Q3: Har tillämpningen av hållbarhetsarbete ändrats över tid?
- Q4: Vilka hållbarhetsåtgärder har ni för att spara på energi?
- Q5: Vilka hållbarhetsåtgärder har ni för att minska på avfall?
- Q6: Vilka åtgärder har ni inom återvinning?

Konsekvens för affärerna
- Q7: Tror du att ett företag har blivit mer framgångsrikt, med hjälp av en hållbarhetsåtgärd?
- Q8: Hur måter ni/följer upp lönsamhet som uppstår från hållbarhet?
- Q9: Vilka sparmöjligheter har ni sett i eure arbete med hållbarhet?

Innovation
- Q10: Vilka utvecklingsmöjligheter har du identifierat under din tid som [position]?
- Q11: Vilka trendar har du identifierat under din tid som [position]?

Attityder
- Q12: Vad bromser du för/vad är din drivkraft?
- Q13: Anser du att hållbarhet är viktigt för [position]?
- Q14: Anser du att era kunder vill att ni ska arbeta med hållbarhet?
- Q15: Hur arbetar företaget med sina egna värderingar och värden?