Social Connectedness
The case of the palm oil value chain

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ALEXANDRA PÅLSSON

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Abstract: With growing populations the demand for edible oils is increasing and with it the demand for palm oil is increasing, expected to double by year 2020. This puts pressure on many resources, environmental, social as well as economic. The palm oil value chain, stretching from consumers to producers, is long and rather complex, consisting of many actors who are connected to the palm oil issues through their business activities. NGOs, consumers and other external actors exert power on industry to take responsibility, and the pressure upon corporations is ever increasing. Therefore, corporations indulge in corporate social responsibility activities, taking on extended responsibility for activities occurring along the value chain corporations are connected to through its business activities. This study investigates the communicated conditions of responsibility in the palm oil industry by focusing on the Swedish food processing industry, which consists of actors who process palm oil into several products, such as snacks, cookies and margarine, and places those products on the store shelves for consumers to buy. Thus, these actors have a close connection to consumers in the palm oil value chain. From looking at the institutional structures of the palm oil industry; the codes of conducts, pressure from NGOs and stakeholder-initiatives, among other, conditions of responsibility are derived. Then, by using four parameters; power, privilege, interest and collective ability, the responsibility of the food processing industries is analysed in relation to other actors across the palm oil value chain. The study reveals that NGOs exert power on the palm oil industry, and that corporations constantly are under pressure. The responsibility of the Swedish food processing industry is rather large, due to a privileged position and collective ability. However, being an actor with small potential to influence indicates limited power. Interest stems largely from raising awareness of CSR activities in order to not be scrutinized by NGOs and consumers and thus keep brand image. However, other actors might have higher level of interest in the issue. This study concludes that the Swedish food processing industry is taking responsibility measures, motivated largely by external pressure from legislation, NGO and consumer pressure as well as peer pressure. However, there are still many challenges under siege and it is argued that the current measures might not be enough in order to bring sustainable development in the palm oil industry.

Keywords: Corporate Social Responsibility, Food processing industry, Palm oil, Sustainable Development, Social connectedness, Value chain

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Summary: With growing populations the demand for edible oils is increasing. Palm oil is currently the most efficient crop, yielding by far the most oil per hectare and the demand for palm oil is expected to double by year 2020. The oil palm grows in areas around the equatorial belt, where also the world’s rainforests are thriving. Thus, the increased demand of edible oils, and palm oil specifically, put pressure on rainforests due to the expansion of oil palm plantations. In order to combat some these threats, responsibility initiatives have been initiated, such as the Roundtable on Sustainable Palm Oil, in order to urge sustainable development in the palm oil sector. Also local initiatives and corporate specific policies on palm oil have been formed. This case study recognises that many actors are connected to the palm oil value chain that stretches from consumers to producers, making it rather long and complex with many connections.

This study investigates the communicated conditions of responsibility in the palm oil industry by focusing on the Swedish food processing industry. The food processing industry consists of actors who process palm oil into several products, such as snacks, cookies and margarine, and are the brands that place those products on the store shelves for consumers to buy. Thus, these are the actors consumers have the closest connection to in the palm oil value chain.

By looking at the institutional structures of the palm oil industry; the codes of conducts, pressure from NGOs, stakeholder-initiatives among other, the conditions of responsibility is derived. Then, by using four parameters; power, privilege, interest and collective ability, the responsibility of the food processing industries is analysed in relation to other actors connected to the palm oil value chain. The study reveals that NGOs exert power on the palm oil industry, and that corporations are under constant pressure to take responsibility measures. The Swedish food processing industry’s responsibility in relation to palm oil is rather large, due to a privileged, or economic, position and large collective ability, i.e. being able to join with others in different initiatives. However, being an actor with small potential influence, due to consumption of a small volume of palm oil, indicates limited power. Interest stems largely from raising awareness of CSR activities in order to not be scrutinized by NGOs and consumers, but there are other actors having higher level of interest in the issue, whose livelihoods depend on its continuance. This study concludes that the Swedish food processing industry is taking responsibility measures, motivated largely by external pressure from legislation, NGO and consumer pressure as well as peer pressure. However, there are still many challenges and it is argued that the current measures might not be enough in order to bring sustainable development in the palm oil industry.

Keywords: Corporate Social Responsibility, Food processing industry, Palm oil, Sustainable Development, Social connectedness, Value chain

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## Abbreviations

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<td>CSPO</td>
<td>Certified Sustainable Palm Oil</td>
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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>HCV</td>
<td>High Conservation Value</td>
</tr>
<tr>
<td>HR</td>
<td>Human Rights</td>
</tr>
<tr>
<td>LI</td>
<td>The Swedish Food Federation (Livsmedelsföretagen)</td>
</tr>
<tr>
<td>MNC(s)</td>
<td>Multinational Corporation(s)</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental organisation</td>
</tr>
<tr>
<td>PCSR</td>
<td>Political Corporate Social Responsibility</td>
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<tr>
<td>POIG</td>
<td>Palm Oil Innovation Group</td>
</tr>
<tr>
<td>RSPO</td>
<td>Roundtable on Sustainable Palm Oil</td>
</tr>
<tr>
<td>SEI</td>
<td>Stockholm Environmental Institute</td>
</tr>
<tr>
<td>SSNC</td>
<td>Swedish Society of Nature Conservation (Naturskyddsföreningen)</td>
</tr>
<tr>
<td>WWF</td>
<td>World Wide Fund for Nature (also known as World Wildlife Fund)</td>
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1. Introduction

This chapter will introduce the reader to problems connected to the palm oil industry and this study. Going through the roots of the problem and the connection between the rainforest and what is on your plate, bag of snacks, car or make-up. The concept of corporate social responsibility and the political version of the same are also introduced, as well as the model of social connection, which poses a promising approach to understand the current corporate demands. This leads to the aim of this thesis along with approach and certain delimitations, as well as definitions.

Threats to the world’s rainforests are vast today and many crops, animals and cities are intruding on the borders of rainforests, the home of thousands of species. Commodities like soy beans and palm oil are thriving in areas around the tropical belt and the worldwide demand for edible oils is estimated to almost double by year 2050 (Corley 2009, p. 134; www, WWF 2015a). This increased demand will largely be covered by palm oil, due to its low production costs at the moment (Corley 2009), and palm oil demand is expected to double by year 2020 (FDF 2014, p.2). Today, Indonesia and Malaysia produce 85 percent of palm oil (www, Index mundi 2014:1) and recent reports claim that the agriculture expansion, including oil palm plantations, has been a major driver of deforestation in the last 20 years (Singh and Bhagwat 2013, p. 40) and the largest driver of deforestation between year 2009 and 2011 (www, Greenpeace 2013). Koh and Wilcove (2008) stresses that “A prohibition on the conversion of primary or secondary forests to oil palm is urgently needed to safeguard tropical biodiversity. Until that happens, oil palm might well be the single most immediate threat to the greatest number of species” (p. 68), emphasising the vitality of the threat and call for action. As a means to hinder the devastating development of the rainforests, and reduce the emissions thereof, the Indonesian government announced a moratorium on deforestation in May 2011, running until May 2015, which banned the approval of conversion of primary forests and peat lands to oil palm plantations (Busch et al. 2015, p. 1328; www, McClanahan 2013). According to activists, however, the government has not gone far enough, since a large number of permits were constituted before the moratorium was put in place (www, McClanahan 2013) meaning that despite the moratorium, primary forests are still legally cut down. Also, the uncertainties and risks of the palm oil industry are now exposed to investors as banks are alerted of the ESG’s risks investments in the palm oil sector hold, since evidence show that despite that many palm oil companies look good on paper, their destructive practices with forest destruction and human rights violations still continue (www, Ethical performance 2015). The corporate sector has also been the target for much pressure from non-governmental organisations (NGOs) through various campaigns targeting companies using “unsustainable palm oil”, for example Greenpeace’s campaigns against P&G (www, Davidson 2014) and Cloetta (www, Andrén 2014), with the goal to spur responsible behaviour and actions. However, there seems to be a growing awareness, and also willingness, among actors in the palm oil industry to make a change. Representatives of the Swedish Food Federation (LI), the trade- and employer organisation for the food companies of Sweden with about 800 member companies, stressed in a recent article that sustainable palm oil has to be the norm (www, Söderqvist & Anell 2015). Söderqvist and Anell (Ibid.) emphasises that the palm oil problematic is very complex and that a recent series of radio episodes (www, Sveriges Radio Klotet 2014; 2015) described the problem in a too simple way and also shed too negative light upon palm oil when arguing that palm oil covers a need that does not really exist. Instead, Söderqvist and Anell (www, 2015) stress that actors’ have to work towards more sustainable palm oil with joint forces. Roundtables on both Responsible Soy (RTRS) and Sustainable Palm Oil (RSPO)² have formed as a mean to gather corporations, NGOs, producers and other actors in order to connect actors along the value chains³ to collaboratively set up and meet targets that strive for sustainable development within the sectors. RSPO was founded in 2004 and according to the statistics presented on 8 July 2015 (www, RSPO 2015a), 20 percent of the total production of palm oil is certified sustainable palm oil (CSPO)⁴. Plantations on land deforested after 2005 will, though, never become certified palm oil plantations. Besides the roundtable initiatives, many businesses also adopt corporate specific palm oil policies, local initiatives gathering actors to sign agreements in the matter as well as to “zero-deforestation⁵ policies that stretch over several commodities; e.g. soy, beef, palm oil, pulp and paper.

Though, at the same time a recent study with more than 1000 Swedish consumers as responders shows that even though customers are aware of the palm oil issues, few of them know about the palm oil certification (www, Kihlborg 2015). Among the respondents that are aware of palm oil issues 48 percent state that they try to avoid products containing palm oil, mainly due to environmental concerns, and among these respondents only a third know of the existence of certified palm oil (Ibid.). However, new EU guidelines on food labelling enforced as of 13 December 2014, saying that ingredient lists of food products have to be more specific since this law regulates that it will no longer be acceptable to write “vegetable oil” on the packaging, instead the specific oils that the product contains has to be presented in the ingredient list (EU 1169/2011; www, Lindahl von Sydow 2014; www, Phillipson 2015) (see

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¹ Environmental, Social and Governance (ESG) is the finance sectors’ equivalent to Corporate Social Responsibility (CSR).
² Further explained in section 4.2.
³ Further explained in section 3.2.1
⁴ Further explained in section 4.2.
⁵ A deforestation commitment by an organization includes eliminating all, or specified forms of, forest loss from its production, commodity-sourcing or financing (WWF 2015).
also Appendix A). This indicates that customers will be aware of which products that contain palm oil, and with so few knowing about CSPO this might become an issue. RSPO believes that using the trademark on products will be a vital part in raising awareness and driving demand, but Morley states that some companies are waiting for the RSPO brand to become better known by consumers, forming a “chicken and egg situation”; since RSPO do not have the same consumer reach that these companies have (www, Smedley 2014). However, the fact that customers now are aware of the usage of palm oil in food products emphasises the urgent need for breaking the link between palm oil and deforestation, in order to regain consumers’ trust and pursue sustainable development in the palm oil industry. I wonder; what role does the food processing industry have in this?

1.1 Problem

“The problem is not the palm oil; it is how and where it is produced” (Pers. com., Rydlund 2015; Tham 2015)

Sustainable development is a very broad concept aiming at connecting the needs of current and future generations. The implementation of sustainable development in the corporate world is often referred to as Corporate Social Responsibility (CSR), which most commonly is described as when companies take responsibility over their social and environmental impact in their business conduct (Hartmann 2011; Carroll 1999). However, under the condition of globalisation, the responsibilities of the firm have in some respects been extended beyond accommodating to legislation, in order for corporations to try and fill a responsibility gap in society (Rotter et al. 2013; Scherer & Palazzo 2011; Jensen & Sandström 2011). Scherer and Palazzo (2011) suggest that “…political solutions for societal changes are no longer limited to the political system but have become embedded in the decentralized process that include non-state actors such as NGOs and corporations” (Scherer & Palazzo 2011, p.922), implying that corporations now embrace “extended responsibility”, thus going beyond the legal requirements of corporations. Businesses have thus in the last decades engaged in what was before thought of as only state activities, such as enacting human rights, defining ethic codes and protecting the natural environment (Scherer & Palazzo 2011; Palazzo & Scherer 2006) which is referred to as political corporate social responsibility (PCSR). One reason for this is that environmental charities and other NGOs have shifted their focus from governments to businesses when executing pressure in questions of responsibility over social and environmental concerns (Scherer & Palazzo 2011; van Huijstee and Glasbergen 2010:1; 2010:2; Palazzo & Scherer 2006; Carroll 1991), which has led to many businesses taking voluntarily measures, hence contributing to self-regulation and the production of public goods that are not delivered by governments (Scherer et al. 2014; Schrempf 2014; Rotter et al. 2013; Scherer & Palazzo 2011).

Corporations are thus to a larger extent forced to take responsibility of their whole chain of processes, across the whole value chain stretching from consumers to producers, not just their direct suppliers or actions (Schrempf et al. 2012, p. 354; Scherer and Palazzo 2011, p. 919; Morsing and Schultz 2006, p. 323; Maloni and Brown 2006, p. 35). This form of “extended responsibility” entail many actors that together can enact responsibility in structural injustice, a moral wrong which is distinct from wrongs traceable to specific individual actions or policies (Young 2011, p. 44). To understand how responsibility operates in these structural processes of injustice, Young (Ibid., p. 96) proposes a social connection model of responsibility6, which indicates that all actors share responsibility for the structural injustice that they contribute to, either by their own actions or which they tolerate through their behaviour. Young (Ibid.) proposes that we see a shift from liability to social connectedness in corporations, which according to Scherer and Palazzo (2011, p. 913), “… not only imposes a new modus of legitimacy on corporations, it embeds them in the emerging global governance movement and transforms them into political actors”. Thus, corporations take PCSR.

Scherer and Palazzo (2011, p. 920) recognize that more empirical research is needed, both regarding up-streaming and down-streaming responsibility, i.e. to understand both how social and environmental issues need be taken into account in supply chains in order to understand the mechanisms of ethical or political consumption and how anti-brand activism influences consumer behaviour and brand perception. Frynas and Stephens (2014) also recognize the need for advancing empirical research in PCSR (Ibid., p. 20). In their literature review over theories within PCSR, Frynas and Stephens (Ibid., p. 19) propose that future studies in the area would benefit from going beyond the theories of institutional theory and stakeholder theory that currently dominates the field of CSR, as well as benefitting from using a multi-level and multi-theory approach.

Research on the case of the palm oil industry can involve a variety of matters; looking at both down-streaming and up-streaming responsibility across the value chain as well as incorporating social, environmental and economic sustainability. It also makes sense to use a multi-level and multi-theory approach when addressing the problems, by looking at the whole value chain involving actors at different levels. Young’s (2011) social connectedness model might even imply that it is favourable to use a holistic approach to understand how responsibility is shared among several actors.

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6 Further described in section 3.3
1.2 Aim
Under the premise of globalisation in PCSR, governments are said to be unable to take the needed responsibility which in turn is taken over by corporations that are taking “extended responsibility”, often as a result due to NGO pressure. Thus, investigating the role of corporations’ responsibility in connection to the palm oil value chain feels intriguing. Both how they are connected to the issue, what drivers that are enacting them to take responsibility and thus how and why they take responsibility are interesting questions to ask.

The aim of this thesis is to explain the communicated conditions of responsibility in the case of the palm oil value chain, focusing on the role of food processing industry.

Research questions of particular interest relate to;

- How are actors taking responsibility across the value chain?
- What are the motives for taking responsibility in the palm oil industry?

1.3 Definitions and terminology
Before going forward with the thesis, a few words have to be said about the use of different terms. First, there is an extensive use of stakeholder theory in CSR, in general. However, as Frynas and Stephens (2014) points out, there is a need to go beyond this when conducting research on CSR as well. Therefore, in this thesis stakeholder theory does not have an integral part in the theoretical framework, it will however still be mentioned in the thesis since a lot of the literature reviewed will include stakeholder theory as a vital part in understanding CSR phenomenon. Actor on the other hand is a term used in actor- network theory, a theory where there is no division between nature and society, agency or structure nor micro level or macro level phenomenon (Ritzer 2005, p. 1). I am fascinated and inclined by the thought of no boundaries between nature and society, and as Waddock (2011) states; we are all stakeholders’ of Gaia and “Placing Gaia as the focal entity in long-term stakeholder thinking is important because it provides a lens that can take into account future generations of humans, whose voice cannot be “heard” in any normal way, and also allows for other important but non-“voiced” stakeholders” (Waddock 2011, p. 195). In this understanding I would be perfectly fine with using the term stakeholder in this thesis. However, usually stakeholders do not surround Gaia but rather a corporate entity, even though Svendsen and Laberge (2005, p. 97) have shown that stakeholder theory also can be networked-focused. Therefore, in my opinion, the use of either actor or stakeholder does not really matter, since I am not complying with any of the theories in depth, neither in the theoretical framework nor the analysis. Hence, both concepts will be used simultaneously in the thesis and both actor and stakeholder will occur when referring to the entities connected to the palm oil value chain.

Further, the terms business, corporation, company and firm will be used synonymously, as will thesis, study and project when describing this master thesis, in order to encourage a vivid language and avoiding repetition. The terms corporate social responsibility, corporate responsibility and corporate sustainability are in this thesis viewed as synonyms and for the sake of convenience corporate social responsibility or its abbreviation CSR will be used most frequently, however, the other terms might show up in citations and the like.

1.4 Outline
Chapter 1 “sets the scene” and problematizes the case of the palm oil value chain. The introduction along with aim and definitions is followed by Chapter 2 which presents the basics behind the methods used to gather the empirical material. Chapter 3 describes the theories that are used to analyse the empirical findings, which are presented in Chapter 4 and 5. Chapter 6 and 7 analyses and discusses the empirical findings in relation to the theoretical framework, and the results are concluded in Chapter 8 where further research topics also are presented.

Figure 1: Presenting the outline of the thesis.
2. Method

In this chapter the methods used in collecting and analysing data will be explained, starting with guiding the reader through the research design, choice of sector and units of analysis. Then, the different forms of data gathering will be explained as well as the framework for analysing the data. In the end of the chapter questions of validity and reliability will be elaborated on, as well as ethical considerations.

2.1 Research design and process

A flexible research design can, according to Robson (2011, p. 5; 45), be adapted and developed through interactions with what is studied and data collection and analysis is often intertwined. Using Robson’s definition, this project can be described as having a flexible research design since multiple methods are used and results are continuously reviewed and used to adapt and develop further stages of the research. The research has thus been conducted in several stages, visualised in Figure 2, starting with literature searches in order to develop insights about the topic. Continuous literature searches, interviews and other forms of data gathering, which will be further presented in chapter 2.4.2, have been used to elaborate and adapt the research process and have both deepened and broadened the researched topic.

![Research Design Diagram](image)

Figure 2: The research process’ different steps, mixing literature review with gathering of empirical material in a flexible design.

The literature is reviewed in order to find material and to identify knowledge gaps to be used when developing the topic and focus of the research, along with suiting research questions to answer (Robson 2011, pp. 51-52). In this project, literature reviews and searches have been conducted at several stages in the research process. In an early stage literature reviews were used to identify knowledge gaps in order to develop the topic and focus of this project. The literature review conducted in this project showed that the field of PCSR is in need of further empirical studies, which supports recent research findings (Palazzo and Scherer 2011; Frynas and Stephens 2014), thus grounding the focus of this thesis in a literature gap, from where further literature searches were made. Literature searches were conducted by using the search words listed in Table 1 in Uppsala University Library search engine (ub.uu.se) along with Google Scholar. Due to the nature of the researched topic, the media was also researched, using regular Google-searches along with Retriever/Mediarkivet, where all newspapers in Sweden are gathered.

<table>
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<tr>
<th>Literature review &amp; searches</th>
<th>FURTHER LITERATURE RESEARCH; PREVIOUS STUDIES ETC TO FURTHER DEVELOP THE SCOPE OF THE STUDY</th>
<th>ADDING COMPLEMENTING LITERATURE AND SOURCES IN ORDER TO GIVE DEPTH TO ANALYSIS, AND DISCUSSION, AS WELL AS VALIDATE INFORMATION FROM INTERVIEWS</th>
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<tr>
<td>DEEPENING KNOWLEDGE ON PALM OIL, THE PALM OIL INDUSTRY AND ITS ACTORS</td>
<td>LITERATURE SEARCH TO DEFINE METHODS, THEORIES AND A CONCEPTUAL FRAMEWORK</td>
<td>COMBINING LITERATURE REVIEW WITH EMPirical FINDINGS IN ANALYSIS, DISCUSSION AND CONCLUSION</td>
</tr>
<tr>
<td>ATTENDING LTS SEMINAR ON SUSTAINABLE PALM OIL; GAINING INSIGHTS ON THE INDUSTRYS CURRENT WORK AND GOALS</td>
<td>CONDUCTING INTERVIEWS, GATHERING INSIGHTS FROM VOICES OF THE INDUSTRY</td>
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Gathering empirical material

| Table 1: The main words used in the literature research |
|---------------------------------|-----------------|----------------|----------------|
| Responsibility | Corporate (Social) Responsibility (C(S)R) | Palm oil (industry) | Food (processing) industry |
| Social connectedness | Political CSR | Value chain | Communication |

Firstly, the search words where used separately, secondly the search words were combined in different formations. The second step resulted in finding the most useful sources of information from journals where the *Journal of Business Ethics, Business & Society* and *Corporate Social Responsibility and Environmental Management* were frequently occurring.

2.2 A theoretical framework

As indicated by the title of this thesis, the central theoretical term of this study is the model of social connection, as
explained by Young (2011). To give further depth and meaning to this theoretical term, theories and concepts of CSR, PCSR, collaboration and communication are presented as well as an explanation of the difference between supply chain and value chain. The chosen theories show how CSR have developed over time and how the corporate arena have changed, as more and more pressure of responsibility is put on corporate actors. As indicated in chapter 1, this thesis does not include stakeholder theory in the theoretical frame, since Frynas and Stephens (2014, p. 19) have found an extensive amount of studies using this theory and concluded that further research would benefit from going beyond this concept.

2.3 Choice of sector and units of analysis

NGOs exert power on industry, in this case the food industry, to take responsibilities in areas that used to be regarded as concerns of state or governments. One such area is the use of palm oil, where issues have developed due to the increasing use of the product in both the food and bio-fuel industries, leading to de-forestation in production countries among other things. Since palm oil is used in a large range of products, the aim of this thesis could be to investigate either palm oil used as bio-gas, in health and beauty products or in food products. However, this thesis limits the scope to the food processing industry. First, the food industry exerts extensive impact on social and environmental factors, at the same time as it produces a good serving the basic human needs (Hartmann 2011).

Second, the food processing companies and food retailers within the food processing industry have a close connection to consumers, as they are the ones putting the food on the store shelves that consumers buy. Therefore, a focus on value chain instead of supply chain is favourable, since “Supply chains focus upstream on integrating supplier and producer processes, improving efficiency and reducing waste, while value chains focus downstream, on creating value in the eyes of the customer” (Feller et al. 2006, p. 4). Thus, this study’s focus is on food processing industry in relation to the palm oil value chain; how their responsibility stretches up- and downstream the value chain in order to create value in the eyes of the customer.

Since many actors are attached to the palm oil value chain it is not comprehensible to include all of them in this project. Therefore, as a first step to limit the study’s scope, the units of analysis have been chosen to be corporate actors and NGOs located in Sweden, due to a number of reasons. First, Sweden is affected by the EU legislation of food information. Second, since I, as a researcher, is located in Sweden I can utilize the ongoing debate and research on a local level. Lastly, when contacting organisations to include in the study and while conducting the interviews, I benefitted from being familiar with the local context and thus have basic knowledge about the corporate arena in Sweden. Also, Sweden makes an interesting case by being close to the ongoing debate in Norway, where palm oil more or less has been forced to be boycotted by consumers (www, Gustafsson 2015).

To further narrow the scope, since the Swedish market still is rather large, LI was chosen as a key actor. LI is the trade- and employer organisation for the food companies of Sweden, with about 800 member companies, ranging all the way from small, local companies to large multi-national corporations. Thus, LI covers almost all of the Swedish food companies that have connections to the palm oil industry, hence covering a large range of organisations just by looking at this one. However, LI mainly has knowledge about its own organisation and the commitments food companies have towards them; hence it is also important to listen to the voices of some individual companies connected to LI. Therefore, the voices of three food processing companies have been heard (Arla Foods, Coop Sverige and Lantmännen). NGOs (Swedish Society of Nature Conservation (SSNC), Global and trans-national product can contain, and how different views on responsibility will set very different scenes when it comes to tackle these issues.

2.4 An empirical study

This thesis has an empirically driven approach in which corporations are seen as political actors in a global context. Together with governments, NGOs and other actors connected in the palm oil value chain these actors bear responsibility together, though at different levels. This study is based on multiple sources of data gathered by using

7 In Swedish: Naturskydds föreningen
8 Described by Camillus (2008, p. 1); “A wicked problem has innumerable causes, is tough to describe, and doesn’t have a right answer”. Curran (2009) argues that climate change is a typical wicked problem, due to its complexity.
multiple methods of data collection. Literature reviews are combined with observations and information gathered at a symposium with the title “Sustainable Palm Oil” (see Appendix D), reports from corporations, NGOs and business-collaborations, news-articles as well as with first-hand data from interviews, further described below.

### 2.4.1 A case study

In a case study, “...the case is the situation, individual, group, organization or whatever it is that we are interested in” (Robson 2011, p. 135) which means that the ‘case’ in a case study can be just about anything. The case study is an approach rather than a method which is empirical and about the ‘particular’, a specific case, with focus on a ‘phenomenon in context’ and using multiple methods of data collection (Ibid., p. 136). A case study research strategy focuses “...on understanding the dynamics present within single settings” (Eisenhardt 1989, p. 534) and “…the distinctive need for case study research arises out of the desire to understand complex social phenomena” (Yin 2014, p. 4), hence aiming at producing a greater understanding of the researched area or ‘case’. The case study approach is thus relevant for studies with research questions that require an extensive and in-depth description of some social phenomenon (Yin 2014, p. 4; Flyvberg 2006, p. 241). Case studies can either consist of single or multiple cases, at a single or numerous levels of analysis. The case studies can also have an “embedded design” which means that the case study can consists of multiple levels of analysis within a single study (Eisenhardt 1989, p. 534).

This project consists of one case; the palm oil industry, or in other words the palm oil value chain, with research conducted at several levels within this case, by looking at corporate actors, NGOs, business collaborations and other networks, as described in the previous section 2.3, thus taking on an embedded design. Further, the researched phenomenon is the question of responsibility across the palm oil value chain, and more specifically how the responsibility is distributed and shared among the actors, thus representing a complex social phenomenon that is researched using multiple methods of data collection.

### 2.4.2 Data collection

A typical approach to gather data in a case study is the use of multiple methods (Robson 2011, p. 162; Eisenhardt 1989, p. 534) which has the advantage of reassuring triangulation purposes, but also comes with the disadvantage of sometimes bringing conflicting results and adding efforts in time to the research, since different methods need to be researched and performed in a professional manner (Robson 2011, p. 385). Robson (Ibid.) expresses that “Multiple methods can also be used to address different but complementary research questions within a study” (p. 385), thus saying that a combination of methods can broaden a study by answering different research questions that together lead to answering the aim of the study.

Observations are “…commonly used in an explanatory phase, typically in an unstructured form, to seek to find out what is going on in a situation as a precursor to subsequent testing out of the insights obtained” (Robson 2011, p. 317). Observations could well serve as a starting point to a “…flexible design case study where further qualitative data collection follows” (Ibid., p. 317). One specific form within the field of observations is called “unobtrusive observation”, due to the researcher’s non-participatory role (Ibid., p. 316). Unobtrusive refers to material produced for a different purpose than for the research project (Ibid., p. 349). Hence, this kind of material has the advantage that the researcher has not influenced it. The disadvantage, however, is that information might not have been intended to be used in the way the researcher wishes to use it, thus it is important that the researcher considers for whom and for what purpose the material was produced originally (Ibid.).

As mentioned in the previous section, this thesis uses multiple methods of gathering data, combining literature reviews with observations of an “unobtrusive” character as well as semi-structured interviews, which will be elaborated further on in the following section 2.4.2.1. The early stages of the research consisted of literature review together with the information retrieved at the symposium on “Sustainable palm oil” (see Appendix D), where the symposium can be described as a form of ‘unobtrusive observation’. The observations from the symposium served to enhance my understanding of the palm oil industry and the issues connected to sustainable palm oil in the food industry early on in the research process, by listening to the participants’ speeches and their interactions in the panel debate. From this base of literature, observations and information, further research was conducted, finding further material in the form of written documents, such as reports conducted by corporations, governments and NGOs as well as newspaper-articles, journals and other sources. Semi-structured interviews, which will be further elaborated on in the following section, were used to validate, clarify and follow up on, in part the information retrieved at the symposium but also to retrieve additional input, as well as for triangulation purposes.

#### 2.4.2.1 Semi-structured interviews

Interviews are often used in combination with other methods in multi-method approaches, and semi-structured interviews are widely used in the flexible research design as well as when the interviewer also possesses the role of the researcher (Robson 2011, pp. 279; 285). The semi-structured interview often have a set frame of topics, but depending on the responses questions and wording is developed during the interview, and the amount of attention
and time given to every topic will vary (Ibid., p. 285). “It’s true that the type of interview you use depends on what you already know, but if you already knew everything, there would be little reason to spend time in a face-to-face interview. Semi-structured interviews allow respondents the chance to be the experts and to inform the research” (Leech 2002, p. 668). Therefore, interviews are an excellent way to broaden the researcher’s knowledge by gaining first-hand data.

Semi-structured interviews can be conducted face-to-face, over telephone or be internet-based, most often through e-mail conversations. Face-to-face interviews are preferred, according to Robson (2011, pp. 291-293), due to the benefits of interaction where both body language and expressions can be studied, but has the downside of being rather time- and cost consuming and dependable on the interviewer and interviewee being in the same place at the same time to conduct the interview. Qualitative telephone interviews are often described as a less attractive alternative to face-to-face interviews since the absence of visual contact is thought to compromise the results due to the lack of nonverbal data (Novick 2008, p. 391). However, telephone interviews allow interviewees to feel more relaxed, willing to talk freely as well as not being dependent on the interviewer and interviewee being at the same place at the same time, and Novick (Ibid.) points out that there is no evidence implying that telephone interviews would produce lower quality data than face-to-face interviews. E-mail interviews is a fast and cost-efficient way of reaching many possible interviewees, especially if the interviewer and interviewee live in different places, but can also bring disadvantages since information can be missed without the face-to-face connection (Robson 2011, pp. 291-293). It can also be time-consuming, if the e-mail conversation is stretched, and bring ethical issues, if the interview fails to be completed (Ibid., pp. 291-293). Interviews conducted in this project have taken the forms of face-to-face, telephone and e-mail interviews. Telephone and face-to-face interviews gained the most useful information in this study, while the e-mail based interview mainly focused on adding some short remarks to existing information found on the corporate web-site. The interviews are further presented in table 2 below.

<table>
<thead>
<tr>
<th>ORGANISATION</th>
<th>PERSON AND FUNCTION</th>
<th>TYPE OF INTERVIEW</th>
<th>INTERVIEW</th>
<th>TRANSCRIPT</th>
<th>VALIDATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coop Sverige</td>
<td>Anneli Bylund, Sustainability strategist and authorized dietitian</td>
<td>Telephone</td>
<td>2015-05-29</td>
<td>2015-06-04</td>
<td>2015-06-15</td>
</tr>
<tr>
<td>Lantmännen</td>
<td>Claes Johansson, Manager sustainable development</td>
<td>E-mail</td>
<td>2015-04-27 to 2015-05-17</td>
<td>2015-05-17</td>
<td>2015-05-17</td>
</tr>
</tbody>
</table>

The questions asked in the interviews were based on the conceptual framework, originating from five themes (see Appendix C). Taking on a semi-structured interview form, the conversations led to different follow-up questions depending on the interviewees’ interests, knowledge and connection to the different themes and topics. The interviewees were chosen according to their knowledge about palm oil, their title or connection to CSR within the organisation, where questions of palm oil are a part of the CSR-related work.

2.4.3 Data analysis
This case study has a narrative process, where the four parameters of reasoning; power, interest, privilege and collective ability, presented by Young (2011) and further explained in section 3.3, have been the basis for analysing interviews and documents. Since this study has a flexible design, interpretation and analysing is part of the ongoing research phase, even though it is mainly used to interpret the gathered empirical material in connection to the theoretical framework towards the end of the research process. Thus, this study has had several phases of analysing
during the research process, where the four themes of reasoning about responsibility have had an integral part, both in constructing the interview questions and the subsequent interpretation through the analysis.

2.4.4 Quality assurance of the research process

Case studies have followed a multiple method approach for a long time, according to Robson (2011, p. 162), using a research method of combining multiple methods when collecting qualitative data. Using multiple methods has the advantage of permitting triangulation of methods (Robson 2011, p. 385; Bowen 2009). Robson (2011, p. 158) points out that even though triangulation can help encounter all of the threats to validity, it also opens up the possibility of discrepancies between different sources, meaning for example that interviews and documents can show contradictory results. This indicates that, given that the use of multiple methods can generate conflicting results, also should indicate that if they do not, would increase the validity of the study.

All the steps in the research process of this project are of importance, since using multiple methods to collect data will enhance the validity of the research and make triangulation of sources possible. Interviews were used together with literature reviews and observations to ensure the quality and accuracy of the contributions to the project. Thus, this study has encountered threats to validation through the use of multiple methods of gathering data, which increases the validity of the data when retrieving information from multiple sources. In gathering information from interviews, the quality of data has been reassured through sending a summarised version of the transcript to the respondent for validation. All interviewees had some additional comments about their contribution, meaning that they all read the summarised version of the transcript. The additional comments were both of an interpretational kind, where some connections were lost due to the summary, while some comments regarded additional input and sources that were mentioned during the interview. In doing so, the respondent confirms their contribution and approves what was expressed during the interview and is given the chance to further elaborate or explain input and views, making sure of the quality of the results.

As the interviews were held in Swedish, the material had to be translated to English. This might impose issues of interpretation, but the translation has been done in the best way possible, however, there might still be interpretational mistakes. Though, these interpretational mistakes are hopefully few and will not have any substantial effect on the end result of this case study.

2.5 Ethical considerations

The character of the study, dealing with questions of responsibility is ethically laden. The aim of this study, however, is not normative but rather descriptive; to map responsibility and the reasons behind taking responsibility in the palm oil industry. Since the topic of palm oil is surrounded by strong opinions, it is not my place, as a researcher, to answer any questions of a “right or wrong”, “good or bad” character. It is also a sensitive issue for many actors connected to the palm oil industry, and interests that sometimes are not aligning. In this study, the units of analysis represent actors that are all working towards a more sustainable palm oil industry, however with slightly different objectives. In order to combat issues regarding this, in gathering the information and empirical data, all respondents have received a transcript of the interview, in the form of a summary in order to make sure that my interpretations are in line with their reasoning, to both ensure the quality and also making sure that all participants’ contributions are in order. All direct contact with participants in this study has been voluntary, which also means that they have not been forced to answer any questions. All participants have been informed that the study will be published online. Keeping the interviewees anonymous was not considered suitable for this study, due to the position the interviewee hold within the organisation it can easily be derived who the participant in this study was anyhow. Also, the views expressed are not personal but rather expresses the whole company’s approach to the situation, thus not impugning on personal opinions.
3. Literature review and theoretical framework

In this chapter, the concept of corporate social responsibility is presented along with theories on corporate communication and collaboration as well as the expanding responsibilities of corporations, where new institutions exert pressure on the industries, stretching corporate responsibilities up- and downstream the value chain. As a mean of understanding the latest demands on corporations the model of social connection is presented, which ties the theories together to create a conceptual framework. Throughout the chapter sources found in the literature review will highlight the points made by the theories.

3.1 The concept of Corporate Social Responsibility

Social responsibilities of corporations have been a researched topic, and a topic for discussion, for a long time, dating back all the way to the 1930’s, and getting its current meaning when Bowen published his book “Social Responsibilities of the Businessmen” in 1953, arguing that the actions taken by the largest corporations affected citizens in such a way that the corporations ought take responsibility over their actions (Carroll 1999). Definitions of Corporate Social Responsibility (CSR) has since evolved and changed over time, from only regarding social aspects to including environmental dimensions to name one. When analysing 37 different definitions of CSR Dahlstrud (2008) finds five dimensions frequently expressed in the definitions; stakeholder, social, economic, voluntariness and environmental. Further, CSR is a socially constructed phenomenon, and the challenge for businesses is to understand how they can take CSR into account in their specific context when creating business strategies (Ibid.). Even though many different definitions of CSR exist, they all seem to be rather congruent which makes the lack of one universal definition less problematic, according to Dahlstrud (Ibid.), and due to globalisation and that the conditions in which businesses are run are under constant change, further implies that a universal, “one size fits all”, definition of CSR is almost impossible to achieve, and not really necessary either.

Despite lacking a universal definition, CSR is widely adopted by corporations, and today CSR has even found its way into the European Commission, urging all member countries to incorporate a new legislation covering the largest corporations in the EU, on reporting “non-financial information” (Directive 2014/95/EU). CSR is hence widely accepted among several actors, and, according to McElhaney (2007), the main factors leading to CSR becoming part of “mainstream business thinking” are increased pressure from NGOs targeting corporations, demand from workers on the company contributing to a better world along with increased awareness by consumers, due to, among other things, increased transparency and easy access to information (Ibid., p. 1). Hartmann (2011, p. 297) argues that the growth of CSR has “...emerged as a response to perceived failures or limitations of governmental regulation following privatisation, globalisation and reforms of the welfare state”, thus as a way of extending the responsibilities of corporations. Together with increased pressure from both customers and media, this has raised CSR questions to one of the top priorities in global retail businesses, including food retailers (Ibid., p. 297). CSR questions have an especially large importance in the food industry due to three main reasons. First, food covers one of the basic human needs. Second, the industry is dependant and has severe impact on environmental and societal resources. Third, the food industry has a multi-faceted structure, consisting of corporations ranging from large multinational ones to small farmers, which could be the source of power-related issues (Ibid., p. 298).

3.2 Extended responsibility stretching along the value chain

Many businesses have begun to go beyond serving mere legal requirements, to take on an extended responsibility, hence filling roles that before was not thought of as business activities. The lines between the political and corporate worlds are thus becoming less and less distinct since “…business activities are too often embedded in political and societal contexts that cannot be ignored” (Schrempf 2012, p. 701) and thus “…the economic and political dimensions cannot be separated as the economic paradigm in management theory suggests” (Ibid., p. 701). This indicates that businesses are taking extended responsibility and that the theories used to describe businesses’ activities need to change, since the notion of corporations taking on a state-like role, being political actors, is currently not part of the CSR literature, according to Scherer and Palazzo (2011, p. 901). Thus, as a way of trying to theorise this new phenomena, it is often referred to as political corporate social responsibility (PCSR);

“In a nutshell, political CSR suggests an extended model of governance with business firms contributing to global regulation and providing public goods. It goes beyond the instrumental view on politics in order to develop a new understanding of global politics where private actors such as corporations and civil society organizations play an active role in the democratic regulation and control of market transactions” (Scherer and Palazzo 2011, p. 901).

Thus, CSR is separated into two camps; “instrumental” and “political” (Scherer and Palazzo, 2011). In developing a new understanding of global politics, many more actors than merely political and governmental ones contribute to much more than just business transactions. PCSR hence incorporates the notion of businesses taking on a state-like role, being political actors, and as such produces public goods, e.g. protect natural environments, protect human rights and define codes of ethics to name a few (Scherer and Palazzo 2011, pp. 899-900). PCSR thus proposes that
the division between the state and the firm is blurred. There are, however, complications with this view. Multinational corporations (MNCs) are operating in a globalised world, intruding on territories currently marked by state-operations, without having the “legal guidelines” that goes for states. This means that businesses can be involved in regulating public services without having guidelines controlling their activities, hence with no legal obligations making sure that the activities will be prolonged over time. Thus, the extended responsibility corporations are taking comes with little obligations, making the production of public goods very insecure. Since the view on corporations as political actors taking extended responsibility goes beyond the regular view of the “theory of the firm”, many economists are critical to the extended view on the responsibilities of businesses, saying that the activities and responsibilities of the firm should be focused on the business activities and shareholders (Scherer and Palazzo 2011).

***

This chapter will first describe the differences between the concepts value chain and supply chain. Then different levels of CSR will be discussed as well as how some researchers argue that a new infrastructure is emerging, hence that the rules of running businesses are changing, as indicated above. Following the logic of the emerging infrastructure, models of sustainable collaboration will be addressed, stretching both across the value chain but also taking external stakeholders into account.

### 3.2.1 Value chain vs. supply chain

In order to fully understand the research questions there is need to discuss the similarities and differences of the concepts value chain and supply chain, which both occur in literature and where the distinction between the two often is lost. The focus in this thesis, as the title indicates, is on the value chain concept. A value chain consists of all steps of the supply chain, as seen in the figure 3 below. Where the two differ, however, is as when the supply chain only concerns creating a product out of the raw material put into the chain, the value chain recognizes that the whole chain works towards delivering maximum value for the end user, the customer. The concept of value chain was developed 30 years ago, in 1985, by Porter’s article “Competitive advantage” where he defined value as what buyers are willing to pay for the product that the firm provides, and defined the value chain as “the combination of nine generic value added activities operating within a firm – activities that work together to provide value to customers” (Feller et al. 2006, p. 1). The supply chain, on the other hand, has a primary focus on “the costs and efficiencies of supply, and the flow of materials from their various sources to their final destinations” (Feller et al. 2006, p. 4). As seen in figure 3 below, the value chain and supply chain thus flow in opposite directions.

![Figure 3: Value chain vs. Supply chain (Feller et al. 2006, p. 2).](image)

There are many similarities between the value chain and the supply chain; they both contain the same network of companies and both contain companies that interact to produce goods and services, as seen in figure 3. They produce different and complementary views on how the businesses are connected to, on the one hand flows of products and services and on the other demand from customers; “Supply chains focus upstream on integrating supplier and producer processes, improving efficiency and reducing waste, while value chains focus downstream, on creating value in the eyes of the customer” (Feller et al. 2006, p. 4). Also, when talking about health and safety issues along the food supply chain, Maloni and Brown (2006, p. 42) stresses that traceability of food products would help the industry as well as benefiting the consumers as they are given increased information about the products. Thus, the value chain perspective values the perspectives of customers and as a downstream CSR activity it aims to increase the visibility and transparency towards consumers.

### 3.2.2 Different levels of CSR within companies and external pressure

CSR can be performed with different focus, on different levels, according to McElhaney (2008), who visualises this in “the landscape of CSR” in Figure 4 below. This landscape ranges from running a good business at a company level to transforming multiple industries at a global level, with community and industry as levels in between and
shows examples on the focus of each level of CSR-approach.

Figure 4: The landscape of CSR, describing different focuses’ of corporations, from simply running a good business in the lower left corner, to a political CSR-approach in the upper right corner (McElhaney, 2008, p. 230).

As indicated in the beginning of this chapter, businesses are today increasingly taking extended responsibility which means that they are stretching over the borders of the corporation into the political arena. Putting this to the landscape of CSR in Figure 4 means that businesses are going beyond “running a good business” into supporting local communities, develop codes of conduct and also taking responsibility for global conditions. Hence, it could be argued that the corporate activities are stretching outside the company’s borders towards community, industry and the world.

Further, Waddock (2008, p. 87) argues that "In the absence of a global governance structure to ensure that corporations are accountable, responsible, transparent, and ecologically sustainable, a largely voluntary corporate responsibility infrastructure has emerged that is reshaping companies’ responses to these issues and fostering wholly new practices and behaviours". This implies that the rules of running businesses are changing and external stakeholders are using a wide range of tools that put pressure on companies to be responsible for their impact on environment and social institutions. Waddock (Ibid., p. 89) describes an emerging new institutional infrastructure, divided into three main categories of institutions including several activities, presented in table 3 below. These activities aims collectively at bringing businesses to ‘do good for society’ while actively changing the way business is made, to fully make use of the role businesses can play in building healthy societies.

Table 3: Presenting the three main categories of the emerging infrastructure for corporate responsibility and the main activities within the categories (own compilation based on Waddock, 2008, pp. 89-103)

<table>
<thead>
<tr>
<th>TYPE OF INSTITUTION</th>
<th>TYPE OF ACTIVITIES WITHIN INSTITUTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market/ Business</td>
<td>i. Responsibility assurance infrastructure (codes, standards, monitoring, certification, reporting systems etc.)</td>
</tr>
<tr>
<td></td>
<td>ii. Consultancies and standard setters</td>
</tr>
<tr>
<td></td>
<td>iii. Business and other associations (peer pressure from good examples in the business, through dialogues, conferences etc.)</td>
</tr>
<tr>
<td></td>
<td>iv. Responsible investment movements (social or ethical investments)</td>
</tr>
<tr>
<td>Civil society/ Societal</td>
<td>v. Multi-stakeholder initiatives</td>
</tr>
<tr>
<td></td>
<td>vi. Watchdogs and activists (NGOs targeting companies)</td>
</tr>
<tr>
<td></td>
<td>vii. Journals and magazines</td>
</tr>
<tr>
<td></td>
<td>viii. Ratings and rankings (comparing companies to each other)</td>
</tr>
<tr>
<td>State/ Government</td>
<td>ix. Laws, guidelines (local or global)</td>
</tr>
</tbody>
</table>
All these institutions presented in table 3 can, at various levels, create pressure on companies to take corporate responsibility seriously. The new institutional infrastructure is described as a game-change, especially for MNCs, urging corporations to go beyond maximizing shareholder value to embrace corporate responsibility on social, environmental and governance issues (Ibid., p. 105).

The reason for why these new institutional infrastructure have emerged is, according to Waddock (Ibid.), in part based in that companies have lost trust and that expectations of the public have changed. Proactive companies try to meet the increased expectations by participating in some of the activities, such as using an internationally recognized reporting system or be part of a business-collaboration addressing sustainability, which in turn reduces the demand from multiple stakeholders, since being tied to a credible institution can verify companies’ contributions from an external perspective (Ibid., p.105). “This rapidly evolving infrastructure attempts, through peer pressure, dialogue, exemplars, activism, standard setting, ratings and rankings, and other tactics, to encourage greater transparency among corporations” (Waddock 2008, p. 105), which means that external pressure actually do put pressure on corporate activities when actions are made visible. This is also what Maloni and Brown (2006) argues, saying that “As breakdowns in corporate ethics are exposed, both consumers and governmental organizations are increasingly focusing their attention on corporate social responsibility (CSR) practices” (p. 35), and thus, one reason why corporations take on activities of responsibility is due to the pressure of external stakeholders. Maloni and Brown further argue that;

“Beyond ethical considerations, consumer criticism of perceived CSR deficiencies can be extremely detrimental to corporate profitability and market share, and the infusion of supply chain accountability into CSR only increases the complexity of corporate CSR management. Companies may therefore find it more prudent to anticipate future CSR issues in their supply chains and integrate supply chain CSR standards into daily operations.” (Maloni and Brown 2006, p. 35)

Companies are thus choosing to take on CSR operations voluntarily and proactively, to avoid facing the risk of getting negative publicity by consumers, NGOs or the media, since the potential negative publicity could harm the company’s profits and reputation. Engaging in CSR activities can, however, be a “safeguard” to negative publicity, if the previous CSR activities gained a positive impression by external stakeholders (Hartmann 2011, pp. 304-305). Thus, organisations are realising that it is equally important to engage in communicating about CSR as it is to engage in CSR activities, in order to ensure that stakeholders get information about the corporate activities (Tata and Prasad 2014). Du et al. (2010) argue that the role of CSR communication not only is connected to corporations’ wanting to inform stakeholders; there are also financial benefits to reap from these endeavours. Key stakeholders (consumers, employers and investors) are, according to Du et al. “...increasingly likely to take action to reward good corporate citizens and punish bad ones” (Du et al. 2010, p. 8). Thus, a key challenge of CSR communication is to minimize stakeholder scepticism.

According to Hartmann (2011, p. 309) NGOs, and other intermediaries, play an important role in the credibility of corporations CSR-profiles since they, by using their “third-party-perspective”, can scrutinize corporations’ CSR-related efforts independently of the company itself, and in such a way can improve the transparency for CSR and thus both put considerably pressure on companies, at the same time as they can increase a company’s credibility (Ibid.). NGOs also have the possibility to launch campaigns aimed at specific companies or whole industries, which can have severe effects on CSR related issues. One example is the “sweatshop debate” in the 1990s, when NGOs started to hold MNCs responsible for violating human rights at the production sites of their direct suppliers (Schrempf 2012, p. 695). However, Schrempf (Ibid.) argues that “Today, NGO demands move beyond direct suppliers and include the complete production process from resource extraction to product assembly” (p. 696). This means that even further pressure is put on corporations, especially corporations involved in a multi-national context, MNCs, and the demands on upstream CSR is enlarged to include political activities, such as fighting corruption, maintaining peace and honouring human rights, along the whole supply chain (Ibid., p. 696). Thus, when looking at the landscape of CSR in Figure 4 above, it could be argued that NGOs are pushing corporations from ‘running a good business’ to taking extended, political, responsibility at a global level.

3.2.3 Collaborations through dialogue and partnership

The number of interactions between businesses and NGOs concerning CSR related questions has in the last decade increased exponentially (van Huijstee and Glasbergen 2010:1). These interactions have also changed forms, from “overly confrontational to more collaborative or a combination of the two” (Ibid. p. 250). Countless efforts from corporations to collaborate in order to address complex challenges like climate change and resource depletion have failed due to competitive self-interests, lack of trust among the collaborators and lack of clear guidance and purpose of the collaboration, making ‘business collaboration’ the “great oxymoron of corporate sustainability” (Nidumolu et al. 2014, p. 3). Even though companies have started to embrace sustainability as a business imperative, Nidumolu et al. (Ibid.) argue, little progress have been made when it comes to business collaborations addressing systemic problems (p. 3). However, there is a growing concern and need to improve collaborations and embrace systemic
solutions.

Nidumolu et al. (Ibid.) presents tropical forests as an example of a natural resource that has disappeared due to poor management saying that “This is a classic case of sacrificing system value in favour of profits reaped by a few individual companies” (Ibid. p. 5). “Preserving natural commons and tapping their full, long-term value require new collaboration models that consider ecosystems as a whole” (Ibid. p.5) and Nidumolu et al. (Ibid.) identify four models of collaboration that, in their view fulfil this. These “four models for sustainable collaboration” focuses on operational processes and outcomes by involving either only companies along the value chain or also including non-business stakeholders, such as NGOs and governments (Ibid. p. 4). In table 4 below a compilation of these collaboration forms are presented, synthesising two models of collaboration, depending on the level of stakeholder-involvement. Nidumolu et al. (Ibid., p. 4) also points out that all the optimal forms of collaboration starts with a small group of key organisations that share the same interest and are able to build and maintain trust, something that is vital for any form of collaboration, and that the collaboration form and its participants can well change over time.

Table 4: Collaboration models (author’s own compilation based on Nidumolu et al. 2014, pp. 4-10)

<table>
<thead>
<tr>
<th>TYPE OF COLLABORATION</th>
<th>DESCRIPTION</th>
<th>STRATEGIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate collaborations –</td>
<td>Mainly consists of actors connected across the value chain</td>
<td>Develop industry benchmarks and standardized systems;</td>
</tr>
<tr>
<td>dialogue</td>
<td>Non-corporate actors, such as NGOs, may offer input but are not</td>
<td>set clear targets and measure progress</td>
</tr>
<tr>
<td></td>
<td>integral to the process</td>
<td>Share industrywide operational processes that reduce</td>
</tr>
<tr>
<td></td>
<td></td>
<td>natural resource consumption</td>
</tr>
<tr>
<td>Extended collaborations –</td>
<td>Collaborations between businesses and non-corporate partners</td>
<td>Either focusing on a particular node in the supply chain</td>
</tr>
<tr>
<td>partnerships</td>
<td>NGOs, local governments and other non-corporate partners are integral to</td>
<td>or addressing processes that span across the value chain</td>
</tr>
<tr>
<td></td>
<td>the process</td>
<td></td>
</tr>
</tbody>
</table>

“Businesses that want to be socially responsible, but do not have the resources of multinational corporations, can partner with non-governmental (NGO), not-for-profit (NFP), and religious organizations to access information about the culture, customs, and needs of the people in areas where they wish to do business. Without such information, CSR projects can have unintended consequences that are not beneficial for the community” (Wilburn 2009, p.111). Wilburn (2009) stresses how important it is to know the local context, before bashing in with solutions you think is right and suitable, and NGOs, among others, can thus guide businesses when providing them with knowledge about the local context.

3.3 Responsibility and the model of Social Connection

Collective responsibility can, according to Lucas (1995), extend to rather uncomfortable levels when addressing actions of historical concerns. Further, responsibility is not a material object and actors can be responsible even for actions they did not conduct themselves, but that they, in one way or another, still are connected to (p. 75). Lucas (Ibid., p. 82) further argues that;

“Responsibility is readily shared, less easily avoided. But often we want to disclaim responsibility, sometimes justly. Sometimes, although it is indisputable that it was I who did it, I can claim that I was only acting on orders, and that the question should be addressed not to me, but to the person who told me to do it. Sometimes it is a collective responsibility for someone else’s misdeeds I am trying to avoid. Although responsibility is inherently shareable and non-privative, sometimes one man’s responsibility excludes another’s.” (Ibid., p. 82)

Even though Lucas’s logic follows a collective responsibility approach, it still has features of personal responsibility, where responsibility is pinned to certain persons in order to absolve others’ responsibility. Young (2011, p. 11) refers to this as a blame or fault model of responsibility, often referred to as a liability approach to responsibility, which imposes “guilt”. In order to fully understand the different concepts of responsibility Young (Ibid.) takes on a long discussion of Arendt’s view on guilt and responsibility, concluding that “…guilt should be attributed to persons who commit crimes or wrongs, or directly contribute by their actions to crimes and wrongs” (Young 2011, p. 91) and “Responsibility, as Arendt puts it, devolves onto people who haven’t committed the wrongs, but who are nevertheless
"connected to them" (Young 2011, p. 92). This distinction is important in many ways and in particular it broadens the view of how we see corporate responsibility, to not only including direct actions, but to incorporate actions along the whole value chain to which the company is connected.

Further, Young (2011) argues that there is “…a specific kind of moral wrong, structural injustice, which is distinct from wrongs traceable to specific individual actions or policies” (Young 2011, p. 44). Hence, structural injustice is not connected to actions of individuals, but rather actions that we are connected to. Young (Ibid.) proposes that structural injustice cannot be explained by a liability model and presents the model of social connection as an alternative way of reasoning about responsibility. "The social connection model finds that all those who contribute by their actions to structural processes with some unjust outcomes share responsibility for the injustice” (Young 2011, p. 95), thus suggesting that all actors connected to a process, such as a value chain, share responsibility for the unjust outcomes. The social connection approach distinguishes from the ‘liability’ approach to responsibility in a number of different ways, listed in table 5 below.

Table 5: Important differences between a ‘liability’ and a ‘social connection’ approach to responsibility (own compilation of Young 2011, pp. 105-113)

<table>
<thead>
<tr>
<th>Liability</th>
<th>Social connection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guilt, blame</td>
<td>“Non-blame”</td>
</tr>
<tr>
<td>Backward-looking</td>
<td>Forward-looking</td>
</tr>
<tr>
<td>Isolatable, personal</td>
<td>Not isolating perpetrators</td>
</tr>
<tr>
<td>Collective responsibility</td>
<td>Shared responsibility</td>
</tr>
<tr>
<td>Statists</td>
<td>Cosmopolitanism</td>
</tr>
</tbody>
</table>

In contrast to the liability model of responsibility, as explained in table 5, the social connection model takes on a “non-blame” character, and is in that respect forward-looking rather than backward-looking. It does not isolate perpetrators but imposes instead that all actors share responsibility and thus that responsibility only can be discharged through collective action (Young, 2011, pp. 104-113). Further, the borders of responsibility are not restricted to nation-states; hence an actor’s responsibility extends to include global as well as local processes, which impose that one actors responsibility quickly can become rather enormous (Ibid. pp. 142-143). However, since responsibility is more open and less restricted than liability, Young (Ibid., p. 144) argues that “…a theory cannot provide a set of rules or even a method for calculating what to do. It is nevertheless reasonable to expect agents to have some guidance in reasoning about how to take action and try to undermine injustice”. Thus, to make it possible for actors to guide themselves in reasoning about responsibility in all processes they are connected to, Young presents four parameters of reasoning, presented in table 6 below. These parameters serves as guidance and a baseline for actors when exploring which level of responsibility and action that is most suitable for them.

Table 6: Young’s four parameters of reasoning (2011, pp. 144-147)

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>Power</td>
<td>The actors’ (or agents’ using Young’s vocabulary) position comes with potential or actual power or different degrees of potential to influence processes. Focus should be set on those activities in which the actor has the greatest capacity to influence the structural processes. If actors are unable to respond to all structural processes of injustice they are connected to, they should focus on those they have the greatest capacity to influence.</td>
</tr>
<tr>
<td>Privilege</td>
<td>Young argues that structural processes of injustice often entail actors’ with different levels of privilege in relation to the structures. “Most agents who occupy positions of power with respect to unjust structures also have privilege that coincides with this power” (Young 2011, p. 145). Being privileged usually means being able to change habits without suffering serious deprivation. Actors’ with privilege have greater responsibilities than others to take actions.</td>
</tr>
<tr>
<td>Interest</td>
<td>The model imposes that also victims of injustice have to take responsibility in making the situation better. The victims bare a large interest in making the situation better. “Aligning interest with responsibility is not a problem; indeed, one way of looking at what taking political responsibility means is to figure out how to align one’s own interests with those of agents that suffer” (Young 2011, p. 146).</td>
</tr>
<tr>
<td>Collective ability</td>
<td>Actors who participate in processes producing structural injustice have to, at least to some degree, change and reorganize their activities and relationships. However, actors have different possibilities to align with others and use collective abilities.</td>
</tr>
</tbody>
</table>
Young (Ibid.) argues that “Such parameters ought to respond to the intuition that different agents properly have
different kinds and degrees of forward-looking responsibility for justice. Such differences, I suggest, derive in large
from the social positions agents occupy in relation to one another within the structural processes they are trying to
change in order to make them less unjust” (Young 2011, p. 144). This means that the actors’ responsibility derives
from the social position it possesses, and therefore, I argue, an actors’ responsibility can be derived by comparing its
position to other actors connected to the same injustice. Depending on the actors’ position in structural processes
different levels of power will be addressed that actor, and the same reasoning goes for the other parameters. A
position that contains power might also encompass privilege, while positions with a high degree of interest might
come with little power and privilege, e.g. producers of raw material or goods that have a large interest in the issue
might not have the economic means or power to make a difference. Also, different positions will contain different
possibilities to align with others, thus having different collective abilities. Young (Ibid.) uses the example of
sweatshops and the anti-sweatshop movement to illustrate how the four parameters could be reasoned about in order
to determine different actors’ levels of responsibility to solve the injustice in the apparel industry. However, Jubb
(2013) criticises the model of social connection, arguing that;

“Young does not intend her model to offer precise guidance about what to do, but rather give us ‘parameters of
reasoning’ for thinking about who ought to do what for whom. As such, it disappointingly tells us nothing about
which of the many responsibilities we have to prioritize or even what those responsibilities consist of. Citizens of
developed world states are members of collectives able to apply pressure to reform a variety of seemingly unjust
structural processes, both domestically and internationally. On which should they be concentrating their
energies? What kinds of sacrifices can they be expected to make? How important is the chance of success? Does
it matter whose government they are trying to stop doing something? By not even trying to answer these
questions, Young’s account leaves significant gaps.” (Jubb 2013, p. 705)

Thus, Young’s model does not present a “recipe to success” and does not discuss how actors are going to implement
their share of responsibility, once they derived their portion of it by using the parameters of reasoning. The critique
by Jubb (Ibid.) mainly focuses on the gaps of Young’s model, and claims that the step away from the liability model
is not fully argued for, since the requirement that it is only appropriate to hold people liable when there is a direct
causal link between them and the occurred harm does not always hold. However, Jubb (Ibid.) does agree with Young
on several points, for instance admitting that the liability model has many restrictions of its use, especially when it
comes to “unstructured collective harms” (Jubb 2013, p. 706), where no one personally can be held responsible. As
this is the case for climate change and abuse of natural resources, I am still convinced that Young’s model can be
applied to the researched topic in this thesis, falling under the latter category if not both, however keeping in mind
the limits of the model.

3.4 A conceptual framework
By using the conceptual framework, the responsibility that Swedish food processing industry have in the palm oil
industry will be elaborated on, analysing the views of the interviewed organizations. This is a promising approach to
understand the current CSR demands on corporations, by using the case of the palm oil industry. Using a social
connection approach implies that responsibility is based on connections between actors and the injustice produced by
the activities they are connected to. Thus responsibility derives “…from belonging together with others in a system
of interdependent processes of cooperation and competition through which we seek benefits and aim to realize
projects” (Young 2011, p. 105). The social connection logic is that no actor can be either isolated or absolved, as is
the case in the liability approach, but responsibility is nevertheless not equally shared. The key in the social
connection approach is thus to define each actors share of responsibility. Young (Ibid.) presents four parameters that
are used when reasoning about each actor’s share of responsibility; power, interest, collective ability and privilege,
shown in Figure 5 below.
Figure 5: A conceptual framework connecting the model of social connection to the theories used (author’s own compilation, based on Young, 2011).

The conceptual framework in figure 5 visualises that the extended responsibilities are pressing companies externally, through new institutions where NGO pressure is one part. The surrounding ring sets the basics, the frame of the model; it is forward looking and questions background conditions, meaning that it is possible to set new agendas for new times and that the “old way” is not the only way. Transparency is crucial in sharing responsibility, and here it is connected to communication; the easiest way for corporations to be transparent is to communicate what they are doing, and not doing. The notion that the social connection model is based on shared responsibility also implies that the solution to the injustice that actors are connected to cannot be solved where it occurs, e.g. actors other than the ones who are directly affected or causing the harm have to contribute to the solution, hence taking responsibility for the harm and contribute to change the situation. In some cases harm might occur in a specific place up or down the value chain, while it in other cases occurs due to the accumulation of decisions throughout the whole value chain. In the latter case a solution can only be reached when all actors across the whole value chain contribute (Schrempf et al. 2013, p. 359). The middle of the figure shows one larger bubble, responsibility, the heart of this operation, connected to four vital parts that help define how large this heart of responsibility is, since the size of this bubble will differ depending on which actor the model is applied to. Four parameters; power, privilege, interest and collective ability are used when reasoning about actors’ level of responsibility.
4. Empirical background

This chapter will bring a bit of background information on what palm oil is, the nature of the palm oil industry and also what the current levels of “sustainability” is within the palm oil industry. This chapter, hence, serves as an introductory piece to some of the issues connected to the palm oil industry which will be further elaborated on later in the thesis when connected to the empirical data in the discussion chapter 7.

4.1 Describing the nature of palm oil

The oil palm, *Elais guineensis*, is native to West and Central Africa (Henderson & Osborne 2000, p. 63; www, European Palm Oil Alliance, 2015:2) and due to domestication by humans the oil palm tree now exists around the equatorial belt in Asia, Africa as well as South and Central America (Corley and Tinker 2007, p. 1). Palm oil is extracted from the pulp of the oil palm fruit and from the seed of the same fruit palm kernel oil is extracted (www, Palm oil world 2015; see Appendix A). The oil palm is a highly efficient crop, yielding 3.7 tons of oil per hectare, compared to rape that yields only 0.7, sunflower 0.6 and soy 0.4 tons of oil per hectare (www, European Palm Oil Alliance 2015:1).

The use of palm oil and palm kernel oil for food diversified into the production of soaps, margarine, candles, glycerine and fuel in the 19th century, which increased demand for palm oil and boosted the industry which led to the development of oil palm plantations outside of Africa (Henderson & Osborne 2000). Four oil palm trees reached Java in Indonesia in 1848 which provided seeds that spread to Sumatra in Indonesia in 1911 and to Malaysia in 1917, where the oil palm replaced rubber plantations (*Ibid.*). In Indonesia the oil palm plantations did not expand to other parts of Indonesia until the 1980s (Fitzherbert *et al.* 2008, p. 539). Today, Malaysia and Indonesia stand for more than 85 percent of the total production of palm oil (www, Index mundi 2014:1) as seen in Figure 6.

![Figure 6: Top 10 producers of palm oil by country and amount (www, Index mundi 2014:1).](image)

Figure 6 and figure 7 show that Indonesia is a top producer and among the top consumers of palm oil. However, the production of palm oil is immensely focused in Indonesia and Malaysia whereas the consumption is more spread out and where Asian countries along with Europe are the largest consumers of palm oil. Palm oil and palm kernel oil represent 32 percent of the global vegetable oil production (www, European palm oil alliance, 2015:2) and the different forms of palm oil are used in a range of products (see Appendix B).

4.2 The Roundtable on Sustainable Palm Oil

In 2002, WWF started an informal co-operation with Aarhus United UK Ltd., Migros, Malaysian Palm Oil Association and Unilever, which in 2004 formally established the Roundtable on Sustainable Palm Oil (*RSPO*). *RSPO* is a not-for-profit organisation that gathers actors across the palm oil industry to work with development and implementation of global standards in the palm oil industry (www, RSPO 2015b). Figure 8 presents the eight principles growers have to achieve in order to get certified.
All principles have several criteria following them that further describe what has to be achieved in order to become a certified grower. The certification then makes sure that the palm oil produced is Certified Sustainable Palm Oil (CSPO) which food processing companies then can buy (see supply chain Appendix B). RSPO has four different types of certification, each with its own characteristics and level of control in the supply chain, presented in table 7 below.

Table 7: The four different types of RSPO certificated palm oil (www, RSPO 2015c)

<table>
<thead>
<tr>
<th>CERTIFICATION</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identity preserved</td>
<td>Sustainable palm oil from a single identifiable certified source is kept separately from ordinary palm oil throughout supply chain.</td>
</tr>
<tr>
<td>Segregated</td>
<td>Sustainable palm oil from different certified sources is kept separate from ordinary palm oil throughout supply chain.</td>
</tr>
<tr>
<td>Mass balance</td>
<td>Sustainable palm oil from certified sources is mixed with ordinary palm oil throughout supply chain.</td>
</tr>
<tr>
<td>Green palm/ Book &amp; claim</td>
<td>The chain is not monitored for the presence of sustainable palm oil. Manufacturers and retailers can buy a GreenPalm certificate from a RSPO-certified grower.</td>
</tr>
</tbody>
</table>

One common feature for all different certification types is that the sustainable palm oil is certified by a third party, and that even though the sustainable palm oil is not 100 percent in all the products at all these steps, one can be sure that the amount of sustainable palm oil bought is produced and located somewhere in the world. Hence, the production and use of palm oil in one’s own products will not be increasing the amount of conventional palm oil but instead supporting sustainable production practices. Currently RSPO have 2317 members, whereof 33 are Swedish (www, RSPO 2015a) and whereof 20 have become members since 2014 (www, RSPO 2015f). Of the global palm oil supply, 20 percent is certified according to RSPO principles and criteria’s (as of 8 July 2015, see www, RSPO 2015a). However, WWF’s latest palm oil scorecard report shows that demand still lags behind supply and that only 52 percent of the produced CSPO gets bought (WWF 2013).

In February 2015, 15 member companies and organisations were terminated from the RSPO and another 62 were suspended, since they had failed to submit the required annual communications of progress reports for three respectively two consecutive years (www, Sustainable Brands 2015; www, RSPO 2015e). According to WWF, this is an important stand point and a step towards making sure that the means to report and actually show progress is equally important as membership in RSPO (www, Sustainable Brands 2015).

In order to further develop principles and criteria within RSPO, the Palm Oil Innovation Group (POIG) has been initiated. POIG aims to support RSPO by building on existing standards and commitments, working with questions that are not fully clarified yet within RSPO. These questions regard High Conservation Value (HCV) areas, peatlands and other questions connected to three thematic areas; environmental responsibility, partnerships with communities and corporate and product integrity that are included in the POIG charter (www, POIG 2015). Actors can adopt “truly responsible palm oil commitments” by signing the POIG charter and thus committing to certifying all of their palm oil production according to RSPO’s principles and criteria’s as well as demonstrating, through a
Many studies have been conducted, looking at forms of collaboration in relation to palm oil in general and in particular based on the RSPO charter, according to RAN (2015). GreenPalm Certificates, are physically traceable and verified responsible sources and supply chains. False solutions, including purchasing of must invest in supply chain mapping and monitoring, engage with all suppliers and achieve a full transition to devote adequate resources to transform the global palm oil supply chain to drive real change on the ground. They conflict palm oil to foods sold to Americans and says A recent report from RAN exposing 20 large multi-national corporations’, “the snack food 20”, supply chains linking deforestation (Morley states that following the changing to EU food labelling laws in December 2014, 500 million consumers are now aware of the presence of palm oil in food products, which they link to deforestation, and together with NGOs consumers will put pressure on companies to ensure that their products and the palm oil in them, are not linked to deforestation (www, Philipson 2015).

4.3 Previous studies and reports

This chapter will present a number of previous studies and reports connected to the palm oil value chain, RSPO and the responsibility of corporations in relation to palm oil that are of interest for the further discussion of this case study’s results. The findings will thus later, together with sources presented in previous chapters, be connected to this case study in the discussion chapter 7.

The overall commitment in Europe towards RSPO is 100 percent CSPO by 2020 (RSPO 2015, p. 3). The report states the progress of individual countries, based on conversations and survey responses of those working with sustainable palm oil initiatives in individual countries (Ibid. p. 4). The investigation indicates that the key driver for change in the Swedish market is NGO pressure where NGOs push for both certification as well as replacement of palm oil in products (Ibid. p. 11). The overall initiative for sustainable palm oil is committed by the Swedish Food Federation (LI) with the goal of having 100 percent CSPO by 2015. Each company commits to report how large volumes of palm oil the use and the share of segregated palm oil, according to RSPOs principles. The presence of active NGOs is recognised as a strong enabling factor that pressures companies to stick to their commitments. Also, Morley states that following the changing to EU food labelling laws in December 2014, 500 million consumers are now aware of the presence of palm oil in food products, which they link to deforestation, and together with NGOs consumers will put pressure on companies to ensure that their products and the palm oil in them, are not linked to deforestation (www, Philipson 2015).

A recent report from RAN exposing 20 large multi-national corporations’, “the snack food 20”, supply chains linking conflict palm oil to foods sold to Americans and says “The Snack Food 20 must use its collective buying power and devote adequate resources to transform the global palm oil supply chain to drive real change on the ground. They must invest in supply chain mapping and monitoring, engage with all suppliers and achieve a full transition to physically traceable and verified responsible sources and supply chains. False solutions, including purchasing of GreenPalm Certificates, are not acceptable” (RAN 2015, p. 4). A responsible palm oil procurement policy should be based on the POIG charter, according to RAN (2015).

Many studies have been conducted, that are looking at forms of collaboration in relation to palm oil in general and in relation to the Roundtable on Sustainable Palm Oil (RSPO) in particular (e.g. Köhne 2014; Geibler 2013; Pichler 2013; Schouten et al. 2012; Schouten and Glasbergen 2011; Paoli et al. 2010; van Huijstee and Glasbergen 2010:1; Nikoloyuk et al. 2009). These studies investigate the weaknesses and strengths of collaborating in such a setting. Geibler (2013), for instance, recognizes that the optimization of value chains is a vital part in promoting sustainable development, but in a globalized world the value chains are rather complex and consisting of several actors and interdependencies on multiple levels and as such sustainable development can only be pursued by collaborations involving businesses and civil society. Geibler (Ibid.) argues however, that these interdependencies pose a great challenge for cooperative mechanisms and when investigating the case of RSPO he finds both strengths and weaknesses with such a non-state market-based governance body. The study shows that RSPO is only partly effective in pursuing sustainability in the palm oil industry, and Geibler (2013) argues that “The prospects are good that the certified palm oil plantations will lead to improved sustainability contributions on the certified site. However, indirect effects from increased market demand are not considered sufficiently, which limits the ability of the RSPO to steer value chains towards sustainability” (Geibler 2013, p. 51) since “...even if all palm oil and its derivatives were produced and traded within the framework of a non-governmental (or also governmental) sustainability certificate, undesired impacts would still occur outside the value chains due to increasing demand without a global restriction of energy and resource use and without a social balance between industrial and developing countries. Thus, a single controlling tool alone such as non-state market based governance through standard setting cannot determine and regulate the negative consequences of complex interactive systems in global value chains” (Geibler 2013, p. 51). Thus, Geibler argues, RSPO is not enough in order to steer sustainable development in value chains.

Chkanikova and Mont’s (2015, p. 74) study provides an overview of the drivers and barriers for food retailers to implement corporate supply chain sustainability. Corporate supply chain responsibility is derived from four institutional factors; resource, regulatory, market and social. The study focuses on Swedish food retailers, mainly ICA, Coop and Axfod and the study reveals that the external institutional demands transcend into corporate engagement and sustainable supply chain strategies when those demands become critical for the retail operations due
to, for instance, NGOs attention or presence of legislation, or if the demands are perceived as generating corporate benefits, such as increased sales, cost-savings or strengthened brand image and reputation. Food retail sustainability initiatives in supply chains can thus largely be explained as an approach to manage corporate risks and thereby retain competitive position. Barriers for implementing supply chain sustainability is higher prices for sustainable products, lack of financial resources and knowledge about sustainability issues as well as customer confusion, due to the large amount of labelling schemes. Lack of governmental leadership in coordinating labelling requirements is also recognised. Some retailers in Chkanikova and Mont’s (Ibid.) study recognise that they have limited power to encourage suppliers to provide sustainable products. Furthermore, the role of market factors in influencing retailers to address sustainability in upstream supply chains is recognised as important, where multi-industry forums are recognised as important arenas for discussing sustainability challenges and sharing best practises (Ibid. p. 77). Here, established sustainability standards and certification organisations are acknowledged as important organisations for facilitating verification and compliance assurance in “complex and geographically dispersed supply chain networks” (Chkanikova and Mont 2015, p. 77).
5. Empirical results

This chapter presents the voices from the industry obtained from interviews with actors connected to the palm oil industry; a trade- and employer organisation for the food industries, food processing industries as well as NGOs. Each chapter represent an actors’ view with subheadings to guide the reader in the different themes that served as the base of the interview questions. A summary is presented in the end of the chapter, to synthesise the views presented and to make a smooth transition to the next chapter, where empirical findings are connected to the conceptual framework in the analysis.

Early in the research process I attended a seminar with the title “Sustainable Palm Oil”, arranged by LI on 5 February 2015 at Berns in Stockholm, Sweden (see Appendix D). The participants of this seminar were mainly actors connected to the food industry and the speakers came from the government, corporations as well as NGOs. Topics included opportunities for expanding palm oil, health effects of palm oil, impact on local communities as well as deforestation and other environmental concerns, thus addressing many of the social, economic and environmental effects of the palm oil industry. In the following sub-chapters the views expressed at the seminar will be further elaborated when the voices from different actors connected to the value chain of palm oil will be heard, including LI as well as actors from food processing companies and NGOs (a presentation of the organisations is found in Appendix E).

5.1 The Swedish Food Federation

As a trade- and employer organisation for the food industry, the Swedish Food Federation (LI) work for collaborating with their member companies in different questions. LI initiated the Swedish initiative for sustainable palm oil on 6 March 2014 (www, Wannding 2014), which concerns all of the 850 member companies of LI. The current goal is to have 100 percent certified palm oil by 2015 and according to Anell (Pers. com., 2015) they are on the track to reach the goal, even though there still are companies that are unaware of the issues connected to palm oil. The next step within the initiative is to set up goals for the upcoming years, where the goal that the member companies strive for is segregated palm oil. Besides being involved in the Swedish initiative for sustainable palm oil, LI also has a communicator role, having Q & A’s at the webpage regarding palm oil as well as being a discussion partner for the member companies. LI has also arranged seminars focusing on palm oil (10 June 2014 and 5 February 2015). Thus, LI has an important role in interacting and communicating with the member organisations, RSPO and NGOs.

5.1.1 LI’s view on important actors across the palm oil value chain

The value chain of palm oil is extremely complex and has a range of challenges, all the way from producers to consumers. “All actors along the value chain have their role and responsibilities. I can, however, feel that producers and refineries in the production countries have a greater responsibility, since companies in Sweden, for example, only can put pressure on their suppliers, which means that the responsibility is being pushed further and further down the supply chain, and eventually lands on those who produce palm oil” (Pers. com., Anell 2015). Another challenge is to reach out to those who still are unaware and who do not actively work with the palm oil question. Also, Anell (Ibid.) continues, representatives of media tend to have a hard time grasping the complexity of the palm oil value chain and therefore sometimes miss out on important aspects which can lead to a narrow focus in what is communicated, where some aspects are missed out. Anell takes the example of boycotting palm oil and states that “LI do not see the boycott of palm oil as an alternative, instead we believe in a future for sustainable palm oil and see it as a must, as it is, for example, very difficult to completely replace palm oil in all products” (Pers. com., Anell 2015).

5.1.2 Suitable forms of collaboration

Since LI started working with the palm oil question two years ago and during that time have initiated and achieved good results with the Swedish initiative for sustainable palm oil, Anell (Ibid.) states that LI intend to continue working in the same way; collaborating with different actors, such as NGOs, businesses, member organisations and the RSPO, in the industry and together set goals and promote the development towards sustainable palm oil. Anell (Ibid.) stresses that “Influence and change must be done through collaborations between many actors. Unilever is a large, multi-national food company which account for using a few percent of all the palm oil, which in itself is a great figure for only one company, but in terms of global consumption still is very small. The Swedish market is even smaller than this, and even the Nordic market for palm oil is small in relation to the entire European market. Therefore, this is about a very small impact potential on the whole.” (Pers. com., Anell 2015) Thus, it is extremely important to be many with the same demands in order to bring impact.
5.1.3 Current challenges and crucial aspects in continuing working with responsibility

There are still many challenges and the palm oil question is egregiously complex. Anell (Ibid.) recognizes that there is a question of a “superior perspective” that is important to have in mind, about how the perspectives of Westerners considering problems and solutions related to palm oil might not coincide with what the production countries are trying to achieve, where questions of combating climate change and deforestation might contradict eradicating poverty and economic development. The important thing, however, is that development is done in a sustainable way, making sure that neither humans, animals nor nature are harmed. Another challenge is to identify in what way palm oil is an ingredient in health and beauty products, where palm oil is included as a mix of other products and in this challenge lies to investigate if the palm oil product can be either replaced by a certified palm oil product or replaced by another ingredient all together. Further, there are still many actors who are unaware of the challenges with palm oil, and that still have not begun to work with the question. However, LI sees that many member companies are striving for segregated palm oil and that the companies also are working extremely hard with controlling their supply chains. This work will continue and LI definitely sees a future for sustainable palm oil (Ibid.).

5.2 Arla Foods

Besides being part of and strongly supportive of RSPO, Arla Foods is also a supporter of the Palm Oil Innovation Group (POIG) (Pers. com., Lundén Pettersson, 2015), which gathers actors that want to develop and build on the standards within RSPO (www, POIG 2015). Arla Foods are also part of the Swedish initiative for sustainable palm oil, where Arla Foods are a bit ahead of the other members. Hence, Arla Foods are members of both national and international collaborations. Arla Foods also has a company specific statement on palm oil with the goal of having 100 percent segregated palm oil by the end of 2015, a goal that in 2014 was fulfilled to 75 percent. However, Lundén Pettersson (Pers. com., 2105) recognizes that the first 50-75 percent is relatively easy to change since they consist of relatively large contracts and small variety of products, while the last percent’s always are the hardest to achieve, since they consists of products that are oil-mixes and of relatively small volumes. However, the ambition to achieve 100 percent segregated palm oil still persists. Lundén Pettersson (Ibid.) state that Arla communicate the stated ambitions, goals and demands regarding products and production methods to the suppliers who take these demands further down the supply chain in order to fulfill the requirements, but if the suppliers are unable, or unwilling, to fulfill Arla’s demands, Arla cannot keep them as a supplier if there are other suppliers that are able to meet the demands.

Even though Arla Foods consumes relatively low volumes of palm oil, they are still an actor that has the highest level of demands in order to show others, also even smaller actors, that it is possible to be part of this – it works. Arla Foods aims at having a sustainable production throughout all processes and since palm oil also is a part of this, even if it is about smaller volumes of a specific ingredient, they have to consider that product also and look at the whole chain. Lundén Pettersson (Ibid.) states that it is needed to look at all stages of the chain, even where it is a bit uncomfortable to look, since “If we buy the cheapest product on the market, we support that kind of production, if we go in and make demands, we support a production that is better, and that is what we want to show that anyone can do” (Pers.com. Lundén Pettersson 2015). This means that even though Arla might not have the “economic power” to change the palm oil market, since Arla Foods is not a large enough user of palm oil, it is still possible to push the development in the right direction by being part of a dialogue with other actors and setting demands.

5.2.1 Arla Foods’ view on important actors across the palm oil value chain

“Arla buys oil from the producers of palm oil or of products containing palm oil and, of course, their willingness to accommodate and their willingness to pursue development in their value chain, down to the producers, is somewhat crucial, since we cannot get hold of this oil unless they support our ambition” (Pers. com., Lundén Pettersson 2015). Lundén Pettersson (Ibid.) continues saying that in this, some actors are more progressive than others, some who have been faster and who see a business opportunity, which is very positive, and some actors also have a bigger opportunity than others to secure the supply chain, because even if you are a large producer you do not always control the production all the way back to the production sites but you rather buy palm oil from different sources. “It is these companies, those operating this in their chain backwards to the producers, who are crucial for this to succeed. It must not be that this is a scam; that it comes in other streams of oil that does not meet the requirements, because if it would be so, then both buyers and consumers’ lose confidence in that we are doing a good thing. It is extremely important that this is not scam and that one deceives the links in the chain after itself, because it falls back on us, and not the palm oil producers, that is the problem, it falls on the end user’s credibility account” (Pers.com., Lundén Pettersson 2015). Thus, it is extremely important that all actors are active and take responsibility.

There are also actors that are very important from knowledge and communication point of view where NGOs play a very important role, and where WWF is one of the most important actors, according to Lundén Pettersson (Ibid.) since they both have a great understanding of the industry’s conditions as well as an understanding for the palm oil producers’ conditions. Also, Lundén Pettersson (Ibid.) argues, WWF has a high trustworthiness in their
communication, something that is very important. Lundén Pettersson (Ibid.) also recognizes that Unilever is a pioneer company, since they have been actively working with palm oil related questions and issues for quite a long time and have achieved great results as well.

5.2.2 Suitable forms of collaboration
As mentioned earlier, Arla believes that being part of dialogues with other actors and setting demands will push development forward. According to Lundén Pettersson (Ibid.) it is important to find a definition of sustainable palm oil that everyone can live with and agree upon because there is a tendency among all those who are in favour of an improved palm oil industry to rush in slightly different directions; ‘There must be such a volume that it is possible to pursue this, and the volume is interesting both in production and logistic terms; that is only possibility. If you begin to drift apart, you will lose power and strength which will delay the development. So, I see it as very important to stick together and continue to push the matter forward, and then maybe also clarify the RSPO criteria, but nevertheless to continue pursuing in that way, because we have now already reached such a large volume of certified palm oil within RSPO that here lies a huge potential to get it to start turning for real’ (Pers. com., Lundén Pettersson, 2015). However, Lundén Pettersson (Ibid.) recognizes that “The challenge is to pursue in a progressive manner, sometimes you have to be a little more patient, because if you run too fast you will lose some important players, so it is a little bit about finding a balance” (Pers. com., Lundén Pettersson , 2015). Some organisations are willing to run campaigns and that is a bit dangerous, because then important players might be lost. Nevertheless, it is important that many corporations set similar demands so that if suppliers fulfil them, they can sell their product to many; volume is really important in such a commodity.

5.2.3 Current challenges and crucial aspects in continuing working with responsibility
In order to continue working with responsibility within the palm oil industry it is crucial to stick together and operate in a similar manner, requiring similar terms and conditions. Lundén Pettersson (Ibid.) also expresses a wish that the Nordic market does not take on the debate that have been ongoing in Norway, where companies have thrown themselves away from palm oil to any kind of supplementary product, without considering or researching their conditions or supply chain, all the way back to the producer of that oil. That is a dangerous development. Also, if palm oil was to be replaced with, say, rapeseed oil, a lot more land would need to be acquired, due to the high yield that palm oil has, something that also have to be kept in mind.

It is also crucial to be honest in the communication. Palm oil happens to be the crop that yields by far the most per hectare, but since it requires tropical conditions to be grown, there are environmental issues connected to deforestation, local wildlife etc. On the other hand, palm oil production has also contributed a lot, for example economic development. Therefore, Lundén Pettersson (Ibid.) stresses that there are both pros and cons with palm oil production, it is a complex question, and the development has really been exponential, which further indicates the issues.

“The requirements we are trying to push are that, if we should have palm oil then it should be good palm oil. Today, the establishment of new plantations is still done through burning of rainforest. Those who do this are not the producers who meet the requirements for the responsible production, but are rather producers that have no requirements at all. However, one should be aware that there are many aspects and many pros and cons. The world is not black or white, rather it is a scale of grey, and then the question is which aspects that feel most important and what shade of grey one want to accept.” (Pers. com., Lundén Pettersson 2015)

5.3 Coop Sverige
Since 2011 Coop has a policy with stated timeframes regarding when and what Coop want to achieve concerning palm oil for Coop’s own brands. The first step in this policy was to cover all palm oil with Green Palm- certificates, which was achieved in 2012 regarding non-food, e.g. detergent, shampoo etc., and food products. All ecological products contain ecological palm oil. Regarding other products, which are not under Coop’s own brand, Coop communicates with the suppliers, because they want to see a development towards more sustainable palm oil there as well. Some companies have come further than others in this, and some have come even further than Coop. Coop is also a supporter of RSPO and Bylund (Pers. com., 2015) argues that even though RSPO have been the target of a lot of critique, she believes that it would be necessary to at least fulfil those requirements before the requirements can be developed and stricter.

Coop also have discussions with other retail actors since they saw that they all had similar objectives with working with palm oil, according to Bylund (Ibid.). This collaboration includes Svensk dagligvaruhandel, ICA, Axfood, Bergendahls and Lidl, where the discussion on how to work towards sustainable palm oil continues. Bylund (Ibid.) says that Coop have had discussions with many suppliers, and there are many actors that are working very hard to
achieve segregated palm oil in the near future, so there are many ways to work to make more actors use a more sustainable palm oil. Coop is also part of the Swedish initiative for sustainable palm oil and Bylund (Ibid.) states that “Now, we expect that LI’s initiative for sustainable palm oil is carried out and fulfilled in 2015, which means that all palm oil that the Swedish industry accounts for will be at least Green Palm-certified and despite the fact that the Swedish industry does not account for all the palm oil we buy in Sweden, because we also import from non-Swedish suppliers as well, this is a giant step” (Pers. com., Bylund 2015). Thus, the initiative is seen as a promising approach to bring about change in the industry.

5.3.1 Coop’s view on important actors across the palm oil value chain

Bylund (Ibid.) argues that all actors that have palm oil on their ingredient list have a responsibility, at least to take a decision on what they think. However, Bylund (Ibid.) point out that it would be easier if the margarine- and fat producers in Sweden and Europe, which are the ones who are importing palm oil from the world market, would take the responsibility to only buy a more sustainable palm oil and then do the fat’s we wish to buy, since “When fats and margarines are produced, it should be done with segregated palm oil. Then there will be no choice for us at all, the choice then rather becomes of choosing another oil if it has better functionality in the product” (Pers. com., Bylund 2015). There is a need to be very explicit about what the actors in Europe wants; that they demand segregated palm oil and that there actually is a market for it. In this way, companies that wait longer with the decision to convert from conventional palm oil will see that there are both national and international companies willing to push the matter forward.

“I think Coop has a large responsibility, and I think we have taken that responsibility by quickly beginning to pay to the grower, which we do through the Green Palm- certificates, and that we thus actually promote sustainable farming in these countries. So I think we have taken responsibility and we are also trying to have discussions with various stakeholders” (Pers. com., Bylund 2015). Further, Coop also takes responsibility by changing the content of the products by looking into when palm oil is used, since it might not always be necessary, and, above all, that when palm oil is used, it should be CSPO. This is the right way to go according to Coop, instead of boycotting palm oil.

5.3.2 Suitable forms of collaboration

“I think one can envision various forms of collaboration, the most important thing is actually to get emphasis on the work you do, so collaboration could be just food retailers but also food retailers and parts of the industry. I also think that it is an advantage if NGOs are part of the collaborations, who provide their view, in order to get different perspectives on the problem and how to solve it, basically. I do not think it is so important to formally divide collaborations in categories, but the important thing is that you are willing to work for this, willing to share knowledge, of course not competing knowledge but that these issues are discussed and to share how one can work in the best way and what is successful, and that you put emphasis on it; either by having many or big players behind the collaboration.” (Pers. com., Bylund 2015)

Thus, Bylund (Ibid.) recognises that collaborations of different forms are vital and that it is important to be involved in dialogues, for example with NGOs, and to inform customers.

5.3.3 Current challenges and crucial aspects in continuing working with responsibility

Bylund (Ibid.) says that some customers contacting Coop have a hard time understanding why Coop keeps palm oil in products. Often the customers want Coop to bring a simple answer, saying that they will get rid of palm oil completely, and in that situation it is hard to discuss the negative aspects such a switch from palm oil to other oils could entail. However, Bylund (Ibid.) point out that “Actually, there are not so many customers that require that we remove palm oil completely, but generally very few consumers would be willing to respond that palm oil is good if it is sustainably produced, when asked what they think of palm oil. It is very much about that they do not know about it, there are no good examples to point out.” (Pers. com., Bylund 2015)

Currently the largest challenges faced in the palm oil industry are, according to Bylund (Pers. com., 2015);

- Many steps in the value chain since Coop are producing neither palm oil nor their products by themselves.
- Geographical distances; the production of palm oil is located far away making it hard to control the conditions, with many steps backwards in the supply chain, in countries with a different societal structure.
- RSPO principles and criteria; working with how to improve the standard and the certification process, and how to develop the principles and criteria to make sure they are relevant and possible to comply with.
- Communication and nuanced debate; a need to raise awareness to both problems and the possibilities, to nuance the debate. “We want to make a difference, make an improvement and thus have a more sustainable palm oil in our products, but at the same time palm oil has a terribly negative connotation among consumers. It is hard to nuance the image and communicate that we do not want to remove it altogether, but that we instead want it to be better palm oil” (Pers.com., Bylund 2015)
Bylund (Ibid.) states that the goal is that it should be easier for Coop’s subcontractors to get access to certified ingredients based on more sustainable palm oil, a reasonable price and easy to access, so that all the margarines and fats produced will be based on segregated palm oil. NGOs can be part of the development towards more sustainable palm oil and the RSPO standards can also be improved. But, above all, Bylund (Ibid.) argues that “We just cannot wait any longer, to buy Green Palm certificates that actually goes to farmers who grow according to RSPO principles, is not very complicated, and there is really no reason to wait with taking that measure, so I really think that anyone who has palm oil in their products should be able to do so” (Pers.com., Bylund 2015).

5.4 Lantmännen

Lantmännen’s first palm oil strategy was implemented in 2007, which stated that by 2011 Lantmännen would buy 100 percent certified palm oil according to the first RSPO level, “Book & Claim”. The first certificates were bought in 2010, when they were made available by the RSPO (www, Lantmännen 2015:2). Now, Lantmännen covers all of the palm oil volumes with certifications and their goal is now set to reach 100 percent certified and segregated palm oil, the third level of RSPO certification, by 2015 (www, Lantmännen 2015:2). Johansson writes in his blog at Lantmännen that “Our way of taking responsibility for palm oil production has always been to demand palm oil according to the leading certification body RSPO (Roundtable on Sustainable Palm Oil). That is in my opinion the most effective way, as small player in a global and complex supply chain, to affect the progress and gain support for our demands” (www, Lantmännen 2015:3).

5.4.1 Lantmännen’s view on important actors across the palm oil value chain

“As for the actors who bear responsibility, the answer is of course that all actors need to be active and show responsibility and willingness to change. Then, there is the fact that if the pressure and the will to change exist at the market level, it will pull the rest of the chain with it over time.” (Pers. com., Johansson 2015)

Thus, Johansson (Ibid.) sees that if the market actors actively work with responsibility, the rest of the actors in the chain will be drawn in over time.

5.4.2 Suitable forms of collaboration

There is a need to continue the dialogue to keep pushing the development, and when it comes to rest products from the oil palm, which is used in the fodder production among other things, the market for certified products is not as developed as the market for palm oil (www, Lantmännen 2015:2). Besides working with Lantmännen’s own supply chain they also have a dialogue with colleagues in the industry as well as NGOs, to discuss how to further push sustainable development (www, Lantmännen 2015:2). Johansson (Pers.com., 2015) argue that “When it comes to forms of collaboration, then broad industry agreements are preferred. This is a question that is difficult for the consumer to influence because palm oil is available in so many different products and applications. My view is that change in width can only be made if as many as possible agrees on a raised standard in the industry, such as not to deal with non-certified palm oil. That the leading actors boycott palm oil can possibly help to put focus on the question, but hardly to change the global palm oil production.” (Pers. com., Johansson 2015) Thus, numbers are important and boycott is only a temporary solution. Many actors have to come together and agree in order to move forward.

5.4.3 Current challenges and crucial aspects in continuing working with responsibility

Palm oil is used in a large number of food and fodder products and the global demand for palm oil is ever increasing. From a resource efficiency point of view, concerning land use and when the trees bare fruits, the oil palm is the most efficient crop, five times more efficient compared to other crops and if you see to global food security it is not an option to not use palm oil at all (www, Lantmännen 2015:2). Though, at many places oil palm plantations are spreading at the expense of rainforests and bio-diversity, and displacing indigenous people’s rights. Other challenges are to handle the use of pesticides that pollutes the land and waters around the plantations (Ibid.).

Further, in order to reach actual change, Johansson (Ibid.) argue that “Some claim that the best would be to boycott palm oil as long as it is not fully sustainable. That can certainly be wise if the goal is to just avoid the risk of being criticized for using palm oil. If the goal instead is to contribute to a real change, it is important that market participants from northern Europe, where consumers are involved, require change, rather than taking their hands off the matter.” (www, Lantmännen 2015:2)
5.5 Swedish Society for Nature Conservation (Naturskyddsföreningen)

Swedish Society for Nature Conservation (SSNC) came in on the issue of palm oil through their local partners. SSNC collaborates with around 60 organisations in Latin America, Africa and Asia and the area of tropical forest, which Rydlund (Pers. com., 2015) is responsible for, collaborates with nine organisations at the moment. However, the area of tropical forests, which is part of the forest and biodiversity department, also collaborates with other areas, such as the department of agriculture, marine etc. Through this global network of collaboration partners, SSNC have gained a global view of the palm oil problematics and have constant exchange of experiences and knowledge with their partners. Hence, SSNC does not formulate strategies based on the Swedish context in this question but rather “our entry point is that we base our strategy and our recommendations on the basis of the local context” (Pers. com., Rydlund 2015). Rydlund continues saying that “This is our strength, without our collaboration partners and the insights and contacts we gain from the local community, we would not be able to be as clear and powerful in our communication as we are” (Pers.com. 2015). The focus of the department of forest and biodiversity at SSNC is on indigenous people’s rights to continue managing forest resources sustainably and over the long term, rather than on nature reserves or national parks.

Currently, SSNC supports a range of organisations, for example in Indonesia and Malaysia where the palm oil question is important. SSNC also supports organisations who are working with mobilising local communities, putting the issue on the agenda and tying the palm oil issue in with other problems that undermine people’s livelihoods. SSNC acts by creating a platform for organisations in the South, making it possible for partner organisations to gain access to decision-makers and businesses, something these organisations usually do not have access to in the same way in their own context. When Rydlund (Ibid.) visits SSNC’s partners she always visits villages to meet people who are directly affected, both people who have lost their incomes due to oil palm plantations and those who have made their incomes on the same, the whole spectrum, in order to reach a more holistic approach and understanding of the local context. SSNC also arrange field trips where Swedish actors have been invited, in order for them to get a more nuanced view on the palm oil situation in Malaysia and Indonesia, to complement the view that their own suppliers give them (Ibid.).

Since palm oil has so many different parameters, Rydlund (Pers. com., 2015) state that SSNC cannot incorporate palm oil in their yearly campaign “Environmentally friendly week”, since that campaign is based on a “Don’t choose X, choose Y instead”- logic and palm oil has a much more complicated network than that. Of course SSNC could campaign specifically about palm oil, but today there are not any resources for doing so. When SSNC do address palm oil on the website or in the social media, however, their members show a lot of interest in the question, and that is of course strength – that people in general believe it is an important issue. But, Rydlund (Pers. com., 2015) also points out that;

“One cannot expect that things will be revolutionized on the store shelf, rather it might come from somewhere else first, and then, eventually, things will change on the store shelves too. I think this is very much about lifestyle as well, you do not need to be obsessive about never ever finding a product at home that contains palm oil, that will not save the world, but it is rather the more fundamental processes and a greater conscious that enables change. Palm oil in itself is not the problem; it is the production behind it and it is about not choosing the unsustainable palm oil, as far as possible.”(Pers. com., Rydlund 2015)

5.5.1 SSNC’s view on important actors across the palm oil value chain

Rydlund (Ibid.) state, just as Norman Jiwan pointed out at the Human Rights (HR) seminar arranged on 16 April 2015⁹ that the financiers are extremely important, since as long as the funding is made with to weak requirements the unsustainable production of palm oil will continue. Rydlund (Ibid.) exemplifies this with when the International Finance Corp (IFC), the World Bank’s private sector lender, halted their pay-outs in 2009 due to Sawit Watch investigation that highlighted IFC’s role in supporting an unsustainable industry, which gave resonance as the industry would not function without money coming in (Pers.com., Rydlund 2015: www, Wroughton 2009). Later, this led to a new framework on how the World Bank engages in the palm oil sector (www, World Bank 2011). SSNC will now, together with both Swedish and international actors begin to scrutinize the financiers behind the palm oil industry, in order to put pressure from that direction as well.

Businesses also have a large responsibility and according to Rydlund (Ibid.) it is not enough with the regular CSR-knowledge in this question, the HR perspective is also very important. There is a need for more expertise in this and, above all Rydlund (Ibid.) points out, it should not be up to companies to decide how to implement responsibility, there must be more controlling guidelines and not solely voluntary commitments. Rydlund (Ibid.) argue that the uppermost responsibility of corporations is toward shareholders, but the shareholders also have influence over the company and therefore it is important to incorporate the consumers in this; raise their knowledge about palm oil and

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⁹ Seminar on investments in natural resources in South, arranged by Forum Syd, Action Aid and SSNC on 16 April 2015, Stockholm, Sweden.
make them realise their power to influence corporate activities, since if the consumers do not buy the products or give bad-will to the corporation etc. the corporate actors eventually will have to listen. However, Rydlund (Ibid.) points out, that even though consumers of course can play some role in this, one should be aware that consumers cannot be as powerful in the palm oil question as they can in other contexts and consumer related issues, because the palm oil industry is so complex and concerns many different industries as well; food, health and beauty products, fuel and animal fodder etc. One has to be realistic about the potential consumer influence in this question and one also have to be realistic about how far corporations can go under the current prerequisites; “Companies can go very far with their inner drive, but ultimately they are also responsible for other actors and that is where we must cover with legislations and regulations that they are not allowed to step outside” (Pers.com. Rydlund 2015).

5.5.2 Suitable forms of collaboration
SSNC is an actor both in Sweden and in Europe that together with other NGOs have roundtable discussions and dialogues with corporations to increase knowledge and understanding, often in cooperation with the collaboration partners who are invited to the roundtable discussions. Since there are many NGOs in Europe it is important that there is European coordination and that they have a dialogue with each other. SSNC also work with Rainforest Foundation Norway (Regnskogsfondet) since they to a large extent share markets, and therefore it is important to pursue the same arguments and prerequisites. The two NGOs also share many partners and contact networks in the South and by working together they can strengthen each other.

5.5.3 Current challenges and crucial aspects in continuing working with responsibility
Rydlund (Ibid.) recognises many current challenges in the palm oil industry where Rydlund especially points out that “The expansion rate and the current expansion prognosis, I believe that is where you make the largest mistake” (Pers. com., Rydlund 2015). The expansion of oil palm plantations is driven by a large demand for cheap vegetable oil with a wide scope of use. In 1998 “Lipsticks from the rainforest” was published by AidEnvironment10, which was the first “heavy” report to analyse the connection between palm oil and deforestation. The expansion of oil palm originates in the financial crises that hit Indonesia in 1997-1998, when they needed foreign currency that the lenders were pushing to get back, which meant that Indonesia had to make profits somewhere. After deforesting an area the money now lay in converting the deforested land to oil palm plantations to gain profits, instead of maintaining a reasonably sustainable forestry. Often the land was cleared by burning the remaining vegetation, and the forest fires in 1997 and 1998 put almost everything in smog, even up to Kuala Lumpur and Singapore. This expansion has later escalated and the large corporations, the producers, that not only own businesses in the oil palm sector but in many different industries, have received a heavy word in the debate on how to go forward. Rydlund (Ibid.) thus recognizes several challenges in the palm oil industry, and asks herself “Who is actually in charge of pushing the situation forward and who is pushing the development of oil palm plantations?” Moreover, Rydlund (Ibid.) points out that the consumption of palm oil is increasing also in the production countries and that the supply of other vegetable oils is decreasing at the same time, which leads to an involuntary change of consumption in the production countries; “When we are out in the villages in Indonesia and talk to the women there, they say that all the food have lost its flavour, before they used coconut oil and a range of other oils, so this is a loss also for them” (Pers.com. 2015).

Hence, the development of palm oil as edible fat is connected to several challenges and Rydlund (Ibid.) states even more challenges;

- Expansion rate and expansion prognosis
- Politics of rural development and balance of power
- Systematic corruption
- Political context; young democracy (Indonesia), businessmen as politicians (Malaysia)
- Agribusiness thinking
- Environmental effects of oil palm plantations
- Farming methods and more stable income for farmers
- RSPO and prerequisites
- Consumers and what products that actually contain palm oil

The important question, according to Rydlund (Ibid.) is the process of who has the right to the land, describing it as an Achilles heel, since it is easy to give the farmers good terms and conditions when the oil palm plantation is in place, but the whole process of getting access to the land, that is where the procedure of land rights is not in port. Then, there is also Konsep Baru, the New Concept, in Sarawak that promotes conversion of Native Customary Land into oil palm plantations (Cooke 2006, p. 28). According to Rydlund (Pers. com., 2015), this concept indicates that land owners goes into a joint venture with the oil palm businesses, and many times the land owners do not know what the contract really says before they sign it. Usually the land owner give away their rights to the land to the oil

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10 For an updated version of the document see Glastra et al. (2002)
palm company for a limited time, but since the land is owned and passed on by tradition\textsuperscript{11} and that this timeframe often stretches over that point in time when the land-title according to tradition will be passed on, meaning that the land will be passed on to the current owner of the land; the oil palm company. This, Rydlund (\textit{Ibid.}) points out, is what Konsep Baru has received such critique for; that it is really only about acquiring a land bank. Today, the most attractive crop is the oil palm, but who knows what will be the most attractive and money-making crop in the future and by having such a land bank, the owners, the oil palm companies, will easily turn the plantations into yielding whatever makes most profit. “So, it is easy to say that now when we have an oil palm plantation these criteria will have to be fulfilled, but the way there, that is where you have the largest conflict” (Pers. \textit{com.}, Rydlund 2015).

Rydlund (\textit{Ibid.}) stresses that there also is a time perspective one need to keep in mind; we do not have time to sit around and wait for RSPOs criteria’s to be fully applied, there must be parallel processes that also push sustainable development in the palm oil industry. Today, about 75 percent of the trade of palm oil is covered by different declarations; much due to that Wilmar International Ltd. implemented their declaration in December 2013 (\textit{Ibid.}). Due to Wilmar International Ltd.’s declaration “\textit{No Deforestation, No Peat, No Exploitation Policy}” (\texttt{www, Wilmar 2015}), they have even begun to phase out subcontractors that are RSPO members, since these subcontractors are unable to fulfil the higher demands stated in the policy and this, according to Rydlund (\textit{Pers. \textit{com.}, 2015}) really shows that RSPO is not optimal. However, Rydlund (\textit{Ibid.}) do point out that RSPO is a very good entry point and that a lot of things are good with the criteria’s, but they are simply not enough in order to get to the fundamental problem.

Rydlund (\textit{Ibid.}) points out that it is important that the palm oil problems elucidated from many different directions. A recently published book, “Money logging” by Bruno Mansers fund (Straumann 2014), is the first of its kind that thoroughly investigates the structural corruption by Abdul Taib Mahmud, the current governor of the Malaysian state of Sarawak, and his family who have built a fortune on illegal logging and destruction of Malaysia’s rainforests. Also, Swedish Environmental Institute (\textit{SEI}) has researched palm oil from an academic point of view (SEI 2015). This, Rydlund (\textit{Pers. \textit{com.}, 2015}) argues, is a great way to elucidate the palm oil issue from many different directions and she also recognises the vast number of student reports researching the topic of palm oil a great way to further emphasise issues connected to palm oil.

Many of the challenges coincides and Rydlund (\textit{Ibid.}) points out that “\textit{I believe that in the end it is so that the actors in the production countries have to access and combat corruption, low compliance with existing legislation and weak legislation, we end up there all the time. We cannot rely on that the consumer pressures persist or that businesses are responsive enough and so on, but rather I think that is the important thing}.” (Pers. \textit{com.}, Rydlund 2015) Thus, in order to continue working with sustainable development in the palm oil industry there is a need to tighten the rules and make the industry fairer. There is also a need to increase the competence and knowledge in corporations and truly incorporate HR-questions in the corporate agenda. Here SSNC really need the support of the partner organizations to get insights on how decisions made here affect the livelihoods in the production countries, a really interesting and important consideration according to Rydlund (\textit{Ibid.}).

5.6 World Wildlife Fund (WWF)

WWF works with palm oil questions in several ways, in multiple countries and on several markets. They make palm oil scorecards (WWF 2009; 2011; 2013) and are part of the executive board of RSPO as well as several technical working groups. WWF are also very active in the evaluation of principles and criteria’s within RSPO and are also part of POIG which is a way to meet the critique against the RSPO and to further work with the possibilities within the frame of RSPO. Moreover, WWF is also very active in the evaluation of principles and criteria’s within RSPO and are also part of POIG which is a way to meet the critique against the RSPO and to further work with the possibilities within the frame of RSPO. Therefore, the work now consists of, on the one hand, making sure that companies actually places demands on their suppliers and on the other that also the producers can certify themselves against the indicators and POIG Charter, and in that respect actually fulfil RSPO to 100 percent. However, Tham (\textit{Pers. \textit{com.}, 2015}) also recognizes that “\textit{The problem that all environmental labels faces is to be tough enough to make any difference, but at the same time not be so tough that it only certifies those already living up to the requirements, because they would, after all, do it anyway and then you would not drive the development in the market anyway}”. The principle of gradual improvements of the standard is also important.

In Africa WWF works on a policy level with governments, now when they are seeing the oil palm as a possible way to economic development, to make them recognise the advantages with complying with RSPO’s principles and criteria’s; higher productivity, less social conflicts etc. The government of Cameroon has, for example, said that they intend to develop a strategy for developing the palm oil industry based on the RSPO principles and criteria’s. Besides this, WWF also works with support to civil society at Kalimantan, the Indonesian part of Borneo, supporting

\textsuperscript{11} In Swedish: \textit{håvd}
local communities to find other ways of economic development, besides oil palm plantations; other crops, eco-
tourism, sustainable forestry among other things (Ibid.). WWF also works with smallholders, who currently account
for a very large acreage, and who today only can increase profits by increasing their land use, which makes it very
tempting to start farming on land they do not legally have access to (Ibid.). “If you instead could help them [the
smallholders] increase their productivity, our view is that they then do not need to expand the acreage of oil palm
plantations in order to increase their income. Instead, they could, through increased knowledge and access to
finance on fair terms, increase their productivity and incomes as well as diversify their crops to grow also other
crops on a small scale, such as different food crops. This would mean that they spread their risks and become less
dependent on one source of income” (Pers. com., Tham 2015).

5.6.1 WWF’s view on important actors across the palm oil value chain
On the consumer market WWF works a lot with companies to make them demand certified palm oil. However,
“Unfortunately, there have been some NGOs that campaigned against the use of palm oil, which means that
companies that are more progressive and are prepared to make demands has phased out palm oil, and of course this
reduces the demand for certified palm oil and decreases the incentives in the production” (Pers. com., Tham 2015).
If consumers do not understand the problems and instead of demanding certified palm oil says that they do not want
palm oil at all, it can be hard for the food producers, who might have a different perspective and might also be
prepared to contribute to a sustainable development on a global level. “In this way, all stages in the chain are
equally important, for it will be difficult for food producers to make demands if customers say that they do not want
palm oil at all, because then the sales- and marketing departments will say that palm oil can no longer be used, since
customers opposes it, and if food producers do not put demands, the pressure on producers to grow more sustainably
will decrease” (Pers.com., Tham 2015). Tham further argues that “Sometimes we consumers do not understand that
we can vote with our wallets, and that we sometimes, instead of boycotting, can make demands. But to do so also
requires that consumers are informed and have the time, energy and ability to also communicate their demands”
(Pers. com., Tham 2015). Thus recognising that all actors have their responsibility and that it is hard to say if any
actor is more important than another, “all voices have their role, in some way, and that is something one actually
should embrace” (Pers. com., Tham 2015). One also has to recognise that there are large contextual differences
when talking about palm oil, illustrated with a telling example;

“You cannot demand that a poor Indian woman, who is choosing between being able to afford buying one litre or
half a litre of palm oil, additionally should ask the question ‘how is this produced, are there any people who have
lost their lives or their homes or their land to produce it?’. She is interested to support her family with enough
food of good quality. That is why Europe and richer parts of the world have a different responsibility.”
(Pers.com., Tham 2015)

On the question of what actors that are important in the value chain, from a responsibility point of view, Tham says
“Actually, I think we should ask the question on a much broader holistic plan; we produce enough food to feed the
entire world population, but access to food is very unevenly distributed and we also have great sources of wastage
along the whole supply chain. If you as a consumer want to contribute to a better development somewhere, then
maybe you should take a look at your own consumption; you maybe should reduce your meat consumption, stop
throwing away food etc. since that type of action will be considerably more effective in a holistic plan to make sure
that there is enough food for everyone.” (Pers. com., Tham 2015)

5.6.2 Suitable forms of collaboration
“We do not believe that sustainability, either in the long term or even now, can be a competitive issue but rather it
requires many actors to go together and set similar requirements. The more actors that go together and require the
same and progressive demands, then you get both an entirely different force, and also make it easier for the actors
both upwards and downwards in the supply chain” (Pers. com., Tham 2015). Thus, to put pressure similar demands
have to be expressed and to make sure that the corporate demands on palm oil suppliers are the same, the Swedish
initiative for sustainable palm oil was initiated. There are similar collaborations in other European countries, the
difference is that in some of these countries governments are also part of the collaborations. Tham further argues that
“Given that palm oil is so extremely profitable and productive we will, no matter what we do in the small country of
Sweden, not affect much, but on the other hand, we can add critical mass to make demands on certified palm oil and
it is our belief that this still sends clear signals and implies clear changes, but we have to be a large enough mass”
(Pers.com., Tham 2015). Thus, collaborations are vital in succeeding in pushing sustainable development in the palm
oil industry.

5.6.3 Current challenges and crucial aspects in continuing working with responsibility
Tham recognises that “There are a long range of challenges all the way from the plantations, the development on the
ground, to the market, where there are another type of challenges” (Pers.com., Tham 2015). The most pressing
challenges, however, are connected to four areas;
Palm oil expansion with deforestation and further expansion
Segregated supply chain and bottlenecks
Debate about boycott
Financial sector – financial risks

The palm oil expansion is estimated to double in the coming ten to twenty years, and the deforestation continues in both Malaysia and Indonesia where there are challenges with legalisation and corruption. There is also an expansion of oil palm plantations in Africa and South America with similar problematics, but with their specific conditions. With this estimated expansion in mind, one has to think about where the palm oil will come from and according to Tham (Ibid.) there are mainly two options here; for smallholders to increase their productivity and to establish oil palm plantations on land that is already deforested, since there currently are big areas that has low social- and biological values. However, Tham (Ibid.) emphasises that before establishing plantations on the deforested land areas, HCV assessment12 has to be conducted. There are several reasons why these deforested land areas currently are not used when establishing new palm oil plantations, one being that the farmers’ cash flow and payback time is a lot shorter if they can finance the establishment of the plantations by selling the deforested timber, since one cannot harvest the oil palms until three years after the establishment.

Today, many companies are aiming at having segregated palm oil in their products, which has a couple of potential bottlenecks; the costs for segregating palm oil cannot be the obstacle or what keeps the development from evolving and in Europe there is a problem with finding suppliers who can fulfil the demand for segregated, certified, palm oil to a reasonable price. “Costs of segregation are likely to be very high if there are not sufficient volumes, and requires that you look strategically already at the production level” (Pers.com., Tham 2015). Therefore it is important that actors go together in order to demand large enough volumes. “The higher up in the value chain you are, the more important it becomes that you are many who have the same requirements in order to raise the interest upwards in the production chain, to be able to make this mapping and ensure that you get larger and larger volumes certified” (Pers. com., Tham 2015). Thus, it is important for food processing industries and food retailers that are located high up in the value chain to be many putting demands.

Further, when it comes to the debate about boycotting, WWF does not see that it brings any good with it since “We believe that the producers must have some form of incentive to shift production and that is not something you get from a boycott” (Pers. com., Tham 2015). Another challenge is to make the financial sector realise that investments in the palm oil industry is a financial risk, if not considered carefully.

* * *

In order to improve and come forward in the work with responsibility in the palm oil industry, Tham (Pers. com., 2015) sees a few important points that have to be dealt with;

- Come past bottlenecks in the market to secure the access of certified palm oil which reduces the market for non-responsibly produced palm oil
- Increase awareness and in suitable ways reach large markets like Indonesia, India and China, to make them also impose requirements
- The question of deforestation has to be raised to other actors, such as the EU and governments, to make them aware of how much deforestation that is imported
- The financial sector has to impose requirements since this is a financial risk
- A responsible consumption, where consumers should reduce their ecological footprints and be prepared to pay what things actually cost
- Increase smallholders’ productivity to increase palm oil volumes without taking more land to use

“The danger is that there are many simple and quick solutions, that you are not willing to understand that the issue is much more complex than that. Therefore, one must sometimes recognise that we will not solve all of the worlds’ problems, but we can at least have part of the solution” (Pers. com., Tham 2015).

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12 A High Conservation Value (HCV) is a biological, ecological, social or cultural value of outstanding significance or critical importance. There are six categories of HCVs, including concentrations of biological diversity, ecosystems of various types as well as sites and resources fundamental to satisfying basic needs of local communities or indigenous peoples or of significant cultural importance (www, HCV Research Network 2015).
5.7 Summarising the voices of the industry

Business, NGOs and other organisations have, on a daily business, different views of the world. Regarding palm oil, these actors have surrounded the issue focusing on making the palm oil industry more sustainable and driving the development of the industry in “the right direction”. Together these actors have put forward a number of challenges, opportunities and presents evidence that it is possible to strive towards sustainable development in an industry that is surrounded by issues and complexity.

Even though all participants in this study agree that all actors along the palm oil value chain need to be active and all have responsibility in the question, some actors have been mentioned as being important in order to further push sustainable development in the industry, summarised in table 8. The corporate perspectives are first and foremost in the supplier direction where they mainly exert power; putting demands on their suppliers and sub-contractors in order to fulfil their palm oil policies and commitments. NGOs have a wider perspective, including a large range of actors. However, NGOs express that there is a call for more legal requirements, rather than just merely voluntary commitments and that the question have to be addressed in many different directions, on various levels in the value chain. The interviewed actors agree that the current forms of collaborating; gathering different actors, both within the same industry as well as incorporating NGOs and other actors in already established forums as well as in other roundtable settings and forms of dialogues and partnerships are suitable ways to collaborate. The need of many actors stand be behind the collaborations is expressed since the higher up an actor is in the value chain, the more important it is that you are many with the same demands. Sustainability can thus not be a competitive issue; there is a need to agree in order to put similar demands in order to raise the volumes of CSPO and show suppliers that there is a large market for it. Also, the need for more nuanced communication is addressed, and all actors agree that boycott is not a long-term solution; producers need incentives to transform production to more sustainable practices.

Table 8: Summary of views on responsibility from ‘the voices of the industry’

<table>
<thead>
<tr>
<th>Important actors</th>
<th>NGO perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Producers &amp; refineries in production countries</td>
<td>• Financiers</td>
</tr>
<tr>
<td>• Margarine- &amp; fat producers in Sweden and Europe</td>
<td>• Businesses</td>
</tr>
<tr>
<td>• NGOs as important communicator</td>
<td>• Governments</td>
</tr>
<tr>
<td>• European actors have a different responsibility</td>
<td>• Consumers</td>
</tr>
<tr>
<td></td>
<td>• European actors have a different</td>
</tr>
<tr>
<td></td>
<td>responsibility than less affluent</td>
</tr>
<tr>
<td></td>
<td>actors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Suitable forms of collaboration</th>
<th>Perceived challenges and crucial aspects to continue working with responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Current ways gathering actors from within the same field of industry as well as NGO &amp; corporate collaborations</td>
<td>• Expansion rate and prognosis. Continued deforestation &amp; environmental effects of oil palm plantations</td>
</tr>
<tr>
<td></td>
<td>• Bottlenecks in segregating supply chains, (possibly) slowing down progress</td>
</tr>
<tr>
<td></td>
<td>• Increase smallholders’ productivity &amp; plantations on deforested land.</td>
</tr>
<tr>
<td></td>
<td>• Financial sector: ESG risks</td>
</tr>
<tr>
<td></td>
<td>• Politics of rural development and balance of power</td>
</tr>
<tr>
<td></td>
<td>• Systematic corruption</td>
</tr>
<tr>
<td></td>
<td>• Political context: young democracy (Indonesia), businessmen as politicians (Malaysia)</td>
</tr>
<tr>
<td></td>
<td>• Agribusiness thinking</td>
</tr>
<tr>
<td></td>
<td>• Farming methods and more stable income for farmers</td>
</tr>
<tr>
<td></td>
<td>• RSPO and prerequisites</td>
</tr>
<tr>
<td></td>
<td>• Consumers and what products that actually contain palm oil</td>
</tr>
</tbody>
</table>


6. Analysis

This chapter connects the empirical findings presented in the previous chapters 4 and 5 with the theoretical models and findings of the literature review in chapter 3. First the institutional structures will be discussed, connected to the model presented by Waddock (2008) in order to present the primary conditions in the palm oil industry and to visualise the current CSR demands. Then, the conceptual framework will be introduced again and the collected material will be analysed according to the model of social connection, in order to analyse the responsibility of the food processing industries in the palm oil industry. The results will be further discussed in the following chapter 7.

6.1 Institutional structures in the palm oil industry

In previous chapter 5 the actors connected to the palm oil industry mentioned challenges, solutions and part of solutions. All agree that something has to change – the unsustainable production that needs to be cut off. Some actors advocate boycott of palm oil all together, but this is something the interviewed actors do not see as a solution, since spurring change implies that producers need incentives and that a large enough number of organisations demand CSPO (Pers.com., Anell 2015; Bylund 2015; Lundén-Pettersson 2015; Rydlund 2015; Tham 2015; www, Lantmännen 2015:2). Thus, a boycott could raise awareness of the issue in the short term, but would not reach any solutions in the longer term, since the means to show that there is a demand for CSPO would decrease.

In a globalised world, the pressure upon corporations is ever increasing due to that corporations are requested to take responsibility not only to the corporate specific processes, but to the ones they are connected to. In the palm oil industry this is in part visualised by the pressure NGOs put on corporations to take responsibility for their use of palm oil in products by buying CSPO as well as to review their use of palm oil and reconsider the use of palm oil in products. Waddock (2008) argue that the institutional structures are changing and that pressure on corporations is increasing through several activities. This indicates that the corporate arena is changing and pressure is ever increasing as corporations are asked to take responsibility for activities occurring both downstream and upstream the value chain. Table 3 presented in chapter 3.2.2 is re-introduced in table 9, where activities connected to the palm oil industry now is incorporated.

Table 9: Presenting the three main categories of the emerging infrastructure for corporate responsibility and the main activities within the categories together with results from the palm oil industry (author’s compilation based on Waddock 2008, pp. 89-103)

<table>
<thead>
<tr>
<th>TYPE OF INSTITUTION</th>
<th>TYPE OF ACTIVITIES WITHIN INSTITUTION</th>
<th>RESULTS PALM OIL INDUSTRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market/Business</td>
<td>Responsibility assurance infrastructure (codes, standards, monitoring, certification, reporting systems etc.)</td>
<td>Business specific policies on palm oil &amp; zero-deforestation; goal setting RSPO certified palm oil Swedish initiative for sustainable palm oil (LI)</td>
</tr>
<tr>
<td></td>
<td>Consultancies and standard setters</td>
<td>RSPO certification POIG charter (building on RSPO principles &amp; criteria)</td>
</tr>
<tr>
<td></td>
<td>Business and other associations (peer pressure from good examples in the business, through dialogues, conferences etc.)</td>
<td>Globally successful examples (Unilever, AAK) Local dialogues involving businesses and NGOs Seminars and conferences (e.g. LI 06-2014; 02-2015)</td>
</tr>
<tr>
<td>Civil society/Social</td>
<td>Multi-stakeholder initiatives</td>
<td>Global: RSPO, POIG Local: the Swedish initiative for sustainable palm oil (LI- members), collaboration between food retailers as well as several dialogues between different actors</td>
</tr>
<tr>
<td></td>
<td>Watchdogs and activists (NGOs targeting companies)</td>
<td>Campaigns by Greenpeace and Rainforest Action Network (RAN)</td>
</tr>
<tr>
<td></td>
<td>Journals and magazines</td>
<td>Sustainable Business, Huffington Post etc. Local newspapers, radio shows (Klotet) Pressure from new directions; SEI standard, Bruno Mansers Fund (Money Logging)</td>
</tr>
<tr>
<td></td>
<td>Ratings and rankings (comparing companies to each other)</td>
<td>Palm oil scorecards (WWF, 2009; 2011; 2013) The snack food 20 scorecard (RAN, 2015)</td>
</tr>
<tr>
<td>State/Government</td>
<td>Laws, guidelines (local or global)</td>
<td>Food labelling legislation (EU) EU’s aim of 100% CSPO by 2020 Forest moratorium (Indonesia) Konse Baru (Sarawak, Malaysia)</td>
</tr>
</tbody>
</table>
Hence, table 9 visualises the standards, initiatives and main pressure points that the food processing industries connected to the palm oil sector are exposed to. Many of these actions are global in scope, but there are also local actions and since the focus of this thesis is on the food processing industries in Sweden, the local examples in the table are local to Sweden.

As indicated by table 9, the market and societal forces are vast. Governmental actions have been applied regarding managing of forests and ownership in production countries. Also, the EU food labelling law regulates the information responsibilities of food processing industries. The law imposes that palm oil, and all other oils a product contain, is to be written out in the ingredient list, instead of merely vaguely writing “vegetable oil”. Thus, the use of palm oil is now transparent to customers. However, all commitments regarding certified sustainable palm oil are voluntary. By engaging in such activities, corporations are taking an active role in the control of market transactions by defining policies and guidelines to follow, that are enacting human rights and protecting environment. Thus, according to the definition by Scherer and Palazzo (2011) it can be argued that corporations are taking on political corporate social responsibility (PCSR) in the palm oil industry. Also, the palm oil industry stands before a range of challenges, with connection to several different industries because of the broad range of uses for palm oil and palm kernel oil; food processing, bio-fuels, animal fodder as well as health and beauty products to name a few. RSPO is working with certifying sources of palm oil that are distributed to all of these industries, hence working towards taking full impact responsibility for a commodity used in multiple industries. Applying McElhaney’s (2008) terminology to this will place the actors of the palm oil industry in the upper right corner in the picture of the landscape of CSR (see figure 4).

Civic and consumer pressure is important for building policy legitimacy (Isenhour 2014) and the civil society plays a large role in increasing the CSR demands on corporations (Waddock 2008). As indicated by table 9, the civil society plays a large role in putting pressure on the corporate actors in the palm oil industry with NGOs such as Greenpeace and RAN targeting specific companies (e.g. www, Andrén 2014; www, Davidson 2014) as well as WWF creating palm oil scorecards (WWF 2009; 2011; 2013) and RAN a “snack food 20” scorecard (RAN 2015), comparing companies’ achievements and commitments to each other, in order to form peer pressure and expose corporations’ achievements and fallacies. SSNC and WWF are also involved in different dialogues, roundtable discussions and partnerships with corporate actors, in order to contribute with knowledge and raise the issue on the corporate agenda (Pers.com., Rydlund 2015; Pers.com., Tham 2015). There is an increasing exposure of actors that do not follow the guidelines or regulations. RSPO kicked out organisations that did not submit the annual reports they ought to do (www, Sustainable Brands 2015; www, RSPO 2015e), which gives further credibility to the certification and building of legitimacy. The uncertainty regarding the palm oil industry is now also starting to show in investments, as the ESG risks of the industry are exposed (www, Ethical performance 2015), which further pushes the actors within the industry to retain the trust in order to get enough funding to continue. Both SSNC (Pers.com., Rydlund 2015) and WWF (Pers.com., Tham 2015) stress the importance of investors realising the risks of investing and feeding the unsustainable industry, and SSNC are currently under way to further investigate the role of investors, together with their partners and other NGOs (Pers.com., Rydlund 2015).

Palm oil is debated in articles in several journals and magazines as well. RSPO have been the focus of many research studies (e.g. Köhne 2014; Pichler 2013; Schouten et al. 2012; Schouten and Glasbergen 2011; Paoli et al. 2010; Nikoloyuk et al. 2009) which expose weaknesses and strengths of the organisation. Also, a series of radio episodes (www, Sveriges Radio Klotet 2014; 2015) have addressed the palm oil situation. However, the interviewed corporate actors (Pers.com., Bylund 2015; Pers.com., Lundén Pettersson 2015; Pers.com., Johansson) as well as LI (Pers.com., Anell 2015) call for a more nuanced debate where both the pros and cons of palm oil are expressed. Lundén Pettersson state that “There are no quick fixes or fast solutions, and that is why it is so difficult to communicate about this, because there are so many perspectives you need to look at and consider” (Pers.com., Lundén Pettersson 2015). As expressed earlier, the palm oil value chain is viewed as complex, making it difficult, but nevertheless important, for medial actors to grasp the complexity.

The logic presented by Koh and Wilcove (2008) about how consumers must be aware and demand greater transparency in the land-use decisions made by governments could also be applied to the discussion on bringing about change in the palm oil industry from a corporate perspective, since without transparency, which consumers can demand corporations to be better at through communicating, it will be hard to bring about change in the question. If progress, obstacles or consequences are not communicated; how will the world, and the consumers, now the status of the palm oil industry? With the new legislation on food labelling, palm oil will be exposed to consumers but without consumers’ knowing about CSPO, as indicated by a recent study (www, Kihlberg 2015), palm oil will in their eyes be equal to deforestation, since the same study show that many consumers are aware of the issues connected to palm oil. This further emphasises the importance of communication about palm oil. However, Bylund (Pers.com., 2015) argue that there are no good examples to point out, making it difficult to communicate and make customers understand why corporations do not simply boycott palm oil.

All in all, there is evidence that the food processing industry takes extended responsibility in the question of palm
oil, since actors are adopting voluntary measurements, like certification and other guidelines, that make corporations take responsibility for actions occurring outside of a “theory of the firm” perspective on businesses’ responsibilities. In the following section we will turn to analyse how actors can reason about responsibility in connection to the palm oil value chain.

6.2 Responsibility and social connectedness

Going back to the discussion of a liability approach to CSR compared to a social connection approach, presented in chapter 3.3, the main reason for arguing that the palm oil industry should be approached by the latter is that corporations do not directly cause deforestation, oppression of indigenous peoples rights or the fact that Taib have made a fortune on corruption in the palm oil sector, but they are rather connected to these issues through their business activities. Neither are any other actor directly causing these issues, thus, there is no sole actor to blame but rather many are involved and connected to these issues and should therefore share responsibility collectively. However, the level of responsibility should not be equally shared, Young (2011) argues, since actors possess different power, privilege, interest and collective ability that determine their possibility to influence improvement of the situation. Thus, Young (Ibid.) argues that these four parameters are of help when reasoning about actors’ level of responsibility.

In this sub-chapter the notions from the conceptual model, presented in chapter 3.4 (see figure 5), are re-introduced. With the aim of focusing on the food processing industry, the following analysis will connect the food processing industry’s responsibility according to the four parameters; power, privilege, interest and collective ability. By using these four parameters, the role of the food processing industry in Sweden will be analysed by connecting the perspectives from different actors to the model of social connection, presented by Young (2011). To highlight the interpretation of the model Young (Ibid.) uses the example of the anti-sweatshop movement. To bridge the theory and results of this case study, the examples presented by Young will be addressed, tying the parameter to a specific case, in order to enhance the interpretation of it, before applying this study’s results to the parameter of reasoning.

6.2.1 Power

The anti-sweatshop movement have put focus on actors that are particularly powerful within the industry, such as multi-national corporations (MNCs). Activists have argued that these actors have the power to improve the working conditions for the producers, if they chose to do so. The MNCs, on the other hand, stress that they do not have any liability towards labour conditions since they do not employ producers directly, but instead are connected to them through distinct contractors separated from corporations (Young 2011, p. 144-145). However, the anti-sweatshop movement have, at least to a certain degree, been successful in stressing the extended responsibility of MNCs in the apparel industry and thus addressing a social connection approach to that industry (Young 2011, p. 145).

So, what actors have the largest power in the palm oil industry, and what power does the Swedish food processing industry embrace? As mentioned by all participants in this study (Pers.com., Anell 2015; Bylund 2015; Lunden Pettersson 2015; Rydlund 2015; Tham 2015; www, Lantmännen 2015:3) the palm oil value chain is long and complex, including many actors and many steps. The problem with power, as Young (2011, p. 147) recognises, is that actors with significant power in relation to the unjust structures usually also have an interest in their perpetuation, i.e. they benefit from the unjust outcomes or that it is too costly to change. This could be argued for the corporations that own the plantations (or big processing plants) who pressures farmers to transform their land into oil palm plantations (Pers.com., Rydlund 2015), since they have a large amount of power and also interest in keeping the current situation since they reap large financial benefits from it.

When it comes to power, it could be argued that it is hard to state a level of power for the whole Swedish food processing industry, since different corporations or other actors might have different potential to influence the industry themselves. As Anell (Pers.com., 2015) points out, there are MNCs in the palm oil market that consume quite large amounts of palm oil, such as Unilever that uses a few percent of the global palm oil supply, but even though this is a high amount for just one company, the potential effect Unilever can have on the palm oil industry globally is still limited.

The overall aim for Europe is to reach 100 percent CSPO by 2020 (RSPO 2015). Europe is the third largest consumer of palm oil (www, Index mundi 2014:2) and thus this commitment has a large potential in transforming the industry. Sweden’s share of the European palm oil consumption is about 2 percent (RSPO 2015), indicating that there is a need for all countries in Europe to step up, fulfil commitments on sustainable palm oil and take responsibility in transforming the industry. The power that the Swedish actors could have on the palm oil industry globally is extremely small. However, taken together, the industry can possess a high degree of power, but still, comparing to the global palm oil industry, the Swedish actors express that they only exert a very limited amount of power when it comes to bringing sustainable development into the industry, however realising the importance that
all actors actively work with the question and take responsibility. As recognised by Tham (Pers.com., 2015), the higher up in the value chain you are, the more important it becomes that you are many with the same demands.

The Swedish food processing industry mainly has connections to European and Swedish corporations, who are the ones who buy palm oil from the world market. Since Swedish food processing companies only can put pressure on their suppliers, in order to commit to their own palm oil policies and commitments, Anell (Pers.com., 2015), Bylund (Pers.com., 2015) and Lundén-Pettersson (Pers.com., 2015) argue that the corporations who buy palm oil from the world market have the greatest possibility to influence the market of CSPO, and thus embrace more power than do the Swedish food processing industry. If the European and Swedish suppliers, who are the initial buyers of palm oil from the world market, would put pressure on the sources they buy from, the bought volumes of CSPO would increase at the same time as the supply of CSPO for the European food processing industries would increase. Bylund points out that; “When fats and margarines are produced, it should be done with segregated palm oil. Then there will be no choice for us at all, the choice then rather becomes of choosing another oil if it has better functionality in the product” (Pers.com., Bylund 2015).

Lundén-Pettersson (Pers.com., 2015) points out that if Arla Foods’ suppliers do not commit to their demands regarding CSPO, they will choose another supplier. Even though the palm oil volumes’ of Arla Foods are fairly small, this still is a way of exerting power by showing a stand point and putting demands further down the value chain. However, without the support from the initial suppliers, the goals of reaching 100 percent CSPO, and later small, this still is a way of exerting power by showing a stand point and putting demands further down the value chain. Therefore, it is extremely important that a large enough number of actors demand CSPO (Pers.com., Lundén-Pettersson 2015). There is also a need to be very explicit about what the European market demands; that there is a market for segregated palm oil to make the large actors in Europe realise that is what they should buy and distribute. The food processing industry needs to stick together, in order for the demand to be large enough, only then will the volumes be large enough to actually change the market, because volume is a crucial aspect, as expressed by Lundén-Pettersson (Pers.com. 2015).

Lundén-Pettersson (Pers.com., 2015) argues that “If we buy the cheapest product on the market, we support that kind of production, if we go in and make demands, we support a production that is better, and that is what we want to show that anyone can do” (Pers.com., Lundén-Pettersson 2015). This indicates that even though Arla Foods might not have the “economic power” to change the palm oil market, since they are not a large enough user of palm oil, it is still possible to push sustainable development in the right direction by being part of a dialogue with other actors and setting demands. This position, being able to choose which product to buy, also indicates a privileged position, further elaborated on in sub-section 6.2.2 below.

6.2.2 Privilege

Middle-class clothing consumers in the “developed world” stand in a privileged position within the apparel industry, since they are able to change consumption habits without suffering serious deprivation, but the same cannot be argued for a lower-income clothing consumer, since the latter might be less able, than an affluent consumer, to spend more money on clothing produced in a better way (Young 2011, p. 145). Therefore, a more affluent consumer has a larger responsibility to address the issue of injustice in the apparel industry, since they benefit largely from this.

So, if the Swedish actors do not exert a large potential or power to bring about change in the palm oil industry, do they have privilege that indicate that they nevertheless have a large responsibility to address issues of injustice? Just as in Young’s (2011) example concerning the apparel industry, where the middle-class consumers in the “developed” or affluent parts of the world have a more privileged position than lower-income consumers, the Swedish, and European, actors have a much more privileged position compared to actors in less affluent parts of the world, e.g. India, Indonesia and China where the consumption of palm oil is higher than in Europe (www, Index mundi 2014:2). Tham (Pers.com. 2015) also recognizes that Europe and richer parts of the world have a different responsibility than do China, India or Indonesia, for example, much due to the differing economic positions and price sensitiveness, which holds that Europe are in a more privileged position than China, India or Indonesia.

Tham (Pers.com. 2015) argues that consumers can play a large role on a holistic plan, if they were to take on their consumer power and change consumption patterns; for example eating less meat, stop throwing away food and make more conscious decisions. Here, the different responsibility of consumers in Europe and India, as an example, is made clear when Tham (Pers.com. 2015) poses the example of an Indian woman choosing between affording to buy half a litre or one litre of palm oil for cooking. Tham (Ibid.) also views the issue from the eyes of a Swedish mother in the store and state that you cannot expect her to twist and turn a bag of snacks to read the ingredient list; you cannot demand that this consumer should be able to put time and effort into doing so. Hence, different consumers even with the same economic position and affluence might have different possibilities to act as conscious consumers in every aspect, but the general view is still that the more affluent consumers have a greater responsibility than the ones who are less prosperous.
It can also be argued that Swedish companies are privileged in the sense that they do not “suffer serious deprivation” when adopting sustainable procurement policies for palm oil. It does not impugn seriously on the business since palm oil is a small ingredient for most companies (Pers.com., Bylund 2015; Lundén-Pettersson 2015; Johansson 2015). However, as Lundén-Pettersson (Pers.com., 2015) recognises, the last few percent are the hardest to cover with CSPO, since they consist of both very small volumes and also oil-mixes, some of which there currently are no CSPO-options. Despite this, a privileged position by the Swedish food processing industry can still be argued for. Also, Swedish actors are privileged in the sense that they are connected in established networks, which will be further elaborated on in sub-section 6.2.3 below.

### 6.2.3 Collective ability

Actors who contribute to structural injustice often have to reorganise their activities to bring about change, but actors have different capacities to do so, hence different collective abilities. “Some agents are in positions where they can draw on the resources of already organized entities and use them in new ways for trying to promote change. Unions, church groups, and stockholder organizations, to name just a few, sometimes can exercise significant power not because they can coerce others to do what they decide, but because they have many members who act together” (Young 2011, p. 147). Students did this in the anti-sweatshop movement, when groups of students used their colleges and universities existing organisational capacity to intervene processes that supported injustice (Young 2011, p. 147).

The collective ability among Swedish food processing industries is rather large, since they are connected in existing organisations. One example of this is the Swedish Food Federation (LI) who gathers 850 members, all connected to the food industry, who initiated the Swedish initiative for sustainable palm oil which connects all member organisations to a set frame of goals; 100 percent certified sustainable palm oil by 2015. By using the capacity of an already existing organisation like this has great potential to bring about change, since many actors already are connected and thus reached by the initiative. This initiative spurs interest to join RSPO, and LI serves as a communicator who “guides” its members in different questions. In a European context, Sweden’s ability to reach the overall target in Europe of 100 percent CSPO by year 2020, should, according to the Swedish initiative for sustainable palm oil be reached already in the end of year 2015, which shows of ambition and enacting of a role model.

The food processing industries have also formed other alliances, gathering actors in dialogues. Food retailers saw common ground in the palm oil issue and gathered in dialogues (www, Bylund 2015). The important thing is that sustainable development cannot be a competitive issue (www, Tham 2015) and that actors demands are similar, so that a large enough volume can be demanded, creating incentives for producers to use sustainable farming practices. Many or large actors have to stand behind the collaborations. Therefore, the connection to RSPO seems very promising as well do the development of the standards within POIG, which further pushes sustainable development.

### 6.2.4 Interest

When it comes to interest, even victims of injustice bare responsibility according to the social connection model, since they also contribute to it, e.g. factory workers accept wages and do not impugn bosses’ authorities, and it is they who know the best about their situation and without them addressing it and communicating about the injustice, the harder it is for other actors to get involved and address responsibility for the injustice (Young 2011, p. 146).

Following Young’s logic; no Swedish or European actors’ livelihood is dependent on palm oil, at least not in relation to how it is dependent for the livelihoods of many people in Malaysia and Indonesia, whose sole income might be based on palm oil production. Rydlund (Pers. com., 2015) expresses how land owners get their land acquired by oil palm corporations through binding agreements, with somewhat questionable methods, through Konsep Baru. The land owners believe they align and grant their land to the oil palm corporation through a time-limited joint venture, but instead lose their land-title as the land is passed on “by tradition” while the contract with the oil palm corporation still is in place. The social dimensions of this problematic highlight the structural injustice in the palm oil industry. In the same way as Young (2011) argued for the interest for factory workers in the apparel industry, the producers of palm oil, farming the oil palm plantations, are as well victims as also actors of responsibility in the palm oil industry. However, the victims of injustice do not have much of a choice but to accept the conditions.

Young (2011) argues that, in the anti-sweatshop movement some strategies have been ineffective and even “authoritarian” from the workers’ point of view since “While outside activists may think that what justice requires in some situations is shutting a bad factory down, for example, this is rarely what the workers want” (Young 2011, p. 146). This coincides with the concern Anell (Pers. com. 2015) expresses, about a “superior perspective” where the solutions Westerners propose, might contradict what the production countries are trying to achieve. However, the support of external actors and organisations is expressed to be an important part in order to reach all involved actors as well as to raise awareness of the situation and possible solutions (Young 2011). Here, the work of SSN and WWF is extremely important, for example mobilising local communities and supporting local organisations to
strengthen the victims of injustice and gain knowledge about the local context (Pers.com., Rydlund 2015; Tham 2015).

However, it can also be argued that it is in the food processing companies and food retailers’ interest to raise awareness of their CSR activities in relation to sustainable palm oil, CSPO, since by proactively and voluntarily engaging in CSR activities corporations can avoid risks of being scrutinized by consumers, NGOs or the media (Hartmann 2011). However, in order to raise awareness of CSR activities, they have to be communicated. A recent study shows that even though Swedish consumers are aware of the palm oil issues, few now about the certification of palm oil (www, Kihlberg 2015). NGOs are appointed an important communicator role (Pers.com. Lundén Pettersson 2015), but the results of this study indicates that food processing companies and food retailers have a large responsibility in communicating about their CSR activities, and thus about CSPO to raise consumers awareness, since this would benefit corporations by safeguarding from negative publicity. Bylund (Pers.com., 2015), Lundén Pettersson (Pers.com., 2015) and Anell (Pers.com., 2015) recognises that the communication and debate about palm oil has to become more nuanced, bringing out both the pros and cons with palm oil. Bylund (Pers.com., 2015) stresses that some consumers have a hard time grasping why Coop does not remove palm oil from their products all together. At the same time, consumers are unaware of CSPO (www, Kihlberg 2015) and Morley, spokesperson for RSPO, describes this as a “chicken and egg situation”, where the communication about CSPO falls between the chairs (www, Smedley 2014).

* * *

Then, taken together; what is the responsibility of the Swedish food processing industry and can something be said about other actors’ responsibility? Figure 9 visualises the size of each parameter for the Swedish food processing industry, where the level of power and interest is smaller while the level of privilege and collective ability is rather large.

![Figure 9: Visualising the parameters attributing responsibility for food processing industries regarding palm oil.](image)

This indicates that the role of food processing industries in solving the structural injustice in the palm oil industry, taking responsibility for issues they are connected to through their business activities, is rather large in total. As shown in figure 9, the privileged position and collective ability the food processing industries hold, implies large indicators for responsibility. Other actors, such as producers and oil palm companies have larger interest in the matter. However, when it comes to power the reasoning becomes more complex. The Swedish actors argue that the Nordic market is extremely small, compared to the global market of palm oil. However, it is also argued that large actors, such as Unilever that uses a few percent of the global palm oil supply, also only possess a limited amount of power, since a few percent also is a small number and does not imply a large potential of impact on the whole market of palm oil. Thus, power coincides with bringing many actors together in order to put similar demands, and as expressed by Johansson; “Our way of taking responsibility for palm oil production has always been to demand palm oil according to the leading certification body RSPO (Roundtable on Sustainable Palm Oil). That is in my opinion the most effective way, as small player in a global and complex supply chain, to affect the progress and gain support for our demands” (www, Lantmänn 2015:3). Thus, being socially connected implies extended responsibility but nevertheless can any actor solely solve the issue, instead responsibility is collectively shared.
7. Discussion

This chapter discusses the results of this study and connects the findings with those of previous studies. The structure of the chapter is based on the research questions presented in chapter 1.

In this case study the institutional structures have been analysed, as well as the parameters of reasoning about the level of responsibility these targeted companies ought to have and take. The findings show that there are a number of external pressure points targeting corporations to take responsibility, such as scorecards creating peer pressure through exposing achievements and weaknesses of addressing palm oil, as well as NGOs targeting specific companies in campaigns. The responsibilities the food processing industries have has also been derived and labelled as rather large. The following discussion will connect the results of this study with those of previous studies, guided by the research questions presented in chapter 1; how are actors taking responsibility and what are the motives behind taking it?

7.1 How are actors taking responsibility across the value chain?

The interviewed actors (Arla, Coop, and Lantmännen) argue that they are taking their responsibility in the palm oil question already, by being actively engaged in the question, buying certificates and having the ambition to buy 100 percent segregated palm oil in a few years’ time. Many of the food processing industries are also looking into the role of palm oil as an ingredient, if it is possible to remove it completely from certain products or change it for other oils, in order to decrease the “un-important” use of palm oil. However, as Anell (Pers.com., 2015) points out, there are still companies that are unaware of the issues, and that currently are not taking any measures for improving the situation. Those actors have to be addressed in order to reach large enough numbers. Rydlund (Pers.com., 2015) points out that “Now, we expect that LI’s initiative for sustainable palm oil is carried out and fulfilled in 2015, which means that all palm oil that the Swedish industry accounts for will be at least Green Palm-certified and despite the fact that the Swedish industry does not account for all the palm oil we buy in Sweden, because we also import from non-Swedish suppliers as well, this is a giant step” (Pers. com., Rydlund 2015). Thus, the initiative is seen as a promising approach to bring about change in the industry, but without reaching all actors that uses palm oil, the initiative will not consist of the whole industry, and thus have a hard time bringing change to the industry. As previously argued, palm oil is the most efficient crop, yielding by far the most oil per hectare (www, European Palm Oil Alliance 2015:1), and thus if other crops were to fill an increasing demand of edible oils, even larger areas would be needed. Therefore it is extremely important that actors take responsibility and that unsustainable practices in the palm oil industry is phased out.

However, the EU initiative of 100 percent CSPO by 2020 covers all member countries (RSPO 2015), and as Europe is the third largest consumer of palm oil in the world (www, Index mundi 2014:2), such an initiative would bring substantial change. Though, the initiative is still voluntary. Geibler (2013), argue that the RSPO is only partly effective in order to pursue sustainable development in the palm oil industry, due to indirect effects from increased market demand not are adequately considered, which limits RSPOs ability to steer value chains towards sustainability. However, the more recent initiative POIG might call for solutions here, as its demands stretches further than RSPO (POIG 2013; www, POIG 2015) further limiting the possibilities for environmentally destructive palm oil. It will still, though, not increase the balance between industrial and developing countries and can thus not determine or regulate the negative consequences of complex interactive systems in global value chains (Geibler 2013, p. 51). Rydlund (Pers.com., 2015) calls for controlling guidelines and regulations and argues that “Companies can go very far with their inner drive, but ultimately they are also responsible for other actors and that is where we must cover with legislation and regulations that they are not allowed to step outside” (Pers.com., Rydlund 2015).

Young argues that “Being responsible in relation to structural injustice means that one has an obligation to join with others who share that responsibility in order to transform the structural processes to make their outcomes less unjust” (Young 2011, p. 97). In the palm oil case, food processing companies and food retailers have joined with others, both in established forums like LI as well as in other dialogues, roundtable discussions and partnerships. Food retailers have established a collaboration which started with Ica, Axfood and Coop, the three largest food retailers in Sweden, to now also include Bergendahls and Lidl (Pers.com., Bylund 2015), thus covering almost the entire food retailing market. SSNC have dialogues with different corporate actors, where they sometimes also invite some of their collaboration partners, who bring great knowledge about the local context (Pers.com., Rydlund 2015). Food processing companies collaborates with other actors through partnerships and dialogues, both incorporating other food companies but also LI, as a trade- and employer organisation, as well as NGOs. Important to stick together and put similar demands: connect to studies on multi-stakeholder initiatives (RSPO). However, as expressed by Lundén Pettersson (Pers.com., 2015) there need to be a balance when pushing the demands, both in order not to lose important actors if the demands are set too high or too low, while keeping a high enough level to actually push sustainable development of the industry.

Schrempf (2012) uses the method of social connection to describe and label the increasing and changing nature of corporate responsibility, by investigating three levels of responsibility; upstream, downstream and historic. This
connects with this study in that way that we both aim at describing the changing arena for corporate responsibility by using the method of social connection, developed by Young (2011) and by doing so, describing the responsibility corporate actors ought to take for things occurring along the whole value chain. Thus, corporations are asked to take responsibility for actions they are connected to through their business activities, both downstream towards consumers as well as upstream towards the initial producers. This case study reveals that food processing industry and food retailers put pressure on their suppliers and sub-contractors in order to enact their own commitments on 100 percent CSPO, a commitment that depends on a supply of CSPO accordingly. By putting such pressure, corporations are taking extended responsibility by ensuring responsible procurement sources, thus supporting the findings of previous studies indicating that corporations are taking extended responsibility of their whole value chain (Schrempf et al. 2012; Scherer & Palazzo 2011; Maloni & Brown 2006; Morsing & Schultz 2006).

NGOs and consumers hold these corporations responsible for deforestation in production countries, and pressures corporations to take responsibility for their actions, demanding de-forestation free palm oil. However, there is incongruence between NGOs and consumers perceived responsibility of corporations and the actual responsibility, since few consumers now about the existence of CSPO and therefore they connect usage of palm oil to deforestation (www, Kihlberg 2014). Here, incongruence between perceived and actual CSR images could be decreased by communication (Tata and Prasad 2014). Bylund (Pers.com., 2015) points out that there are few good examples to communicate to consumers, in order to make them recognise that there are both pros and cons with palm oil. Lundén-Pettersson (Pers.com., 2015) also recognises that NGOs are important from a communication point of view, since they have established and credible channels of information. Though, as Morley, spokesperson of RSPO, recognises; brands have a larger consumer reach than do RSPO, and thus it is important that brands use labels marking the product with a green label, to actually communicate about the use of CSPO in their product (www, Smedley 2014). However, Chkanikova & Mont (2015) recognises that there is an extensive amount of labels available that might impose confusion of consumers and the results clearly show a need for more communication and transparency towards consumers. The investigated corporations in this study; Arla Foods, Coop Sverige and Lantmännen all communicate about their policies, goals and achievements in regard to palm oil on their web-sites (www, Arla 2015:3; www, Coop 2015:3; www, Lantmännen 2015:2). But since consumers still are unaware of certified sources of palm oil, the results indicate that there is a need to step up the communication. Du et al. (2010) even impose that companies would reap benefits from such communication, through minimizing stakeholders’ scepticism. However, corporations are not the only actor responsible for communicating about this; it falls on NGOs as well as actors connected to the initiatives, such as RSPO and POIG.

7.2 What are the motives for taking responsibility in the palm oil industry?

Even though the motives behind taking responsibility in the palm oil industry have not clearly been spoken out, conclusions can still be derived from the views expressed by the interviewed actors. Lundén-Pettersson (Pers.com., 2015) expresses that the corporate ambition of Arla Food’s is to take responsibility over the whole value chain, all products, even the ones of smaller volumes, such as palm oil. The same reasoning goes for Lantmännen, who have an overall slogan “from field to fork” (www, Lantmännen 2015:1). In both cases it can be argued that the motive for taking responsibility stems from an overall corporate vision of a sustainable value chain. However, this case study has shown that NGOs and consumers exert power on industry, not the least since the EU food labelling law was enforced in December 2014, purporting that consumers all over Europe now are aware of which products that contain palm oil (EU 1169/2011; www, Lindahl von Sydow 2014; www, Phillipson 2015). Thus, the motives for taking responsibility also stem form external pressure. Waddock (2008) argues, that “…collectively the emerging responsibility infrastructure, drawing from changing public expectations and by creating significant new sources of pressure, has generated new corporate attention to accountability and responsibility through a wide range of pressure tactics aimed explicitly at business practices” (Waddock 2008, p. 105). The influence and pressure from stakeholders has thus stimulated CSR activities in corporations, and the results of this case study support earlier findings.

Waddock (2008) further argues that “Although not all companies are yet engaged at a high level, certainly today many companies place significantly more emphasis on responsible practice than they used to because they recognize that they are operating under the watchful eye of activists, investors who care about issues beyond wealth maximization, the media that undertake rating schemes, and their peers who provide positive exemplars” (Waddock 2008, p. 105). As shown in table 9 in chapter 6.1, a number of activities pressure companies to take responsibility in the palm oil industry. Since the Swedish initiative for sustainable palm oil was initiated 6 March 2014, an additional of 20 Swedish organisations has become members of RSPO (www, RSPO 2015f), now summing up to 33 members (www, RSPO 2015a). This indicates that the Swedish initiative spurred companies to commit to reaching 100 percent CSPO and becoming members of RSPO in order to get credibility for their actions. However, as indicated in chapter 7.1 above, the communication about these actions is currently not fully reaching consumers and thus, there are potential benefits to reap by such endeavours. This also indicates that parallels from this case study’s results can be
drawn to Chkanikova and Mont’s (2015) study on drivers and barriers for food retailers to implement corporate supply chain sustainability. Even though the focus in Chkanikova and Mont’s study is on food retailers and sustainable supply chains in general, thus not focusing on a specific product, parallels can still be drawn to this case study. Chkanikova and Mont (Ibid.) acknowledges that the external institutional demands transcend into corporate engagement and sustainable supply chain strategies as demands become critical to business operations as well as when business benefits can be drawn from doing so (p. 74). Market and social factors, similar to the ones expressed in this study, exert power on industry to enact sustainable supply chain strategies. Some retailers recognises that joining various initiatives, such as RSPO or RTRS that includes several actors, helps develop markets for sustainable products and assists in setting standards for sustainable sourcing practices, in areas where such currently are missing.
8. Conclusions and further research

The aim of this thesis is to explain the communicated conditions of responsibility in the case of the palm oil industry, focusing on the role of food processing industry. This last chapter will return to the aim of this study and conclude the main findings as well as suggest topics for further research.

This case study investigates the communicated conditions of responsibility in the palm oil value chain, focusing on the food processing industry, where food retailers also have part. In doing this, the views of corporate actors (Arla Foods, Coop Sverige and Lantmännerna), a trade- and employer organisation for the food industries (LI) as well as NGOs (SSNC and WWF) have been incorporated. The results clearly show that the palm oil industry stands before a vast number of challenges that call for some kind of change in order to be solved. First, the institutional structures of the palm oil industry are analysed in order to derive the institutional structure of communicated conditions, which put demands on responsibility practices on corporations. This indicate that there is an extensive external pressure on food processing companies and food retailers, deriving from NGO pressure, peer pressure, coverage of the issue in journals and magazines as well as food labelling legislation in EU which makes the use of palm oil transparent to consumers. Second, the level of responsibility the food processing industry have regarding sustainable development in the palm oil industry is derived by using four parameters of reasoning; power, privilege, interest and collective ability, developed by Young (2011) to describe social connections. This is done in order to reason about the responsibility of actors who are connected and pressured by many others’, since even though all actors connected to an issue have responsibility, the responsibility is nevertheless not equally shared (Young 2011). Here the results indicate that the privilege and collective ability of the Swedish food processing industry is vast, due to economic position and potential to join with others in different initiatives, both within existing institutions as well as in newly formed. However, the power and potential to bring about change is rather small and indicates that a large number of actors need to stand behind the initiatives. Interest, on the other hand, is often connected to victims of injustice, i.e. growers and producers of palm oil whose livelihoods largely depend on palm oil production, but interest can also be connected to corporations will to withstand corporate reputation and brand image, meaning that also this parameter is rather significant for the food processing industry. Thus, the pressure on corporations is vast, as well is the responsibility of the food processing industry.

The results of this study support the findings in literature, that the institutional structures are exerting pressure on corporations and thus that the CSR demands are increasing (Scherer & Palazzo 2011; Jensen & Sandström 2011; Waddock 2008) and that this, in part, is due to NGOs exerting pressure on businesses (Scherer et al. 2014; van Huijstee & Glasbergen 2010:1; 2010:2; Palazzo & Scherer 2006). Also, the results of this case study are supported by findings on drivers and barriers for food retailers’ sustainable supply chain initiatives (Chkanikova & Mont 2015). The results of this case study indicate that corporations in the palm oil industry to a large degree are extending their responsibilities beyond shareholder maximization into broadening the concept to include industrywide changing activities through membership in RSPO, local initiatives and development of corporate specific policies on palm oil. However, challenges connected to palm oil still exist and here communication about corporations CSR endeavours have been explicitly found as a challenge that needs to be handled by food processing companies and food retailers, in order to raise consumers knowledge about CSPO. Also, parallel processes have to be embraced, since RSPO cannot be the sole driver of sustainable development in the palm oil industry. The importance of “numbers” and “volumes” have been mentioned many times over and this clearly indicate that many actors have to stand behind the initiatives in order to put pressure and show demand for sustainable development to thrive in the palm oil industry.

As this case study specifically looks into the role of food processing industries, many other actors connected to the palm oil value chain have been neglected. Thus, future research would need to incorporate more actors from the value chain in order to reveal how they actively can work together in order to spur sustainable development in the palm oil sector. Also, since this case study focuses on the food processing industry in a Swedish context, further research could include the role of food processing industries in other countries, to see if the results indicate the same pattern of responsibility. Further research would also benefit from looking into what actors can and should do with their attributed level of responsibility in the palm oil industry, since this currently is one aspect that Young’s (2011) model of social connection is lacking (Jubb 2013). This research could focus on what actions are most efficient in bringing change. The largest source of threat right now is the estimated expansion of palm oil, are the initiatives taken today enough to combat the threats of this? What can different actors do in order to extend their responsibilities further? All in all, the important thing is to look forward and realising that all actors connected to palm oil have responsibility in bringing the palm oil situation to a more sustainable state – everyone can do something.
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Appendix A: Palm fruits at glance

Palm Fruits at a Glance

Species: Elaeis guineensis
Type: Tenera (DXP)
Planting density: 148 palm/ha
Nursery period: 24 months
Economic Life: 25 years

Bunch weight: 10-15 kg
Fruitlets/bunch: 1000-3000
Oil/bunch: 22-25%
Kernel/bunch: 4%
Kernel production/year: 8kg
Oil production/year: 42.5 kg

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Figure 10: Describing the properties of the oil palm and the oil palm fruits from where palm oil is extracted. (www, Palm Oil World, 2015)

In figure 10 the properties of the oil palm, the oil palm fruit bunch and the oil palm fruit is visualised.
Appendix B: Palm oil & palm kernel oil supply chain processes

Figure 11: Overview of the palm oil supply chain (www, RSPO 2015d).
Figure 12: The palm oil supply chain process (www, Green Palm 2014).
Figure 13: Palm kernel oil supply chain processes (www, Green Palm 2014).
Appendix C: Interview guide

English:

• What are the current challenges, as you see it, for the work with palm oil?
• How are you working with questions of responsibility that are related to palm oil?
• What actors in the value chain for palm oil do you see as important from a responsibility-perspective – and why?
• What forms of collaboration do you see as suitable – and why?
• What do you see as crucial for continue working with responsibility within palm oil production-processing and sales?

Swedish:

• Vilka är utmaningarna i stunden som Du ser det för arbetet med palmolja?
• Hur arbetar Ni med ansvarsfrågor som relaterar till palmolja?
• Vilka aktörer i värdekedjan för palmolja ser Du som viktiga ur ansvarsperspektiv – och varför?
• Vilka samverkansformer ser Du som lämpliga – och varför?
• Vad ser Du som avgörande för fortsatt arbete med ansvar inom palmoljeproduktion- förädlings och försäljning?

Appendix D: Speakers at LI’s seminar on “Sustainable palm oil”

The symposium was arranged by The Swedish Food Federation (LI) with the title “Sustainable palm oil” 5 February 2015 at Berns in Stockholm, Sweden.

Dr Kalanithi Nesaretnam, Minister at the Embassy of Malaysia, located in Brussels, was representing the Malaysian government’ point of view (and talked about the conditions for producers as well as the economic beneficiaries that palm oil bring to Malaysia).

Danielle Morley, European Director of Outreach and Engagement at RSPO, together with Johan Anell, in charge of CSR and sustainability at the Swedish Food Federation, and Anneli Bylund, sustainability strategist and authorized dietician at Coop Sverige, were representing business perspectives on sustainable palm oil, talking about the taken initiatives and what the future can/will bring.

Lena Tham, spokesperson for business collaborations in palm oil at WWF, and Maria Rydlund, expert on tropical forests at the Swedish Society for Nature Conservation (SSNC, in Swedish: Naturskyddsföreningen), represented the NGOs, bringing a fuller picture of the social and environmental issues connected to the palm oil industry.

Health aspects of palm oil consumption were also considered by Ulrika Gunnerud, Swedish Nutrition Foundation.

Appendix E: Presentation of the interviewed organisations

The Swedish Food Federation (LI)

LI is the trade- and employer organisation for the food companies of Sweden with about 800 member companies, ranging all the way from small, local companies to large, multi-national corporations.

Arla Foods

Arla Foods is a dairy cooperative, owned by 12.500 dairy farmers in seven countries; Sweden, Denmark, the UK, Germany, Belgium, Luxembourg and the Netherlands (www, Arla 2015:1). The history of Arla starts in the 1880’s when dairy farmers in Denmark and Sweden started to form small cooperatives, which over time developed into what is now known as Arla Foods, a company that now have stretched its borders even outside of Europe, to Canada, the United States and China (www, Arla 2015:2). Arla Foods work with Corporate Responsibility from a small group function (koncernfunktion), where palm oil is one of many questions addressed. Palm oil is a small ingredient in total for Arla Foods, in the last communication of progress to RSPO Arla has 25-30.000 ton palm oil, mainly used spreadable margarine and in milk powder as well as some cheese products where butterfat is replaced with palm oil.
**Coop Sverige**

KF – The Swedish Cooperation Union is the parent company of KF Group where Coop’s grocery retail trade group constitutes its core business (www, Coop 2015:1). Around in Sweden, Coop has 665 stores that are owned by 3.4 million members in 35 cooperative societies and being a member-owned organisation means standing on the consumers’ side (www, Coop 2015:2). Coop cares for the environment and health and they state that the business always should be in harmony with what the members prioritise and demand (www, Coop 2015:2).

**Lantmänningen**

Lantmänningen is a Swedish agricultural cooperative owned by 29,000 farmers in Sweden, with the slogan “from field to fork” (“från jord till bord”), meaning that Lantmänningen wants to take responsibility across the whole value chain, from production to consumption (www, Lantmänningen 2015:1). With a CSR manager who is frequently updating about current developments in a blog about sustainable development, Lantmänningen’s work with palm oil is communicated in a comprehensible way to everyone who is interested to know more about it. Lantmänningen uses palm oil as an ingredient in food products and also uses rest products from the palm oil industry, palm kernel expeller, as a fodder ingredient.

**SSNC**

Swedish Society for Nature Conservation (SSNC) is a charitable environmental organisation; a Swedish based NGO which has existed for more than 100 years and that currently have more than 221,000 members, meaning that SSNC is Sweden’s largest environmental NGO today (www, Naturskyddsföreningen 2015:1; 2015:2; 2015:3).

**WWF**

WWF is a global network organisation with offices around the world where WWF works with questions that concerns the whole value chain. Tham is part of the global palm oil working group, specialised in business collaboration.