# SUSTAINABILITY BUSINESS MODELS:

How integrated is sustainability in mainstream business models?

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This research would not have been possible without the interviewees. They all took time from their very busy schedules and coped admirably with an inexperienced researcher. These are Tone Edvinsen (ISS Norway), Joseph Nazareth (ISS World), Rønnaug Vinje (Coca-Cola Enterprises Norway), Tina Mari Flem (Norway Post), and Bjørn Iuell (Statkraft).

Finally, I would like to say that I have enjoyed writing the thesis and I am pleased that I was able to conduct a research project on a subject I find interesting.

Anders Kolstad
Oslo, October 2013
Executive Summary

Managing the relationship between business and society has been one of the main topics in academic and business literature for a long time, and a discussion is whether sustainability should be treated as “built-in” or “bolt-on”. This research paper focus on sustainability and business models, and the purpose is to find out how integrated sustainability is in mainstream business models. In addition to provide insights in the debate on how sustainability should be integrated, the research contributes as how sustainability challenges affect business models and strategy, the advantages of being engaged in sustainability, and it discuss difficulties encountered when pursuing sustainability. In addition to the contribution on sustainability, the research paper also helps to clarify some of the fuzziness that concerns literature on regular business models.

In order to identify the features on how integrated is sustainability in mainstream business models, a multiple case study of four case companies that all have a strong focus on sustainability are analyzed. Data were collected both by semi-structured interviews and by company reports. Analysis of the business model was based on a theoretical framework developed through the analysis of the literature. The integration of sustainability in the mainstream business model was made by comparing sustainability initiatives already in place, in connection with business model components inherent in the case companies mainstream business models.

The findings of the paper suggest two main conclusions. First, sustainability should be treated as “built-in”, rather than “bolt-on”. The sustainability initiatives in place at the case companies is integrated in their mainstream business models, which mean that it is connected to their day-to-day operations. Benefits by integration are related to product, infrastructure, customers and the financial. Secondly, the business models of the case companies were highly influenced by sustainability challenges related to their business and industry.

There are several advantages in pursuing sustainability, such as enhanced reputation, increased trust among stakeholders and investors, competitive advantage, reduction of potential conflicts and its affects employees and recruitment in a positive way. There are some difficulties to be aware of as well. Time is one challenge, leaders have to lead the way, it should intersect with the main business areas, it can be costly in short-term perspective, and for global companies, sustainability has to be tailored to fit different values, cultures and legislation. It is important to have in mind that it sustainability is a challenge in itself, as it is difficult to balance social equity, environmental integrity and economic prosperity. Lastly, the paper contributes to research on business models, and shows that the business model ontology can be used to describe the business model of companies within various industries.
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1. Introduction

1.1 Sustainability and Business

Companies have large influence on the economy and life in general (Schaltegger, Ludeke-Freund, & Hansen, 2012), and almost all business decisions involve social and environmental issues (Montiel, 2008). The Rio de Janeiro Earth Summit held in 1992 led to the outcome of Agenda 21, which is a framework of action for achieving sustainable development (Dresner, 2008). Another outcome was the creation of the World Business Council for Sustainable Development (WBSCD), which was founded on the belief that business could act as a catalyst for change toward the achievement of sustainable development (WBSCD, 2011 cited in Swanson & Zhang, 2012, p. 631). Business has become an important voice on sustainability issues, and it is no longer a part of the problem; it is part of the solution, if not the driver for it (WBSCD, 2012a). Kofi Annan, the former UN Secretary-General, remarked at the World Summit on Sustainable Development held in Johannesburg in 2002 that:

*Business and society benefit by working together, and that they are realizing that it is necessary to mobile the corporate sector in order to make significant progress, as the corporate sector has the finances, the technology and the management to make all this happen (UN, 2002).*

Companies have to take the lead for a sustainable development (Bansal, 2002; Elkington, 2004; 1994; Hart, 1997; Høgevold & Svensson, 2012; Kassel, 2012; Lee, 2008; Montiel, 2008; Svensson & Wagner, 2011a; 2011b), as corporations have the resources, global reach and motivation to achieve sustainability (Hart, 1997), and society will never achieve sustainability development without firm support (Bansal, 2002; Kassel, 2012).

Business much more than non-governmental organizations (NGOs) will take the lead in the third millennium (Elkington, 2004; 1994), and the *business model* becomes a relevant factor for corporate sustainability when companies try to improve their sustainability performance (Schaltegger & Müller, 2008; Weber, 2008). A business model describes the rationale of how an organization creates, delivers and captures value (Osterwalder & Pigneur, 2010), and it is a powerful way for executives to analyze and communicate their strategic choices (Shafer, Smith, & Linder, 2005). True corporate sustainability requires an integration of social equity, environment integrity and economic prosperity (Bansal, 2005; Weber, 2008), and as business models express the *business logic of the firm* (Osterwalder, 2004; Osterwalder, Pigneur, & Tucci, 2005), it seems that sustainable development and business models are inextricably linked.
1.2 Relevance of Topic

Business models are a concept that is experiencing increased interest (Lüdeke-Freund, 2009), and many forces in today’s world propel the private sector toward greater incorporation of sustainability in their business models and strategies (Begg, van der Woerd, & Levy, 2005). A company that tries to improve its sustainability has to change its business model (Schaltegger et al., 2012; Sharma & Henriques, 2005), and the integration of environmental management processes within the business model may allow firms to reduce inefficiencies caused by diverging objectives (Burke & Logsdon, 1996). Despite its fundamental significance, understanding of sustainable business models and how sustainable development is operationalized in firms is weak (Bansal, 2005; Birkin, Cashman, Koh, & Liu, 2009; Hall & Wagner, 2012; Høgevold & Svensson, 2012; Høgevold, 2011; Lüdeke-Freund, 2009; Schaltegger et al., 2012; Sharma, 2002; Stubbs & Cocklin, 2008; Svensson & Wagner, 2011a).

There is an urgent need to consider whether, and how notions of sustainable development can be incorporated into the management of business (Birkin et al., 2009). There have been few attempts to explore what businesses are currently attempting to do in practice to incorporate sustainable development (Birkin, Polesie, & Lewis, 2009; Høgevold & Svensson, 2012; Høgevold, 2011; Stubbs & Cocklin, 2008; Svensson & Wagner, 2011a; 2011b), and further understanding of these aspects may be of great academic and practical value (Stubbs & Cocklin, 2008). Further research should contain case studies on sustainability, as it is a field that suffers from shortage of real world examples and best practice (Høgevold & Svensson, 2012).

The research design of this paper is a multiple case study, consisting of four case companies from various industries. The purpose of the research is to find out how integrated sustainability is in mainstream business models, and the companies selected all have a strong focus on sustainability. The business model of the case companies will be outlined based on the business model ontology (Osterwalder, 2004; Osterwalder & Pigneur, 2010). After the business model is outlined, there will be investigated how sustainability fits into the overall business model of the companies. The intention of the paper is therefore to answer the following research question:

**How integrated is sustainability in mainstream business models?**

The following research questions will help to provide answers to the main question:

- How sustainability challenges affect their business models and strategy?
- What are the advantages of sustainability engagement?
- What difficulties were encountered in pursuing sustainability?
1.3 Contribution to Research

Managing the relationship between business and society has been one of the main topics in academic and business literature for a long time (Michelini & Fiorentino, 2012), and a discussion is whether sustainability should be treated as “built-in” or “bolt-on” (Grayson & Hodges, 2004). Neither theoretical nor empirical research offers sufficient answers to the question what a sustainable business model might be (Schaltegger et al., 2012; Stubbs & Cocklin, 2008), but a business model for sustainability (Lüdeke-Freund, 2009) and triple bottom line business models (Osterwalder and Pigneur, 2010) are two proposals. The former treat sustainability as “built-in”, as it integrates sustainability within the model. The latter suggest that sustainability should be treated as “bolt-on”.

The intention of the paper is to find out how integrated sustainability is in mainstream business models, and it will therefore contribute to the discussion how sustainability should be integrated. The research focus on companies with a strong focus on sustainability, and the findings will therefore strongly indicate whether sustainability should be treated as “built-in” or “bolt-on”. The paper is also a practical investigation on how business from various industries work with sustainability. In addition to provide knowledge about sustainability, it also contributes in the field of the business model. Business models are a fuzzy term (Linder & Cantrell, 2000), and by using the business model ontology as a framework on businesses from various industries, the research will hopefully clarify some of the fuzziness concerning business models.

1.4 Structure of the paper

Chapter 2 explains what a business models is, and describes various business model definitions, taxonomies, components and the relations between business models and strategy. Chapter 3 provides the framework that is chosen to describe how the various case companies business models look like. Chapter 4 explains what sustainability and corporate social responsibility are, and how the two terms are connected. There exist some theories on sustainability business models, and chapter 5 portrays how these look like, in addition to have a look at inclusive and social business models. Chapter 6 describes the methodology used in this paper, and focus on philosophy of science, the research design, how data have been collected and analyzed, and what kind of limitations the chosen methodology have for the findings. Chapter 7 to 10 are about the case companies, with a single chapter for each. These chapters combine findings with analysis, and each follow the same structure. Their respective business models are introduced in the beginning, following with details on how they view sustainability and how it affects their business. A table of their sustainability initiatives is provided, followed by an analysis on how these initiatives can be integrated towards their mainstream business model. Based on the chapters about the case companies, a cross-case analysis is provided in chapter 11. This chapter focuses on similarities and differences in the sustainability business models of the case companies. Chapter 12 will discuss findings related to research objectives and research questions. Chapter 13
is the conclusion, where findings will be summarized, and the research question will be answered. The chapter ends with a section about limitations of the research, and suggestions for further research. Figure 1 provides a visual representation on how the paper is structured.

Figure 1: Structure of paper
2. Business Models

2.1 What is a Business Model

There is a lot of fuzziness and confusion about business models, and it stems from the fact that when different authors write about business models they do not necessarily mean the same thing (Linder & Cantrell, 2000). The term business model is a relatively young phenomenon, although it appeared in an academic article for the first time in 1957 (Bellman, Clark, Malcolm, Craft, & Ricciardi, 1957; cited in Osterwalder et al., 2005, p. 6), and in the title and abstract of a paper in 1960 (G. M. Jones, 1960; cited in Osterwalder et al., 2005, p. 6).

Business models have been integral to trading and economic behavior since pre-classical times (Teece, 2010), although the business model concept became prevalent with the advent of the Internet in the mid-1990s, and it has gathered momentum since then (Ghaziani, Amin, Ventresca, Marc, 2005; Osterwalder, 2004; Zott, Amit, & Massa, 2011). It underscores Magretta’s (2002) point about the correlation between the popularity of the term and the emergence of the Internet boom. When looking at the occurrences of the term business model and comparing with fluctuations of the NASDAQ, it shows that there is a likely relationship between the concept and technology (Osterwalder et al., 2005).

At a general level, the business model has been referred to as an architecture (Timmers, 1998), a representation (Mason & Spring, 2011; M. Morris, Schindehutte, & Allen, 2005; M. Morris, Shirokova, & Shatalov, 2013; Petrovic, Kilt, & Teksten, 2001; Seddon & Lewis, 2003; Shafer et al., 2005), a method (Afuah & Tucci, 2001; Afuah & Tucci, 2003; Rappa, 2001), a description (Applegate, 2001; Mansfield & Fourie, 2004; Weill & Vitale, 2001), a structural template (Amit & Zott, 2001; Zott & Amit, 2008), a story (Magretta, 2002), a construct (Chesbrough & Rosenbloom, 2002), a conceptual tool or model (Al-Debei & Avison, 2010; Osterwalder, 2004; Osterwalder et al., 2005; Sahut, Hikkerova, & Khalfallah, 2012), a reflection (Casadesus-Masanell & Ricart, 2010), a system (Zott & Amit, 2010), a blueprint (Osterwalder & Pigneur, 2010), a configuration (Chatterjee, 2013), and a picture (Yunus, Moingeon, & Lehmann-Ortega, 2010). Table 1 describes various definitions and descriptions regarding the business model.
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Definitions / Descriptions of a business model</th>
</tr>
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<tbody>
<tr>
<td>(Timmers, 1998, p. 4)</td>
<td>An architecture of the product, service and information flows, including a description of the various business actors and their roles; a description of the potential benefits for the various business actors and sources of revenues.</td>
</tr>
<tr>
<td>(Gordijn, Akkermans, &amp; Van Vliet, 2000, p. 41)</td>
<td>Explains the creation and addition of value in a multi-party stakeholder network, as well as the exchange of value between stakeholders.</td>
</tr>
<tr>
<td>(Linder &amp; Cantrell, 2000, p. 1)</td>
<td>The organization’s core logic for creating value. The business model of a profit-oriented enterprise explains how it makes money.</td>
</tr>
<tr>
<td>(Afuah &amp; Tucci, 2001)</td>
<td>A method by which the firm builds and uses its resources.</td>
</tr>
<tr>
<td>(Amit &amp; Zott, 2001, p. 511)</td>
<td>A business model depicts the content, structure, and governance of transactions designed to create value through the exploitation of business opportunities.</td>
</tr>
<tr>
<td>(Applegate, 2001)</td>
<td>A description of a complex business that that enables the study of its structure, of the relationships among structural elements, and of how it will respond to the real world.</td>
</tr>
<tr>
<td>(Hawkins, 2001)</td>
<td>The commercial relationship between a business enterprise and the products and/or services it provides in the market.</td>
</tr>
<tr>
<td>(Petrovic et al., 2001, p. 2)</td>
<td>Describes the logic of a ‘business system’ for creating value that lies beneath the actual processes.</td>
</tr>
<tr>
<td>(Rappa, 2001)</td>
<td>Spells-out how a company makes money by specifying where it is positioned in the value chain.</td>
</tr>
<tr>
<td>(Weill &amp; Vitale, 2001)</td>
<td>A description of the roles and relationships among firm’s consumers, customers, allies and suppliers and it identifies the major flows of product, information, and money, as well as the major benefits to participants.</td>
</tr>
<tr>
<td>(Elliot, 2002)</td>
<td>Specifies the relationships between different participants in a commercial venture, the benefits and costs to each and the flows of revenue.</td>
</tr>
<tr>
<td>(Margetta, 2002, p. 4)</td>
<td>Stories that explain how enterprises work.</td>
</tr>
<tr>
<td>(Chesbrough &amp; Rosenbloom, 2002, p. 529)</td>
<td>A heuristic logic that connects technical potential with the realization of economic value.</td>
</tr>
<tr>
<td>(Afuah &amp; Tucci, 2003)</td>
<td>A set of Internet- and non-Internet-related activities that allow a firm to make money in a sustainable way.</td>
</tr>
<tr>
<td>(Seddon &amp; Lewis, 2003, p. 246)</td>
<td>An abstract representation of some aspect of a firm’s strategy; it outlines the essential details one needs to know to understand how a firm can successfully deliver value to its customers.</td>
</tr>
<tr>
<td>(Mansfield &amp; Fourie, 2004, p. 39)</td>
<td>Describes the linkage between a firm’s resources and function and its environment. It is a contingency model that finds an optimal mode of operation for a specific situation in a specific market.</td>
</tr>
<tr>
<td>(Osterwalder, 2004, p. 15; Osterwalder et al., 2005, p. 17-18)</td>
<td>A conceptual tool that contains a set of elements and their relationships and allows expressing the business logic of a specific firm. It is a description of the value a company offers to one or several segments of customers and of the architecture of the firm and its network of partners for creating, marketing,</td>
</tr>
<tr>
<td>Reference</td>
<td>Description</td>
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<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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<tr>
<td>(Seddon, Lewis, Freeman, &amp; Shanks, 2004, p. 427)</td>
<td>and delivering this value and relationship capital, to generate profitable and sustainable revenue streams.</td>
</tr>
<tr>
<td>(M. Morris et al., 2005, p. 727)</td>
<td>Outlines the essential details of a firm’s value proposition for its various stakeholders and the activity system the firm uses to create and deliver value to its customers.</td>
</tr>
<tr>
<td>(Shafer et al., 2005, p. 202)</td>
<td>Concise representation of how an interrelated set of decision variables in the areas of venture strategy, architecture, and economics are addressed to create sustainable competitive advantage in defined markets.</td>
</tr>
<tr>
<td>(Chesbrough, 2006)</td>
<td>A representation of a firm’s underlying core logic and strategic choices for creating and capturing value within a value network.</td>
</tr>
<tr>
<td>(Johnson, Christensen, &amp; Kagermann, 2008, p. 60)</td>
<td>Articulates the customer value proposition, market segment, value chain, revenue generation, position within the value network, and it elaborates on competitive strategy by which the firms gains competitive advantage.</td>
</tr>
<tr>
<td>(Zott &amp; Amit, 2008, p. 1; 2010, p. 222)</td>
<td>Consist of four interlocking elements (value proposition, profit formula, key resources, and key processes), which taken together, create and deliver value.</td>
</tr>
<tr>
<td>(Ali-Debei &amp; Avison, 2010, p. 365)</td>
<td>A structural template of how a focal firm transacts with customers, partners, and vendors; how it chooses to connect with factor and product markets.</td>
</tr>
<tr>
<td>(Baden-Fuller &amp; Morgan, 2010, p. 157)</td>
<td>A conceptual coherent framework that provides a holistic but abstract understanding of the underlying business logic of an organization.</td>
</tr>
<tr>
<td>(Casadesus-Masanell &amp; Ricart, 2010, p. 196)</td>
<td>A set of generic level descriptors of how a firm organizes itself to create and distribute value in a profitable manner.</td>
</tr>
<tr>
<td>(Osterwalder &amp; Pigneur, 2010, p. 14)</td>
<td>Provides a set of generic level descriptors of how a firm organizes itself to create and distribute value in a profitable manner.</td>
</tr>
<tr>
<td>(Teece, 2010, p. 179)</td>
<td>Describes the rationale of how an organization creates, delivers, and captures values.</td>
</tr>
<tr>
<td>(Yunus et al., 2010, p. 312)</td>
<td>Articulates the logic, the data and other evidence that support a value proposition for the customer, and a viable structure of revenues and costs for the enterprise delivering that value.</td>
</tr>
<tr>
<td>(Mason &amp; Spring, 2011, p. 1033)</td>
<td>A system of interdependent activities that transcend the focal firm and span its boundaries.</td>
</tr>
<tr>
<td>(Sahut et al., 2012, p. 67)</td>
<td>An objective representation of the reality of the firm and its markets.</td>
</tr>
<tr>
<td>(Chatterjee, 2013, p. 97)</td>
<td>A combination of three elements: a value proposition to the customer, making this value proposition and a revenue model.</td>
</tr>
<tr>
<td>(M. Morris et al., 2013, p. 46, 48)</td>
<td>A configuration of what the business does and what it invests in based on the logic that drives the profits for a specific business.</td>
</tr>
</tbody>
</table>

Table 1: Definitions and descriptions of business models.
2.2 Business Model Taxonomies

As table 1 show, there exist numerous definitions on business models. A number of authors provide the business models with taxonomies, which is a classification of business models with a certain number of common characteristics in a set of different categories (Osterwalder, 2004). Taxonomies can also be referred to as business model types (Zott et al., 2011), although some also see the terms as separated, as typologies is a product of deductive research, and taxonomies are generated from inductive research (Lambert, 2006).

Some business models taxonomies focus on business on the web, such as generic e-business models that are classified according to their degree of innovation and functional integration (Timmers, 1998), a network- and value-centered taxonomy that distinguish between five types of value networks that differ in their degree of economic control and value integration (Tapscott, Lowy, & Ticoll, 2000), atomic business models that describes different ways of conducting business electronically (Weill & Vitale, 2001) and digital business models (Applegate, 2001).

Business models can be categorized by focusing on two main dimensions, which is the model’s core profitmaking activity on one side, and its relative position on the price/value continuum on the other (Linder & Cantrell, 2000), whereas a different taxonomy is made up by objects and purpose (Alt & Zimmermann, 2001). The former includes market and role models, sector and industry models, and revenue models, and the latter includes business models, reference models and simulation models. A distinction is made according to the nature of the value proposition and their modes of generative revenue (Rappa, 2001), while another taxonomy categorizes business models as driven by efficiency or perceived value (Chatterjee, 2013), based on Porter’s (1980) generic strategies.

Business models taxonony are discussed in relation to names of firms, such as the McDonalds business model or the South West Airlines business model (Baden-Fuller & Morgan, 2010). The former is known as the franchising model, whereas the latter is the low cost airline model. Traditional industry and information industry are other taxonomies (Teece, 2010). Examples from the former are reengineering of the meat packing industry, containerization, Southwest Airlines, and the razor-blade model (which is actually a component of a business model). Examples from the information industry are Netflix and Flickr, and newspapers and advertisement, although websites such as eBay and Craigslist have undermined their business model.
2.3 Business Model Components

In addition to definitions and taxonomies, there exist various definitions of business model components, also referred to as elements, building blocks, functions, or attributes (Osterwalder, 2004). A problem is that many people speak of business models when they actually only mean a specific component of a business model (Linder & Cantrell, 2000). Table 2 provides an overview of various business model components that exists.

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Business Model Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Hamel, 2000)</td>
<td>Core strategy, strategic resources, customer interface, and value network</td>
</tr>
<tr>
<td>(Linder &amp; Cantrell, 2000)</td>
<td>Price, revenue, channel, the commerce process, Internet-enabled commerce relationship, organizational form, and value proposition</td>
</tr>
<tr>
<td>(Mahadevan, 2000)</td>
<td>Value stream, revenue stream and logistical stream</td>
</tr>
<tr>
<td>(Petrovic et al., 2001)</td>
<td>Value, resource, production, customer relations, revenue, capital and market</td>
</tr>
<tr>
<td>(Alt &amp; Zimmermann, 2001)</td>
<td>Mission, processes, legal issues and technology</td>
</tr>
<tr>
<td>(Stühler, 2001; 2002)</td>
<td>Value proposition, product/services, architecture, and revenue</td>
</tr>
<tr>
<td>(Chesbrough &amp; Rosenbloom, 2002)</td>
<td>Value proposition, market segment, value chain, cost structure and profit potential, position of the firm within the value network, competitive strategy</td>
</tr>
<tr>
<td>(Magreta, 2002)</td>
<td>Business activities associated with making something and business activities associated with selling something</td>
</tr>
<tr>
<td>(Afuah &amp; Tucci, 2003)</td>
<td>Customer value, scope, pricing, revenue source, connected activities, implementation, capabilities, and sustainability</td>
</tr>
<tr>
<td>(Osterwalder, 2004)</td>
<td>Value proposition, target customer, distribution channel, relationship, value configuration, capability, partnership, cost structure, and revenue model</td>
</tr>
<tr>
<td>(M. Morris et al., 2005)</td>
<td>Value offering, customers, internal capabilities, competitive strategy, how revenue streams, and the entrepreneur’s time, scope and size ambitions</td>
</tr>
<tr>
<td>(Shafer et al., 2005)</td>
<td>Strategic choices, value creation, value network and value capture</td>
</tr>
<tr>
<td>(Al-Debei &amp; Avison, 2010)</td>
<td>Value proposition, value architecture, value network, and value finance</td>
</tr>
<tr>
<td>(Zott &amp; Amit, 2010)</td>
<td>Design elements (content, structure and governance), and design themes (novelty, lock-in, complementarities, and efficiency)</td>
</tr>
<tr>
<td>(Yunus et al., 2010)</td>
<td>Value proposition, value constellation and profit equation</td>
</tr>
<tr>
<td>(M. Morris et al., 2013)</td>
<td>Operating, economic, and strategy</td>
</tr>
</tbody>
</table>

*Table 2: Business model components*
2.4 Business Models and Strategy

Business models and strategy is central terms in management that are often used in a fuzzy manner (Afuah, 2004; Magretta, 2002; M. E. Porter, 2001; Stähler, 2002). Both terms stand for important management concepts that are interrelated in many ways, but instead of clarifying the differences, the boom of the business model rhetoric covered up the boundaries (M. E. Porter, 2001). Strategy can be viewed as a pattern, plan, position, or perspective (Mintzberg, 1994) and it is *the creation of a unique and valuable position, involving a different set of activities* (M. E. Porter, 1996, p. 3). The same author have a more recent definition as well, as *strategy defines how all the elements of what a company does fit together* (M. E. Porter, 2001, p. 71). M.E. Porter’s (1996; 2001) conceptualization is used because it represents the latest and best of the Harvard school’s thinking of strategy (Seddon & Lewis, 2003; Seddon, Lewis, Freeman, & Shanks, 2004).

One difference is that the business model does not consider competition, and that strategy specifies how to differentiate the firm from its competitors (Elliot, 2002; Magretta, 2002; Seddon et al., 2004). Another distinction is that strategy focus on value capture, creating value for the shareholder and require careful analytic calculation and choice, while business models concentrate on deliver value for the customer, create value for the business and it assumes the information is cognitively limited, and biased by earlier success of the firm (Chesbrough & Rosenbloom, 2002).

Several authors argue that the business model is a reflection of a firm’s strategy (Casadesus-Masanell & Ricart, 2010; Richardson, 2008; Seddon et al., 2004; Shafer et al., 2005). One view is that strategy and business models are related, but that they are two different concepts, and that strategy is a contingent plan as to what business model to use (Casadesus-Masanell & Ricart, 2010). Another alternative is that business model explains how the activities of the firm work together to execute its strategy, hereby bridging strategy formulation and implementation (Richardson, 2008). Shafer et al. (2005) see business models and strategy as two separate things, but one thing they have in common is the element of making choices. Business models reflect these choices, and they facilitate the strategic choices that have been made. Another argument is that business models and strategy are required, and that they cannot be isolated from each other (Mansfield & Fourie, 2004). Business model can also be seen as an interface or an intermediate theoretical layer between the business strategy and the business process (Al-Debei, El-Haddad, & Avison, 2008; Al-Debei & Avison, 2010; M. Morris et al., 2005; Osterwalder et al., 2005).

As seen in this chapter, a business model is a fuzzy term, which consists of several definitions, taxonomies and components, and it has connection to strategy. As this paper is investigating business models, it is necessary to choose a framework, and the following chapter will introduce the template used in this paper.
3. The Business Model Ontology

As seen in the previous chapter, business model theory consists of various definitions, taxonomies, components and it is related to strategy. As this research is about business models, it is necessary to choose a template to describe the business models of the case companies, and this chapter describes the template that is chosen.

The framework that will be used to describe the business model of the case companies is the business model ontology (Osterwalder, 2004; Osterwalder & Pigneur, 2010), which accurately describes the business model of a firm. It is chosen as main template because it is among the first concepts to include a thorough definition and a representation (Schaltegger & Lüdeke-Freund, 2011), and it draws extensively and systematically on the foregoing research (Lambert, 2006). It proves to be well defined and widely accepted, as it avoids the fuzziness that often can be recognized in business model literature, and it guarantees clarity regarding purposes of verbal and visual representation, and it can be clearly distinguished from other approaches of performance management (Lüdeke-Freund, 2009).

Their definitions of business models are listed in Table 1, but will be repeated:

A business model is a conceptual tool that contains a set of elements and their relationships and allows expressing the business logic of a specific firm. It is a description of the value a company offers to one or several segments of customers and of the architecture of the firm and its network of partners for creating, marketing, and delivering this value and relationship capital, to generate profitable and sustainable revenue streams. (Osterwalder, 2004, p. 15)

An advanced definition on business model has later been proposed:

A business model describes the rationale of how an organization creates, delivers, and captures value. (Osterwalder & Pigneur, 2010, p. 14)

The former more academic definition will serve as the basic business model understanding for this paper, as it depicts the characteristics of the holistic and systemic perspective of business model thinking (Lüdeke-Freund, 2009).
3.1 The Four Business Model Pillars

Influenced by the Balanced Scorecard approach (Kaplan & Norton, 1992) and more generally business management literature (Markides, 1999), Osterwalder (2004) suggests a framework consisting of four areas that a business model has to address; product, customer interface, infrastructure management, and financial aspects. Figure 2 describes the four business model pillars.

![Figure 2: The four business model pillars (Osterwalder, 2004)]

3.2 The Nine Basic Business Model Components

The previous section described four pillars of a business model, which are broken down into nine interrelated business model building blocks (components), as this is more detailed and formal (Osterwalder, 2004). The four areas are a rough categorization, while the nine elements are the core of the ontology that shows the logic of how a company intends to make money (Osterwalder & Pigneur, 2010). The nine building blocks presented in figure 3 are value proposition, customer segment, channels, customer relationships, revenue streams, key resources, key activities, key partnerships and cost structure. Figure 3 is an example of the business model canvas, which is a shared language for describing, visualizing, assessing and changing business models (Osterwalder & Pigneur, 2010, p. 12).
This chapter has introduced the business model ontology that is used as a framework in this paper. Figure 3 gives an overview of the business model building blocks and how the specific elements relate to each other. The same figure will be used to present the business model components of the various case companies. The intention of this research is to see how sustainability is integrated in mainstream business model. It is therefore necessary to explain what sustainability is, which will be done in the next chapter.
4. Sustainability and Corporate Social Responsibility (CSR)

The previous chapter introduced the business model ontology, which is used as a template in this research to describe the business model of the case companies. The purpose of this research is to find out how integrated sustainability is in mainstream business models, and it is therefore necessary to define the term sustainability. A related term is corporate social responsibility, and similarities and differences between these two terms will be discussed.

4.1 Sustainability and Sustainable Development

Sustainability means different things to different people at different times (Aras & Crowther, 2009; Campbell, 2007; Hubbard, 2006; Linton, Klassen, & Jayaraman, 2007; P. A. C. Smith & Shariez, 2011; Swanson & Zhang, 2012; Tollin & Vej, 2012). The literature is rife with attempts to define sustainability (J. G. Robinson, 2004), and some are made by The World Commission on Environment and Development (WCED, 1987), the Dow Jones Sustainability Indices (Dow Jones Sustainability Indices, 2013), the EU (EC, 2013) and there is also an ISO definition (ISO 26000, cited in Swanson & Zhang, 2012, p. 631). The term sustainability and sustainable development are used synonymously (Kassel, 2012), but the term was coined originally in reference to sustainable development, with the purpose of encourage development with a dual focus on reducing poverty and taking into consideration long-term ecological effects (Crews, 2010).

The WCED definition is the most cited definition of sustainability (Stubbs & Cocklin, 2008), and define sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs (1987, p. 43. The launch of this definition is the exact point in history when interest in sustainability occurred (Dresner, 2008; Tollin & Vej, 2012). The definition has been tailored to fit sustainable business as well, as it is one that meets the need of its stakeholders without compromising its ability also to meet their needs in the future (Hockerts, 1999, p. 32). The term has experienced some criticisms, as it has been called an oxymoron, an illusion, or both (Livingston, 1994; Sachs, 1999), and that it is more of a slogan (Banerjee, 2003).

The concept has expanded since 1987, and the main focus is on economic profits, social impact, and the environment (Crews, 2010; Hubbard, 2006; Montiel, 2008). The environmental principle requires that society protect its environmental resources, the social-equity principle requires that everyone, independent of initial endowments, should be treated fairly, and the economic principle requires the adequate production of resources for society to maintain a reasonable standard of living (Bansal, 2005; Bansal, 2002). T. Porter and Derry (2012) also agree that the definition has evolved, and that it involves concern for all stakeholder groups, that future generations need to become an important stakeholder group, and that sustainability involves multiple dimensions of performance beyond simple economic profits, involving the well-known
social performance and environmental performance, as well as cultural sustainability. Stakeholders are all those affecting or affected by an organization (Freeman, 1984).

Related perspectives within sustainability are the triple bottom line (TBL) (Elkington, 1994; 1997), environmental management (Montiel, 2008), ecological modernization (Stubbs & Cocklin, 2008), the sustainability balanced scorecard (Figge, Hahn, Schaltegger, & Wagner, 2002; Hubbard, 2006; Schaltegger & Burritt, 2005; Schaltegger & Lüdeke-Freund, 2011), ecological and social life-cycle assessment (Dreyer, Hauschild, & Schierbeck, 2006; Kloepffer, 2008), tools for assessing and reporting sustainability initiatives, such as the ISO 14000 environmental guidelines and Global Reporting Initiative (GRI) (Hubbard, 2006; Tollin & Vej, 2012), sustainable supply chains (Linton et al., 2007), and sustainability accounting (Burritt, 2012; Burritt & Schaltegger, 2010).

4.2 Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a term with several interpretations and definitions (Aguinis & Glavas, 2012; Belu & Manescu, 2013; Campbell, 2007; Carroll, 1999; Crane, Matten, & Moon, 2005; Dahlsrud, 2006; Harwood, Humby, & Harwood, 2011; Heslin & Ochoa, 2008; Idowu, Capaldi, Liangrong, & Das Gupta, 2012; Matten & Moon, 2008; Matten & Crane, 2005; Montiel, 2008; Weber, 2008). The core of CSR is that it reflects the social imperatives and the social consequences of business success (Matten & Moon, 2008) and the term varies according to objective criteria, subjective criteria, dimensions such as treatment of employees, customers, governments or communities, and what passes as socially responsible corporate behavior shifts historically (Campbell, 2007).

The most cited definition for CSR is Carroll’s (1979, p. 500) statement that the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time (Montiel, 2008). This definition employs four different categories of CSR, which include businesses’ fulfillment of economic, legal, ethical and discretionary/philanthropic responsibilities. Many scholars point to Howard Bowen’s Social Responsibilities of the Businessman (1953) as the first attempt to theorize the relationship between corporations and society (Carroll, 1979; Lee, 2008; Preston, 1975; Wartick & Cochran, 1985). Milton Friedman (1962) is one prominent adversary against CSR, and he argues that the social responsibility of a corporation is to make money for its shareholder. Carroll (1999; 2008) provides a thoroughly research on the background and historical perspectives of CSR.

A related term to CSR is Corporate Social Performance (CSP), which refers to the overall social responsibility of business, evolving from the principles of legitimacy, public responsibility, and managerial discretion (Montiel, 2008, p. 252). Introduced by Carrol (1979), it is a three-dimensional model that
combines CSR, social issues and corporate social responsiveness under one rubric. Wartick and Cochran (1985) and Wood (1991) provide further modification of the three-dimensional model. The most important contribution of the model is that it does not threat the economic and social goals of corporations as incompatible trade-offs (Lee, 2008).

4.3 Sustainability and CSR

As seen in the two previous sections, sustainability and CSR are difficult to pin down, and they are used interchangeably. CSR overlaps with sustainability (Idowu et al., 2012), it is associated with the notion of sustainable development (Belu & Manescu, 2013; Stubbs & Cocklin, 2008), and sustainability and CSR can be seen as competitive imperatives (Mahler, 2007). Sustainability and sustainable development became an integral part of all CSR discussion during the early 2000s, but CSR is still popular in use (Carroll & Shabana, 2010).

CSR and sustainability have evolved as two separate terms, although they are pushing towards a common future because they share the same vision; to balance economic responsibilities with social and environmental (Montiel, 2008). It is argued that CSR needs a broader perspective that examines not just corporations’ social responsibility, but also society’s responsibility in keeping corporations accountable (Lee, 2008). Moon (2007) articulates that the CSR lexicon includes reference to sustainability, often with orientation towards the corporation, environment and society. Although Moon (2007) sees several similarities, there are also some differences according to where they are located in the world. What is deemed a business responsibility in one country may be regarded as governmental, societal, or individual responsibility in another. Others agree that there are differences, as the scope of CSR is of a narrower nature and that the literature regarding sustainability encompasses a range of disciplines, while CSR pertains almost entirely to the behavior of business organizations (Kassel, 2012; Okoye, 2009).

This chapter have explained what CSR and sustainability is, and looked at similarities and differences of the two terms. For researchers interested in doing research in CSR and sustainability it is important to determine whether the two constructs are equivalent or different (Montiel, 2008). This study will see CSR and sustainability as equal terms, and all the initiatives that the case companies engage in concerning their responsibility and sustainability initiatives will be accounted for. The literature described so far has treated business models and sustainability as independent of each other. However, there exist some theories about sustainability business models, which will be described in the next chapter.
5. Sustainability Business Models

The previous chapter discusses sustainability and CSR, and how they differ and resemble. Although researchers do not agree whether the terms are equal or not, this study will treat the terms as equivalent. There exist some theories about sustainability business models, which will be discussed in this chapter. Social and inclusive business model will also be accounted for, as these are related terms.

Business models have been used in a metaphorical way to refer to both sustainable and unsustainable behavior (Elkington, 2004; Hart & Milstein, 1999; Roome, 1992). Elkington (2004) describes four corporate ideal types, which differ according to high or low environmental and social impact, and if they are regenerative or degenerative in nature. Roome (1992) provides models describing how companies can respond to environmental issues. While the two previous mentioned authors take an inside view of the company, Hart and Milstein (1999) offers an outside view, as they undertake a complementary perspective to discuss sustainability oriented business strategies against the background of different economies and markets. The three economies are consumer, emerging, and survival, and each economy requires different strategies to achieve sustainable development.

Progress in corporate sustainability is a venture that needs normative and strategic foundations, which is why the impacts of striving for corporate sustainability on the “way” – represented by the business model – of a company, and vice versa, have to be studied (Lüdeke-Freund, 2009). There are two causalities that have to be considered (Lüdeke-Freund, 2009). One is if the company addresses the business case for sustainability (Schaltegger et al., 2012; Schaltegger & Wagner, 2006), where the business model changes consciously or unconsciously. The second is that the business model is often interpreted as a determining factor of corporate behavior (Elkington, 2004), meaning that the business model in turn influences business strategy and operative outcomes. A company that tries to improve its sustainability performance has to change its business model (Sharma & Henriques, 2005; Yip, 2004).

Sustainable business models involve business redefinition that visualizes a business future with no negative impacts on the environment and social equity (Hart & Milstein, 1999; Hart, 1997), and a business model for sustainability is actively managed in order to create customer and social value by integrating social, environmental, and business activities (Schaltegger et al., 2012, p. 23). Some work has been done in the area, such as the multilevel of corporate sustainability model (van Marrewijk & Werrem, 2003), the European Corporate Sustainability Framework (Hardjono & de Klein, 2004), a transformative business sustainability concept (Svensson & Wagner, 2011a; 2011b), sustainability business models (Stubbs & Cocklin, 2008), business models for sustainability (Lüdeke-Freund, 2009), a four-models taxonomy (Swanson & Zhang, 2012), and an integrated phase model for understanding how organizations can make the change toward
social and ecological sustainability (Benn, Dunphy, & Griffiths, 2006). Case studies upon sustainability business models have also been undertaken (Birkin et al., 2009; Høgevold & Svensson, 2012; Høgevold, 2011; Stubbs & Cocklin, 2008; Svensson & Wagner, 2012; 2011a; 2011b) and on social business models as well (Michelini & Fiorentino, 2012; Seelos & Mair, 2007; Yunus et al., 2010). Yunus et al. (2010) and Michelini and Fiorentino (2012) are the only ones who explicit define what a business model is, and it seems that the rest have more or less collected sustainability issues that are connected to a roughly defined business model.

Davis (1973) lists up several sound reasons both for and against business’s assumption of social responsibilities. Arguments for include long-run self-interest, public image, viability of business, avoidance of government regulation, sociocultural norms, stockholder interest, business has the resources, problems can become profits, and prevention is better than curing. Arguments against includes profit maximization, costs of social involvement, lack of social skills, dilution of business’s primary purpose, weakened international balance of payments, business has enough power, lack of accountability, and lack of broad support. There are rational reasons for both points of view, and society wants business as well as other major institutions to assume significant social responsibility, and that social responsibility has become the hallmark of a mature, global civilization (Davis, 1973). Many of these arguments for and against were introduced decades ago, and that they present the legitimate perspective that there are two sides of the argument with almost any concept (Carroll & Shabana, 2010).

5.1 Social and Inclusive Business Models

A related field towards sustainability business models are that of social enterprises, which are private, autonomous, entrepreneurial organizations providing goods or services with an explicit aim to benefit the community (Borzaga & Defourny, 2001; cited in Michelini & Fiorentino, 2012, p. 563). Social enterprises can be classified into three taxonomies: leveraged profit, hybrid non-profits and social business venture (Elkington & Hartigan, 2008; cited in Michelini & Fiorentino, 2012, p. 563). A social business venture is a business that is set up as a for-profit from the outset, though its specific mission is to drive transformational social and/or environmental change (Elkington & Hartigan, 2008; cited in Michelini & Fiorentino, 2012, p. 563). Within this category, two different business models can be distinguished: the social business model (Yunus et al., 2010) and the inclusive business model (UNDP, 2008; WBCSD, 2012b).

In the capitalist system, two extreme types of corporate bodies can be distinguished (Yunus et al., 2010). On the one hand, companies can be seen as profit-maximizing businesses, whose purpose is to create shareholder value, and on the other hand, non-profit organizations exist to fulfill social objectives. Social business borrows from both these entities, as it is designed and operated just like a “regular” business
enterprise, but the primary purpose is to serve society and improve the lot of the poor (Yunus et al., 2010). A regular business model consists of three components; value proposition, value constellation and economic profit equation (Yunus et al., 2010), and to make a social business model, a fourth component is included, which is the *social profit equation*.

Inclusive business models include the poor on the demand side as clients and customers, and the supply side includes employees, producers and business owners at various points in the value chain, and they build bridges between business and the poor for mutual benefit (UNDP, 2008, p. 14). They aim to provide affordable products and services to meet basic needs of the poor for water, food, sanitation, housing and healthcare (WBCSD, 2012b). The inclusive business model embeds its origin in the bottom of the pyramid theory (Michelini & Fiorentino, 2012), which is based on the concept of “serving the poor profitably” (Prahalad & Hart, 2002; Prahalad & Hammond, 2002; Prahalad, 2005; Seelos & Mair, 2007).

### 5.2 Triple Bottom Line Business Model Canvas

At the end of their book, Osterwalder and Pigneur (2010) touch on five topics, which they argue might well merit its own book. The first topic examines business models beyond profit, and the authors argue that the canvas is by no way limited to for-profit corporations, and that the technique can easily be applied to non-profit organizations, charities, public sector entities, and for-profit social ventures. Osterwalder and Pigneur (2010) distinguish between two categories of beyond-profit models: one regards third-party funded enterprise models (philanthropic, charities, government) and the other one is about TBL business models with a strong ecological and/or social mission. As shown in figure 4, the business model canvas are extended with blocks that illustrate the two outcomes:

![Business Model Canvas](image)

*Figure 4: Triple bottom line business model canvas* (Osterwalder & Pigneur, 2010)

The TBL model seeks to minimize negative social and environmental impacts and maximize the positive (Osterwalder & Pigneur, 2010). The authors stress that this is merely a suggestion for how the business model canvas can be extended, and that it need more research.
5.3 A Sustainability Business Model

A sustainability business model (SBM) is an ideal type that serves as a design guideline, and it is a model where sustainability concepts shape the driving force of the firm and its decision making (Stubbs & Cocklin, 2008, p. 103). It offers indications on how the concept of corporate sustainability and business models may interrelate. The model shows the internal organizational capabilities and socioeconomic characteristics, and they are grouped into structural and cultural characteristics. The former relates to processes, organizations forms and structures, and business practices, whereas the latter refer to norms, values, behaviors, and attitudes. The distinction between these two are not absolute. Seven specific sustainability business model pillars are identified, as shown in Table 3.

Table 3: Sustainability business model pillar (Stubbs & Cocklin, 2008)
5.4 A Generic Template for Business Models for Sustainability

Lüdeke-Freund (2009) are critical towards the SBM proposed by Stubbs and Cocklin (2008), and claims that the authors does not have any appreciation for the neoclassical economic perspective, they introduce the background of ecological modernization in a “cloudy” manner, that the study is not grounded on a straightforward idea about what a business model is on a conceptual level, and they more or less collect sustainability related issues that are connected to a roughly defined business model (Lüdeke-Freund, 2009).

A generic business model template is therefore proposed as a concept for sustainability management (Lüdeke-Freund, 2009), based on the concept of Osterwalder (2004) and Zott and Amit (Amit & Zott, 2001; Zott & Amit, 2007; 2008). The idea is to create a template for business models for sustainability that can be applied without depending on specific cases (Lüdeke-Freund, 2009). This can be achieved in two ways (Figure 5); highlighting aspects of corporate sustainability being potentially inherent in the existing four pillars (accentuation), and introducing a fifth and sustainability oriented business model pillar (extension).

Figure 5: A generic template for business models for sustainability (Lüdeke-Freund, 2009)
The intention of accentuation is to highlight the existing aspects of corporate sustainability that are existent in the four basic pillars, whereas extension is a method that aims at creating specific structural space for the non-market resources and activities of a business model that are related to issues of corporate sustainability (Lüdeke-Freund, 2009). A preliminary conceptual definition of business models for sustainability is that:

A business model for sustainability is the activity system of a firm that allocates resources and coordinates activities in a value creation process that overcomes the public/private benefit discrepancy. That is, a business model for sustainability is the structural template of a business logic that creates the business case for sustainability. (Lüdeke-Freund, 2009, p. 56)

Table 4 describes how this is to be achieved:

<table>
<thead>
<tr>
<th>Business Model for Sustainability Building Blocks</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>Must be based on value creation approaches that integrate public and private benefits to overcome the public/private benefit discrepancy and therefore refers to an extended understanding of value propositions.</td>
</tr>
<tr>
<td>Customer Interface</td>
<td>Has to be managed according to principles of eco-, social or sustainability marketing. The task is to maximize customer value (customer equity and customer benefits) by means of market segmentation, channel design and relationship building which help to bridge the public/private benefit gap.</td>
</tr>
<tr>
<td>Infrastructure Management</td>
<td>Take advantage of partnerships to enhance resources and activities in a way that promotes sustainability performance throughout the associated value and supply chains.</td>
</tr>
<tr>
<td>Financial Aspects</td>
<td>Has to be augmented by concepts that provide algorithms for evaluating combined measures like Environmental Shareholder Value and furthermore “Environmental/Social Business Model Value”.</td>
</tr>
<tr>
<td>Non-market Aspects</td>
<td>Should represent configurations of resources and activities that relate the business model’s value proposition to technical, legal, normative and political issues which (currently) are not subjected to market mechanisms and market relationships.</td>
</tr>
</tbody>
</table>

Table 4: Business model for sustainability building blocks (Lüdeke-Freund, 2009)

This chapter has explained what social and inclusive business models are, and provide a discussion about sustainability business models, however neither theoretical nor empirical research offers sufficient answers to the question what a sustainable business model might be (Schaltegger et al., 2012; Stubbs & Cocklin, 2008). The next chapter explains the methodology undertaken in this research.
6. Methodology
The previous chapter describes various views on sustainability business models, and provides information about related terms such as social and inclusive business models. The following chapter describes the methodology that is undertaken in this research, such as philosophy of science, research approach, research design, how data is collected and analyzed, and the limitation the methodology has for the research.

6.1 Philosophy of science

*Philosophy of science* relates to the development of knowledge and the nature of that knowledge (Saunders, Lewis, & Thornhill, 2009). The specific research philosophy adopted contains vital assumptions about the way a researcher views the world, which in turn forms the basis for the research strategy and the choice of methods related to that specific strategy (Saunders et al., 2009). There are three main major ways of thinking about research philosophy; ontology, epistemology, and axiology (Saunders et al., 2009).

*Ontology* is the nature of reality, and it raises questions of the assumptions researchers have about the way the world operates and the commitment held to particular views (Saunders et al., 2009). *Social constructionism* is related to ontology, as it view reality as being socially constructed (Saunders et al., 2009). This mean that the understanding of reality becomes relative, as reality mirrors many different mental constructions due to the diversity found in the population and their social interactions (Heldbjerg, 2006). Social construction is related to *subjectivism*, which view social phenomena as perceptions and consequent actions of social actors.

The purpose of this research is to find out how integrated sustainability is in mainstream business models. As discussed in chapter 4, sustainability is a term with various definitions, interpretations and meanings, and it has been, and still is being formed on the basis of years of research. Sustainability creates debates, it is difficult to measure it quantitatively, and it is far from being objective. It is reasonable to believe that sustainability is a concept that has been *socially constructed* over the years. Because this is a study of reality, *ontology* seems to be a suitable worldview.

Choosing ontology makes sense for the objective of the research project. The research is a study on how the organizations present them themselves, their business models and approach to sustainability, and the realities it belongs to. The framework that will be used to present the business model of the case companies is an ontology (Osterwalder, 2004; Osterwalder & Pigneur, 2010), as it is a shared language for describing and visualizing business models (Osterwalder & Pigneur, 2010). It will be investigated how sustainability fits into the overall business model of the companies, and it can be augmented that the linkage is a *social construction*. For social construction it is important to study the details of the situation to understand the
reality or perhaps a reality working behind them (Remenyi, 1998). The researcher will use qualitative primary and secondary data in order to study the details that encompass the companies’ approach to sustainability. Although the view that is undertaken in this study is that of ontology and social construction, epistemology may affect the research as well. Epistemology concerns what constitutes acceptable knowledge in a field of study (Saunders et al., 2009), and in the initial steps of the study the researcher has to identify the level of knowledge already obtained, and what knowledge that is wanted by doing the research. Therefore there is some level of epistemology already included in the way the researcher sees the world, and the output will hopefully be transformed into acceptable knowledge for the field it should contribute to.

6.2 Research approach
According to the structural and procedural requirements of the social sciences, a common distinction is made between an inductive and deductive approach. The former is the collection of data and development of theory as a result of the data analysis, whereas the latter is development of theory and hypotheses, and then designs a research strategy to test the hypothesis (Saunders et al., 2009). This research undertakes a mixed approach given its explorative nature. The deductive approach is adopted to construct an appropriate business model based the business model ontology. The inductive approach will then be taken to test and apply the developed business model framework in a relative new area of research, sustainability business models, as the intention is to find out how integrated sustainability is in mainstream business models. An inductive approach is appropriate for a topic that is relatively new, and on which there is only limited existing literature (Saunders et al., 2009).

6.3 Research design
The research design is what turns the research question into a research project (Robson, 2002). More generally, it is the general plan of how you will go about answering your research questions (Saunders et al., 2009) and it is a logical plan for getting from there to there (Yin, 2009).

6.3.1 Purpose of the research
The first phase in the design of the research is to think about the purpose of the research (Saunders et al., 2009). The classifications of research purpose most used in research methods are threefold, consisting of exploratory, descriptive and explanatory (Saunders et al., 2009). Research projects can also have more than one purpose, and the purpose of the enquiry may change over time (Robson, 2002).
The intention of the paper is to answer the following research question:

**How integrated is sustainability in mainstream business models?**

The following research questions will help to provide answers to the main question:

- *How sustainability challenges affect their business models and strategy?*
- *What are the advantages of sustainability engagement?*
- *What difficulties were encountered in pursuing sustainability?*

The research is *explanatory* as the how part of the question is part of an explanatory research design (Yin, 2009). Despite this fact, there are still some elements of *exploratory* focus in the research. That comes with the notion that there has not been conducted previous research on the subject. Therefore a small aim of the research is to answer the what part of the research. What question supports exploratory focus of the research, though the main focus is explanatory. The research is *descriptive* as well, as it describes how the mainstream business model of the case companies look like, their approach to sustainability and what sustainability initiatives they focus on.

### 6.3.2 Research strategy

There are different strategies available, and this research undertakes a *case study*, which is an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence (Robson, 2002, p. 178). The design of this study is a *holistic multiple-case research*, as the study is focused on four organizations concerned as a whole. The advantages of a multiple-case design are that the evidence from the research is more compelling, which makes the study more robust (Herriott & Firestone, 1983). A problem with the holistic design is that the case study may be conducted at an abstract level, while lacking sufficiently clear measures of data. Case studies are useful to understand real-life phenomenon in depth (Yin, 2009) and they gives a rich understanding of the context of the research and the process being enacted (T. Morris & Wood, 1991). It can be argued that sustainability and business models can be phenomenon as well as real-life context. The terms are varying with a lot of different interpretations and meanings, and it can therefore be argued to be a phenomenon. The research investigates how the case companies work with sustainability, which is a real-life context. A case study can be a valuable to explore existing theory, and makes it possible to challenge existing theory and provide a source of new research (Saunders et al., 2009). This is in line with this research, where existing theory will be used to explore the business models of the four case companies, and the integration of sustainability in the mainstream business model will be used to challenge current research on sustainability.
Case study are the preferred method when (Yin, 2009): how and why questions are being posed, the investigator has little control over the events, and the focus is on a contemporary phenomenon within a real-life context. The research question fulfills the first requirements, and the second is also fulfilled, as the investigator has no control over the investigated business models and sustainability. The research will be a snapshot of the various business models and sustainability initiatives at the moment, within real, existing organizations, meaning that the third is also fulfilled.

One limitation of the case study research may be its lack of rigor (Yin, 2009), it may reduce the depth of the study (Voss, Tsikriktsis, & Frohlich, 2002), and it may be deliberately altered to demonstrate a particular point more effectively (Garvin, 2003). Another concern regarding case study is that of scientific generalization (Yin, 2009). Yin (2009, p. 15) argues against this by saying that case studies, like experiments, are generalizable to theoretical propositions and not to populations. The goal of this research is to expand and generalize theories, and not enumerate frequencies, which makes the case study research an appropriate research strategy. A third limitation is that case studies are difficult to do, and that there is little way of screening for an investigator’s ability to do good case studies (Yin, 2009). Although the researcher has conducted several single-case studies earlier in the MSc program, this is the first multiple-case study. Limitation towards the researcher’s ability to conduct data, analyze, discuss and conclude is therefore present. There are five commonly required skills for a good case study investigator (Yin, 2009); asking good questions, being a good listener, be adaptive and flexible, have a firm grasp of the issues being studied, and avoiding bias. By being aware of these skills, the researcher can reduce this limitation.

6.3.3 Case company selection

Yin (2009) argues that in a multiple-case design, each case must be chosen carefully. The intention of this research is to investigate sustainability and business models, so each of the case companies are chosen because of their engagement in sustainability. The organizations studied are all located in Scandinavia, because these countries are globally recognized for sustainable development achievements, indicated in a 2002 survey of 210 sustainable development experts from 36 countries who thought that...among selected countries and regions Scandinavia is a very clear leader in the transition to sustainable development (Environics, 2003, p. 6; cited in Birkin et al., 2009, p. 280). The primary reason for this was to examine practice in a context that had already experienced considerable progress towards giving priority to notions of sustainable development.

The four case companies have currently a strong focus on CSR and sustainability, and that focus has been developed and strengthened over the last years. The researcher approached Bellona Norway, which is an international environmental NGO based in Norway in order to get best practice companies. Their
suggestions was Norway Post and Statkraft. Coca-Cola Enterprises Norway launched a strategy in 2011 with the focus on “how a drink can contribute to a more sustainable future”. Their goal is to reduce their carbon emission by a third within 2020, and they won two awards in 2013 for their work on CSR. ISS is ranked as the number one outsourcing service provider in the world, and they are the fourth largest work place in the world. They have launched The ISS Way, which is a strategy for balancing social, environmental and economic aspects of their business. The companies are positioned in various industries, which is beneficial for this study, as it gives insight into how business in various industries work with sustainability.

The companies are large and well-known companies, which makes it easy to access secondary data such as annual reports and extensive sustainability information. In addition, the likelihood of finding other information about the companies and their sustainability initiatives are higher when the companies are major players in their respective industries. All case companies have signed the UN Global Compact and report their sustainability work in coherence with GRI, which officially states their focus on CSR and sustainability.

6.3.4 Multiple-method qualitative studies

When collecting data, there is possible to choose between quantitative data and qualitative data. The former concentrate on collection and analysis that generates or uses numerical data. The latter focus on collection techniques and analysis that generates or uses non-numerical data (Saunders et al., 2009). It is possible to use a single data collection technique and corresponding analysis procedures, which is called mono method. Multiple methods are when more than one data collection technique and analysis procedure is used. This research will undertake data from secondary resources such as company reports, combined with semi-structured interviews. The data is analyzed by using non-numerical (qualitative) procedures, which mean that this research is a multi-method qualitative study. By combine multiple methods of data collection it allows the researcher to get a better grasp of the case companies. Interviews was necessary to find out how the business models look like, and how the companies approach sustainability. Secondary data provides information about the sustainability focus areas and initiatives. One of the advantages of using multiple methods is that different methods can be used for different purposes in a study (Saunders et al., 2009). Interviews were necessary to find out how the business models of the case companies look like, and to find out the advantages of sustainability and difficulties concerning sustainability integration. Secondary data provides information about the sustainability focus areas and initiatives. As the integration of sustainability in business models can be seen as a social construction, it is suitable to do the analysis qualitatively. When case study is chosen as a research strategy it is recommended to use multiple sources of data (Robson, 2002; Saunders et al., 2009; Yin, 2009), in order to ensure that the data are telling you what you they are telling you (Saunders et al., 2009, p. 146).
6.3.5 Time horizons

When choosing time horizons there are two alternatives, *cross sectional* and *longitudinal* (Saunders et al., 2009). The former is a “snapshot” taken at a particular time, while the latter is a series of snapshots or representations of events over a given period. This research undertakes a snapshot of the business models and sustainability initiatives in the case companies at a particular time. This is in line with the purpose of the research, as the aim is to see how sustainability is integrated in mainstream business models. A longitudinal study could also have been valuable, as it could have been used to see how, or if the integration have developed over a longer time. However, due to time limitations a cross-sectional study seems to be appropriate.

6.4 Data Collection

As mentioned under the section about research design, this research undertakes a multi-method qualitative data collection, consisting of secondary data and primary data.

6.4.1 Secondary data

*Secondary data* is data that already have been collected for another purpose, and includes both raw data and published summaries. There are two different forms of data, *raw data* and *compiled data* (Kervin, 1999). The former has little if any processing, while the latter have received some form of selection or summarizing. This study makes use of web pages, annual reports, CSR-reports, and other reports, from now on called *company reports*, which clearly belong under compiled data. Secondary data is appropriate to use in this study, as all case companies provides vast quantitates of information on their sustainability. Because their sustainability work was to easy to access, it allowed the interviews to be about the business model and their approach towards sustainability. Web pages were used in the initial phase when the case companies were selected, to make sure that the company was suitable for the research. Web pages and company reports were used later in the process to collect information about their sustainability initiatives.

One advantage of using secondary data is that saves resources, (Ghauri & Grønhaug, 2005; Saunders et al., 2009), it is quick to gather (Saunders et al., 2009), and it can be of higher quality than the researcher can conduct on its own  (Stewart & Kamins, 1993). Some disadvantages of secondary data is that it may have been collected with a different purpose in mind (Denscombe, 2007), and that there is no real control over data quality (Saunders et al., 2009). The former does not seem to be relevant for this study, as the study focus on what sustainability initiatives that exist in the case companies. The latter may be an issue, as CSR-reports tend to focus on the positive about the companies  (Ditlev-Simonsen, 2013a; 2013b; Hubbard, 2006; S. Jones, Frost, Loftus, & van der Laan, 2005; O’Dwyer & Owen, 2005), as they are written for a readership of
existing or potential customers, employees and investors (Hubbard, 2006). There is a possibility that the company reports show a “brighter” side of the case companies.

6.4.2 Primary data

An interview is a purposeful discussion between two or more people (Kahn & Cannell, 1957), and can be divided into structured interviews, semi-structured interviews and unstructured or in-depth interviews (Saunders et al., 2009). This study undertakes semi-structured interviews, often referred to as qualitative research interviews (King, 2004). Semi-structured interviews are likely to reveal and understand the “what” and the “how” (Saunders et al., 2009), and will therefore be used to provide answers to the research questions. The advantage of this form of interview is that it allows additional questions to explore particular themes and objectives that the interviewee may touch upon. As mentioned under the section about secondary data, finding information about their sustainability work was easy, but it was difficult to obtain valuable and credible information about their business model. Interviews were necessary to obtain this information, and semi-structured interviews is appropriate, as it covers a list of themes and questions (Saunders et al., 2009). The interviews were divided in two parts, one about their business model, and the second part concerned integration of sustainability. The first part have similarities with the structured interview, as the answers were used to get information about their business model, and this part is highly related to the descriptive purpose of the research. The second part of the interview is about the sustainability challenges, advantages and difficulties of integration, which relates it to the exploratory research purpose.

An interview protocol was made and emailed to the interviewees a couple of days prior to each interview, to give the interviewees sufficient time to prepare. All of them were grateful for this, and several asked colleagues for help on questions that they felt unsure about, which increases the quality of the data. Each interview followed the same procedure, starting out with nine basic questions covering their business model, then questions about sustainability and the companies approach to the subject. The interviews lasted between 60-120 minutes, and the interviewees were all working in the respective companies CSR-departments. Because of this, they were knowledgeable about sustainability issues and initiatives, but some of them were a bit unsure when their business model was up to discussion. That is why some of them asked colleagues in advance, who made them give sufficient information and increase the credibility of the research.

Interviews were conducted with: Joseph Nazareth on May 16th, the Group Vice President for Group Health, Safety & Environment and Corporate Responsibility in ISS World, Rønnaug Vinje on June 28th, senior manager of Corporate Responsibility and Sustainability for Coca-Cola Enterprises Norway and Sweden, Tina Mari Flem on July 2nd, which is responsible for the annual and sustainability reports in Norway Post,
and Bjørn Iuell on July 10th, Senior Environmental Advisor for Corporate Responsibility and Health, Safety and Environment in Statkraft.

There are several limitations towards this form of data collection, and the interaction the researcher has with the interviewees, and the questions asked, will impact the collected data (Silverman, 2007). As the researcher has little experience both in research and conducting interviews, it is possible that some of the questions are being asked wrong, or not asked at all. Bias may occur, and there is interview bias and interviewee bias. The former is related to comments, tone or non-verbal behavior of the interviewer, which can create bias in the ways that interviewees respond to the questions being asked (Saunders et al., 2009). The researcher may create bias in the way the responses are being interpreted (Easterby-Smith, Thorpe, & Jackson, 2008). To minimize this bias, the researcher appeared neutral and interested in relation to the interviewee’s answers.

Exploring and probing their explanations and meanings demonstrated listening skills, and audio recording and note writing were used to record the data. Audio recording makes it possible to re-listen to the interview, it provides an accurate and un-biased record, it allows direct quotes to be used, and it is a permanent record for others to use. There are some disadvantages as well, as it may affect the relationship between interviewee and interviewer, it may inhibit some interviewee response and reduce reliability, a technical problem may occur, and it takes time to transcribe the audio recording. Notes were taken in case something unexpected would happen with the audio-recorder, and it shows that the participant’s response is important. It is also a way for the researcher to maintain concentration and focus (Ghauri & Grønhaug, 2005). All interviews were transcribed on the same day the interview was conducted. The interviewee with ISS was conducted in English, and can therefore limit both the interviewer and interviewee, as neither have English as their native language. The language undertaken in the three other interviews was Norwegian, which is the mother tongue of both participants. Some errors can be made when data are translated into English.

Interviewee bias may occur in this research, as the interviewees may want to show a “brighter” side of the company. The approach to questioning is one opportunity to increase the reliability of the information obtained. Open questions were used as much as possible, without leading questions or questions that could indicate bias. Open questions are likely to include “what”, “how”, or “why” (Saunders et al., 2009), and it will encourage the interviewee to provide extensive and developmental answers (Grummitt, 1980). Specific and closed questions are another kind of questions, and they can be used to obtain specific information or to confirm a fact or opinion (Saunders et al., 2009). These questions were used to get specific information about the case companies’ business model, while the open questions are used to get a deeper understanding of their approach to sustainability.
In addition to the four face-to-face interviews, one interview was also conducted over the e-mail. As it was one email that contained a series of questions, it is an internet-mediated questionnaire (Saunders et al., 2009). The respondent was Tone Edvinsen, which is manager for Health, Environment and Safety (EHS) in ISS Norway. This kind of research method is useful for closed questions, which is why she answered questions about their business model. The questionnaire was sent May 2nd, and a response was returned May 8th. A good response on the questionnaire depends on motivation of the recipient to answer it and send it back. Although the person seemed interested and motivated for the study, it is difficult to know how motivated the person was when responding to the questions. Another uncertainty is that it is difficult to ensure that it is the EHS manager who is the respondent. It is also a possibility that the respondent have misinterpreted the questions, which gives a flawed answer. The respondent may have insufficient knowledge or experience about a question, which makes the person deliberately guess the answer, also known as a uniformed response (Saunders et al., 2009). Missed are advantages that the semi-structured interview offers, such as explanatory questions, audio recording, use of quotas, and interpretation of verbal and non-verbal behavior.

6.5 Analyzing Qualitative Data

For the data to be used it has to be analyzed and the meanings understood. This is what qualitative data analysis procedures assist, which allows theory to be developed from data (Saunders et al., 2009). There are two approaches to qualitative analysis, deductive and inductive. As mentioned in the section about the research approach, this research undertakes a combination of both. The description of business models is a deductive process, whereas the integration of sustainability in business models is more of an inductive process. Deductive analysis is when a framework is used to organize and direct the analysis (Yin, 2009). The framework that will be used to describe the business model of the case companies is the business model ontology (Osterwalder, 2004), and visualized as the business model canvas (Osterwalder & Pigneur, 2010). The business model is constructed based on the answers that the interviewee has provided. The visual representation is a figure with cue words, which provides an informative visualization that is easy to understand. This visualization is made purely by information provided by the interviews. The researcher, based on the response from the interviews, makes up the cue words within the figure.

As the mainstream business model is in place, it is necessary to find out what the companies focus on regarding sustainability, and what their initiatives are. As discussed under data collection, web pages and company was the main resource for this, and each initiative that regards sustainability was categorized according to whether it was a social or environmental initiative, and what the focus area was. All companies have several focus areas, positioned towards the social or environmental pillar. This categorization was undertaken based on the interpretation of the researcher. For each case company, there is a table that
summarizes all their sustainability initiatives, which is divided into social and environmental, and focus areas. To find out how, or if these initiatives could be integrated to it was necessary to compare the initiatives towards the mainstream business model. The integration is based on the cue words that are listed in the various business model components, and the researcher looks for similarities between the sustainability initiative and the cue word. For instance if employees or production facilities are seen as a key resources, and the case company have initiatives addressed towards them, then the sustainability initiative is located under key resource. Or if the case companies have initiatives addressed towards customers, the sustainability initiative is located under customer segments. If they have sustainability partnerships they are located under key partnerships and so on. After all the initiatives have been analyzed, a sustainability business model is provided, visualized as the business model canvas (Osterwalder & Pigneur, 2010), and based on the definition of a sustainability business model made by Schaltegger et al (2012):

A business model for sustainability is actively managed in order to create customer and social value by integrating social, environmental, and business activities (Schaltegger et al., 2012, p. 23).

The integration is made purely by the interpretation of the researcher, which means that the researcher has a huge influence in this process. As this process was done manually, there is a possibility that some important data have been overlooked from the researcher. It is a high danger of bias from the researcher, and there is a possibility that other researchers will find other connections between the sustainability initiatives and the business models. Each case company is analyzed individually and in the same way. After the individual analysis, a cross-case analysis is provided. It will be structured based on the four business model pillars, which are product, infrastructure management, customer interface and financial aspects. Findings from each of the case companies will by compared, and similarities and differences will be contrasted. Possible answers to why there exist similarities and differences will be offered.

The second part of the interview concerns advantages and difficulties regarding sustainability integration, and how sustainability affect their business model and strategy. The interviews were summarized in key points, to make the relevant data smaller and more manageable. After the data had been summarized, it was categorized. Categories provide an emergent structure that is relevant to the research project. The identification of categories will be guided by the purpose of the research expressed through research questions and objectives. The next activity of the analytical process, unitizing data, is to attach relevant “bits” or “chunks” of data, to the appropriate category or categories devised (Saunders et al., 2009). This was done manually, which mean that the researcher are engaged in a selective process, guided by the purpose of the research, which has the effect of reducing and rearranging the data into a more manageable and comprehensible form. Findings from this section will be related towards the findings from the cross-case analysis, and compared to each other in the discussion section.
6.6 The Credibility of Research Findings

An underpinning issue regarding the research design is the credibility of the findings. Reliability and validity are two ways of reducing the possibility of getting the answers wrong (Saunders et al., 2009). Reliability refers to the whether the data collection techniques or analysis procedure will yield consistent findings (Saunders et al., 2009). Overall, it is important to maintain a chain of evidence throughout the case study so that the data is traceable for an outside investigator. One prerequisite for this is to document the procedures. All the secondary data comes from the case companies’ websites, annual reports, CSR-reports and the like, which are stated in the reference list. The interviews can provide different answers if different persons are interviewed. To increase the reliability of the interviews, the whole interview consisting of both questions and answers are put in the appendix, which shows how the investigator of this case study has carried out the data collection in each single case. Other threats to reliability are subject or participant error, subject or participant bias, observer error, and observer bias, which are covered under the section about primary data collection.

Validity is concerned whether the findings are really about what they appear to be about (Saunders et al., 2009). As this study undertakes a constructivist approach, the validity of a study is determined on how a given interpretation may be judged. The researcher is the research instrument, and thus the goal is not to remove the researcher’s perspective, but to sharpen it so that the researcher is equipped to make a sophisticated analysis and argument about the phenomena observed (Easterby-Smith et al., 2008). This undertakes a cross-case analysis, and the result may differ if other analysis methods are used. The research process has been accurately described, and used triangulation, which are tools to assure the validity of the study.

Generalizability, also referred to as external validity, concerns whether the findings may be equally to other research settings. This case study involves four case study companies from different industries, which makes it hard to evaluate the generalizability of this research. It is therefore important to replicate the findings across different case companies where the theory specifies that the same results should occur. The generalization is not automatic however, as theory must be tested by replicating the findings several times. Replication logic is the possibility to achieve external validity (Yin, 2009). As it is the author that interprets the data, generalization of the results gets complicated. The study aims to be as transparent as possible in regards of methods and assumptions, and the results are presented in a more general way. The researcher has aimed to identify specific distinctions of the cases in order to see how integrated sustainability is in business models, which to some extent can be generalized to other situations.
7. Coca-Cola Enterprises Norway (CCEN)

Coca-Cola Enterprises Norway (CCEN) has been responsible for production, sale and distribution of products from Coca-Cola in Norway since 1997, and they are the largest supplier of non-alcoholic beverages in Norway. Coca-Cola Enterprises AS owns CCEN, which is the most important bottling plant partner for The Coca-Cola Company in Western Europe. Other member countries are Great Britain, France, Belgium, Holland, Luxemburg, Monaco, and Sweden.

7.1 Business Model Components

Products consist of both cold drinks and hot drinks. The former can be further divided into sparkling, non-sparkling, and water, sport and energy categories. The hot drink category consists of products such as coffee, tea, chocolate and milk.

Their customer segments are pointed towards the mass market, and the end consumers are the ones who enjoy their products. It can be broken between the various products that CCEN offer. They have vending machines that are located on attractive locations that make CCEN reach their customers directly. Their main channel is the indirect channel, which is divided into three main areas, Immediate Consumption (IC) consisting of restaurants, snacks bars etc.; Future Consumption (FC) involves grocery stores; and the last one is kiosk, gas stations and services (KBS). A significant part of their customer relationship is customer retention, and an important part of this is to continue to build up the brand. The Coca-Cola Company is responsible for this, and they are located on the same site as CCEN.

Partner stores (IC, FC and KBS) and trade organizations make up their key partnerships. CCEN have several important key resources. They are one of the most valuable brands in the world, currently listed as number five worldwide, and number one in their category soft drinks (MillardBrown, 2013). Another key resource is their special recipe. Related to this is the Coca-Cola Company, as they provide the syrup and marketing of the products. Their production facilities are brand new, which make their production highly efficient. CCEN are highly dependent upon their people, as production, sale, marketing, and management are important parts of their everyday work. Their key activities are made up of some of the same as their key resources, as both human and The Coca-Cola Company executes important activities. Their supply chain need to deliver sugar, syrup and bottles, and the production are responsible for bottling and manufacturing of the products.

Revenue streams are made up by direct sale through their own vending machines, and indirect sales through partner stores. Their cost structure are mainly human, bottles and syrup.
Based on the previous paragraphs, Figure 6 is a visual representation of the business model.

![Business Model Canvas of CCEN](image)

**Figure 6: The business model canvas of CCEN**

### 7.2 CCEN and Sustainability

#### 7.2.1 How sustainability challenges affect their business model and strategy

One relevant topic is the debate about fatness and sugar. Water is another sustainability challenge. When there is a little access to water, the costs will increase, and CCEN have to decrease their water consumption. They use a lot of water around the world, so focus on water has been really strong. Related topics are energy and depletion of resources. A third sustainability challenge is the climate situation in the Arctic Zone. Previous winter CCEN started a triennial campaign named Arctic Home in collaboration with Word Wildlife Fund. The polar bear has been popular elements in their commercials in over 90 years, which makes it natural for Coca-Cola to use their market forces and resources to create attention.

They have a brand to protect, which also makes them dependent upon their supply chain. It is important to maintain their brand, as they want people to have a positive impression of CCEN. CCEN works actively with their critical suppliers, such as sugar, the Coca-Cola Company, bottles and water. They have an annually Sustainability Supplier Summit, where they bring in their largest suppliers and discuss sustainability. CCEN have always had tough demands, especially upon quality, but the focus is now upon how they can become better in labor laws and environment. It is a constant challenge, and bio plastics are a concrete example upon
how they have challenged their suppliers, and how they have worked together to come up with a better product. Looking inside CCEN, they measure each employee on sustainability. If CCEN use more energy than they are supposed to, the bonus will decrease. Bonus is a way for people to get ownership to the cause.

7.2.2 Advantages of sustainability
Advantages are related to reputation, as CCEN does not want to be known as an actor that destroys the environment. Competitiveness is another, by reduction of costs and depletion of resources, which is about risk management. Competitiveness is also about adaption to the needs of society, or the debate, such as increased demand for water and light products. The ones that exclude sustainability will not survive on the long-term basis. Employees are also important, as people are proud of working in a company that takes care of the society, and students wants to work for a company engaged in sustainability.

There are no disadvantages, but it can arrive. A disadvantage can be if something is not done perfectly, which gives the opposite effect. This is related to the communication part, so there are no real disadvantages. It is important to work with sustainability on the areas that you can make a difference.

7.2.3 Difficulties encountered
Time is one challenge. It is about talking with the leaders about it, and make sure they take the time to think about these things. It is difficult to just give employees various actions, without a proper explanation. Time to do that is a key challenge. To change the mentality is also a challenge. Sustainability is time consuming, it has taken CCEN two years to get to the point they are today. It has to be rooted in top management, so they can communicate it down to the other leaders.

7.3 Integration of sustainability in the business model
When asked how a sustainability business model, the answers is that it is a model that lasts for many years ahead, which consider all the aspects, not only sales and production, but also risk management for the future, like development of the society, and adaption to society. CCEN have labeled their responsibility work for CRS - Corporate Responsibility and Sustainability. They remove Social, as it is too narrow, and it is included with sustainability. CRS is central in their strategic work, and they have developed their own CRS strategy with the goal of being leading in their industry within “Energy and climate changes” and “Sustainability packaging and recycling”. Top management is the department with the most responsibility for their CRS work, and they have their own leader for CRS, who is responsible for working within this field and communicating it. They have several CRS policies in place, such as CRS-vision, Code of Conduct, several certifications, and they have won two awards in 2013 for their work with sustainability. Table 5 shows the various initiatives that CCEN have implemented.
### Table 5: Sustainability initiatives in CCEN

#### 7.3.1 Social initiatives

*Active Healthy Living* is an initiative that is meant for the employees of CCEN, as CCEN encourage healthy living by supporting physical activity and nutrition education programs. CCEN are engaged in *sports events and activities across the country*, and support between 220 and 250 various projects, which can be linked towards *key partnerships*. They offer training facilities at the work place that includes individual training, pilates and spinning. They have also a “Sport and Social” group, and they cover various sports events by paying the participation fee. As it is related to their employees, it can be connected with *key activities, key resources, and cost structure*, as it affect their cost both positive and negative. These arrangements are costly, but advantages are healthier employees, and reduction of absence due to sickness. They also arrange Powerade Sweat Session, which is an event that gives ordinary joggers the opportunity to measure their own need for hydration. This event may enhance their *customer relationship* within certain *customer segments*, as
well as strengthening the *product* name. Powerade is the official drink for athletes during the Olympic Games, which emphasize that is it a product for active people, and it is placed under *value proposition*.

*Communities* are their opportunity to make a positive difference in their communities. They have an agreement with *Oslo Red Cross*, which they support with economic resources and voluntary work. They have agreements with smaller actors in the local community, such as Loerenskog Cycle Club. The cycle club contributes with a spinning instructor, while CCEN offer money and beverage to their arrangements. In addition, they have a local bicycle day for both surrounding neighbors and employees at CCEN. These initiatives are linked toward partnerships and employees, as *Oslo Red Cross* and *local actors* such as the Cycle Club are linked with *key partnerships*, while the *local bicycle day* are connected towards *key activities and key resources*, because it affects their employees.

For *products*, their strategy is to develop their portfolio – by introducing no- and low calorie products, use more natural ingredient and provide clear informative nutritional labeling. They have launched a *smaller bottle size* that will make it easier to control the amount, which is a response to one of the health challenges that the society is facing. Another response is *focus on low calories*, and CCEN offer products that are sugar-free and contain few or no calories. They have *responsible marketing*, as they do not advertise or market any of their products directly to children under the age of 12, and they are not located at school until high school. Both *smaller bottle size* and *focus on low calories* are connected to the *product*, whereas *responsible marketing* are connected towards the end-consumers, which means that it fits in the *customer segment* and *customer relationship*.

For their *work place*, CCEN have launched a scorecard called *Zero Lost Time Accidents (LTA)* where the goal is to have zero injuries. Related to this is *Safety First*, a campaign launched in 2012 to build up the safety culture, so that the employees think safety in everything they do. *Zero Accident Behavior* is a training program that focus on making visible that unsafe alternatives have consequences. *Diversity* is important for CCEN, ad they offer course in Norwegian language, flexible holiday arrangements, prayer room and an extended food offering in the cantina. All of these initiatives are meant towards their employees, which means that they are positioned in *key activities*, *key resources* and because it lead to decreased sickness absence, it will also reduce the *cost structure*.
7.3.2 Environmental initiatives

For water stewardship, CCEN have invested in new production methods in 2012, which has resulted in decreased water consumption. As this is related to their physical resources, it is suitable under key activities and key resources. Three liter pure water to Africa is a product campaign through their brand Bonaqua, that for each bottle purchased in the campaign period CCEN donated money equivalent to the cost of gathering three liter pure water to the “Water for Life” project held by Red Cross in Africa. It can be linked to product, customer segment and customer relationships because it engages their customers, key partnerships because it is in collaboration with the Red Cross, and finally, it can also be linked to revenue streams, as it is a product that creates sale, and the initiative can make the consumers choose their product instead of a similar product from a competitor.

In energy and climate changes, CCEN will reduce the carbon footprint of each drink by a third by delivering carbon reductions throughout the entire value chain. Wholesale distribution will result in fewer trucks on the road, as the customers will drive the products from CCEN together with other goods. Arctic Home is a partnership in collaboration with WWF where the goal is to increase the focus towards the climate situation in the Arctic. Energy group is a group of employees whose mission is to save energy by identifying nearby, local initiatives that are supposed to give great effects. It can be linked towards key activities and key resources because it engages the employees, and it will hopefully affect the cost structure in a positive way, as it will save energy. Climate friendly cooling are new coolers that use less energy than the previous ones, and it can be linked towards channels. Bio heating from Akershus Energy can be linked towards key activities, as it is the energy that drives the production.

CCEN will set the standard for sustainable packaging, and achieve zero waste in their operations and recycle more packaging than they use. Plant Bottles are the new bottles that are made up by up to 22,5 % plant material and up to 50 % recyclable plastic material. This bottle is the only one that it recognized for having both a social and environmental profile. PlantBottle can be related to value proposition because almost each product has to be in a bottle, and it will affect the cost structure positive compared to the older bottles. The new production lines and the new bottles mean less packaging. Less packaging is related to value proposition, as all their products have to be in packaging. The new production lines do also result in less waste, and it is caused by the production facilities, which relates it to key activities and key resources. New routines for waste management are introduced as well, such as a pre-separation system in the cantina and production, and a four-part sorting system for waste in each meeting room. The purpose of these routines is to exploit the waste to both biogas production and as soil agriculture. This is an example on how sustainability is profitable, as they get paid for waste plastic (bottles and screw cap, wood, metal etc.), and can therefore be linked towards revenue streams.
7.3.3 The sustainability business model of CCEN

Figure 7 is a visual representation of the sustainability business model of CCEN.

![Figure 7: The sustainability business model of CCEN](image-url)
8. ISS World

The ISS Group was founded in Copenhagen in 1901, and has grown to become one of the world’s leading facility services companies. ISS was originally short for International Service System and from 2001 short for Integrated Service Solutions, but it is only used as the acronym today. ISS has more than 530,000 employees and local operations in over 50 countries across Europe, Asia, North America, Latin America and the Pacific, where it serves thousands of public and private customers.

8.1 Business Model Components

ISS have six main services. Facility Management is on-site management of facility services. Catering Services are in-house restaurants and canteens. Cleaning Services encompasses a range of services within daily office and facility cleaning, industrial cleaning, and specialized cleaning. Property Services includes building maintenance, technical maintenance, and damage control. Support Services are operation of receptions, internal mail handling, call centers, and manpower supply. Security Services involves manned guarding, patrolling of customer facilities and the installation of alarm and access systems.

Their customers can be everything from an individual enterprise to a multi-national company. The most important customers are the ones that they can develop long-term partnership with a total facility service delivery. Single-service is when a customer buys one service solution, and multi-service consists of two or more services, but not as fully as an integrated solution. Integrated Facility Services (IFS) is two or more services under contract with a single point of contact on-site, which allows ISS to integrate the facility service functions at the customer’s premises. All services are self-delivery, which means that the services are delivered through staff employed directly by ISS. Their customer relationship depends on the size of the customer, and what kind of services the customer wants.

People are their most important key resource, as they are the ones that are out in the field every day with customer contact. Their global presence allows ISS to deliver their value proposition locally, nationally and globally. Each country operates on local initiative and control, where they can develop the business according to local market demand. ISS is an expert, as they are a company that understands customer needs and provides the services required to meet them. ISS have transformed from primarily a cleaning provider to a full facility service provider, and their services can be offered as a combination – integrated solutions – that will give the customer synergy effects. Diversity is important for ISS, and in Denmark they have workers from over 130 various nationalities. They have a strong central unit with many disciplines, such as HR and sales. As people are one of their key resources, competence building is an important key activity, and they have several development programs. ISS have key partnerships with various industry organizations, international institutes and other international organizations.
ISS have several *revenue streams*, which are facility management, catering services, cleaning services, property services, support services, and security services. These service types can be *delivered* either as single-service, multi-service or IFS. As *people* are the ones that perform their services, this is a vast *cost structure* for ISS. Other expenses are cars and chemicals used for cleaning.

Based on the previous paragraphs, figure 8 is a visual representation of the business model.

![Business Model Canvas of ISS World](image)

**Figure 8:** The business model canvas of ISS World

### 8.2 ISS and Sustainability

#### 8.2.1 How sustainability challenges affect their business model and strategy

Sustainability gives them a competitive advantage. ISS can document that they pay wages on time, that they do not have child labor, and that their health and safety standards are high, that they do not accept harassment, and that they accept diversity. This is topics that are highly related for areas that they are within, and especially important as their strategy is to look for major customers all around the world. Customers have CSR in their mind when approaching ISS, and it is a trend that is increasing.
8.2.2 Advantages of sustainability

It is a part of the delivery model they offer to their customers. They see sustainability as a competitive advantage, as they can assure that their customers will not run into a branding scandal. It is a win-win situation for both ISS and the customer. They can help the customer reduce its energy consumption, whereas ISS benefits by doing the project. It has become more like a global requirement from their customer, which makes it a necessity to be engaged.

8.2.3 Difficulties encountered

One problem with sustainability is the definition. Makes an argument that sustainability is poorly understood in many parts of the world. The key is to get people to understand the phrase, and the challenging part is to get people to realize that what they are doing is sustainability. As ISS operates all over the world, one challenge is that there are so many different cultures. It is impossible to copy and paste sustainability, as the various cultures are working under different conditions. ISS contribution is to set safety standards, working conditions, that they pay on time and pay premium, which are the things they can influence. To change values is something to be careful about, as it is difficult to assume that something that is good in one part of the world are good in another part. It is good to have an overall vision for CR, but it has to be tailored to the specific market, or specific country.

8.3 Integration of sustainability in the business model

ISS came up with an actual plan for CSR and formalized it three years ago. Their business is based on people and they have 535,000 employees, in which 96% are located at their customers cites. That is why they have to be engaged in sustainability and CSR. Because of the formalization, they work in a much more structured format at Group level. Down on country level there have been a lot of CSR, but without the overall umbrella, which is what they established three years ago with their CR policy. ISS believes that the long-term success of their company depends on balancing social, environment and economic. It is an integral part of their business strategy, so their efforts in these areas will provide engaged employees, enhanced customer experience and increases business growth. They use the term Corporate Responsibility (CR), and states that the various themes (CSR, sustainability) all are alike for ISS. They have several policies related to their sustainability work, such as a responsibility vision, Code of Conduct, HSE vision, environmental policy, CR policy, and responsibility is also one of their four values. Table 6 shows the various initiatives that ISS have implemented.
### Social Initiatives

The whistle blower system makes it possible for all employees, business partners, and other stakeholders to report any serious and sensitive concerns. It is related to all stakeholders, and can therefore be connected with key partnerships, key resources, customer relationship and customer segments. ISS promotes diversity, and solve an important social task by ensuring improved integration to the labor market, which place it under key resources. The goal is to have zero fatalities among their employees. Me&You is a global campaign that ran in 2010, which covered safety, health, and the environment. Zero fatalities and Me&You are focused on increased knowledge, which relates it to competence building and key activities. As the former also can lead to lower cost due to decreased absence due to sickness, it can also be related to cost structure.

Responsible supply chain is directed towards their suppliers, meaning it is suitable under key partnerships. International Association Outsourcing Professionals (IAOP) and Union Network International (UNI) are two organizations that ISS work with. Both IAOP and UNI are partners with ISS, and they are working to improve labor rights, which puts them under key partnerships and key resources. The driver safety program is related to competence building, meaning that it is suitable under key activities. The program does also lower the fuel consumption, meaning it can be argued that it lower the cost structure.

### Table 6: Sustainability initiatives in ISS World

<table>
<thead>
<tr>
<th>Social Initiatives</th>
<th>Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor rights</td>
<td>Whistle blower system</td>
</tr>
<tr>
<td></td>
<td>Zero fatalities</td>
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<tr>
<td></td>
<td>Responsible supply chain</td>
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<tr>
<td></td>
<td>IAOP</td>
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<tr>
<td></td>
<td>UNI</td>
</tr>
<tr>
<td></td>
<td>Driver safety programs</td>
</tr>
<tr>
<td>Human rights</td>
<td>Whistle blower system</td>
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<tr>
<td></td>
<td>Facilitating the right to work</td>
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<tr>
<td></td>
<td>Working with unions</td>
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<tr>
<td></td>
<td>Responsible supply chain</td>
</tr>
<tr>
<td>Anti-corruption</td>
<td>E-learning modules</td>
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<tr>
<td></td>
<td>Whistle blower system</td>
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<tr>
<td></td>
<td>Responsible supply chain</td>
</tr>
<tr>
<td>Other</td>
<td>Global FM</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental Initiatives</th>
</tr>
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<tbody>
<tr>
<td>Issue</td>
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<tr>
<td>Environment</td>
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</tbody>
</table>

8.3.1 Social initiatives

The whistle blower system makes it possible for all employees, business partners, and other stakeholders to report any serious and sensitive concerns. It is related to all stakeholders, and can therefore be connected with key partnerships, key resources, customer relationship and customer segments. ISS promotes diversity, and solve an important social task by ensuring improved integration to the labor market, which place it under key resources. The goal is to have zero fatalities among their employees. Me&You is a global campaign that ran in 2010, which covered safety, health, and the environment. Zero fatalities and Me&You are focused on increased knowledge, which relates it to competence building and key activities. As the former also can lead to lower cost due to decreased absence due to sickness, it can also be related to cost structure.
For human rights, ISS facilitate the right to work as they offer employment to people with few documented skills and qualifications. This is relevant for their employees, meaning that it is suitable under key resources. ISS collaborate with unions at the local level over core working conditions and regionally and globally on broader issues, and can therefore be placed under key partnerships. Regarding anti-corruption, ISS have e-learning modules, which is a way to reach out to managers to explain the implications of their policies. The goal is to increase the knowledge, which relates it to competence building and key activities. Other is made up by Global FM, which is an organization that connects regional and local FM organizations and provide guidance on education and input on industry standards, therefore placed under key partnerships.

8.3.2 Environmental initiatives

The main environmental impact from ISS’s operations derives from their cleaning services and consists of the use of chemicals as well as water and energy consumption. They emit CO2 through the use of cars in their operations and travel activities. They can influence the extent of their impacts through conscious behavior in terms of consumption at their own sites, through the design of processes and equipment that they use at their customer sites, and through the portfolio of services they offer to their customers.

Electric and hybrid vehicles are connected towards distribution and it affects the cost structure in a positive way. ISS have reduced their consumption of electricity and water at their customers’ site, which reduce the cost for their customer segments and hopefully increase their customer relationship with ISS. Reduced car emission and business travels improve their cost structure. Nearly 10% of the chemical products they use for daily cleaning are eco-labeled certified according to the European Union requirements, and there is a continuous search for the best possible solutions in partnership with their supply partner for cleaning chemicals, Diversey. Chemicals are related to value proposition because it is used in their services. IFMA Foundation works to promote the facility management profession through education, leadership opportunities, research and standards development, which makes it a partnership.

ISS Denmark entered a climate partnership agreement with DONG Energy in order to reduce energy and resource consumption at ISS headquarters, which also affects the cost structure in a positive way. ISS Norway is responsible for the canteen at Statkraf, whom wanted a more environmental friendly canteen, which ISS delivered. It is related to customer relationship and channels as it shows that ISS Norway take their customers desires seriously. ISS Green Cleaning is a program that uses less water, reuse equipment and tools that improve the indoor quality and benefit the outside environment. This initiative belongs under value proposition and revenue streams.
8.3.3 The sustainability business model of ISS World

Figure 9 is a visual representation of the sustainability business model of ISS.

<table>
<thead>
<tr>
<th>INFRASTRUCTURE MANAGEMENT</th>
<th>PRODUCT</th>
<th>CUSTOMER INTERFACE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key Partnerships</strong></td>
<td><strong>Key Activities</strong></td>
<td><strong>Customer Relationship</strong></td>
</tr>
<tr>
<td>FM Industry...</td>
<td>Competence...</td>
<td>Partnership...</td>
</tr>
<tr>
<td>The whistle blower system</td>
<td>Zero fatalities</td>
<td>The whistle blower system</td>
</tr>
<tr>
<td>Responsible supply chain</td>
<td>Me&amp;You</td>
<td>Statkraft (ISS Norway)</td>
</tr>
<tr>
<td>IAOP</td>
<td>E-learning</td>
<td>Reduced electricity and water consumption</td>
</tr>
<tr>
<td>UNI</td>
<td>modules</td>
<td></td>
</tr>
<tr>
<td>Unions</td>
<td>Driver safety programs</td>
<td></td>
</tr>
<tr>
<td>IFMA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation</td>
<td></td>
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<tr>
<td>GlobalFM</td>
<td></td>
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<tr>
<td>DONG</td>
<td></td>
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<tr>
<td>Energy (ISS Denmark)</td>
<td></td>
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</tr>
<tr>
<td>Diversey</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Value Proposition</strong></td>
<td><strong>Value added offering...</strong></td>
<td><strong>Channels</strong></td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td><strong>Facility Management</strong></td>
<td><strong>Single-service...</strong></td>
</tr>
<tr>
<td>Chemicals</td>
<td>Diversey</td>
<td>Statkraft (ISS Norway)</td>
</tr>
<tr>
<td>ISS Green Cleaning</td>
<td></td>
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<tr>
<td><strong>Customer Segments</strong></td>
<td><strong>Companies in...</strong></td>
<td></td>
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<table>
<thead>
<tr>
<th><strong>Key Resources</strong></th>
<th><strong>Channels</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>People...</td>
<td>Statkraft (ISS Norway)</td>
</tr>
<tr>
<td>The whistle blower system</td>
<td></td>
</tr>
<tr>
<td>Diversity and integration</td>
<td></td>
</tr>
<tr>
<td>IAOP</td>
<td></td>
</tr>
<tr>
<td>UNI</td>
<td></td>
</tr>
<tr>
<td>Facilitating the right to work</td>
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</table>

<table>
<thead>
<tr>
<th><strong>FINANCIAL ASPECTS</strong></th>
<th><strong>Revenue Streams</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost Structure</strong></td>
<td><strong>Service type, Service delivery type</strong></td>
</tr>
<tr>
<td>People, Cars, Chemicals</td>
<td>ISS Green Cleaning</td>
</tr>
<tr>
<td>Zero fatalities</td>
<td></td>
</tr>
<tr>
<td>Driver safety programs (positive)</td>
<td></td>
</tr>
<tr>
<td>Electric and hybrid vehicles (positive)</td>
<td></td>
</tr>
<tr>
<td>Reduced car emission and business travels (positive)</td>
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<tr>
<td>DONG Energy (ISS Denmark) (positive)</td>
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</tr>
</tbody>
</table>

*Figure 9: The sustainability business model of ISS World*
9. Norway Post

Norway Post is a Nordic mail and logistics group that develops and delivers complete solutions within postal services, communications and logistics, with the Nordic area as its local market. It was established in 1647, and in 1719, they assume responsibility for the Postal Service. They have over 20 000 employees and over 1400 points of sale in Norway in the form of post offices and Post in Shops. Norway Post has monopoly on mailing of letters under 50 grams, and 14.5% of Group income in 2012 came from monopoly services.

9.1 Business Model Components

Norway Post meets the market with two brands, Posten and Bring. The former cover services to private customers, the post office network and daily postal distribution to the entire Norwegian populace. Bring is aimed at business customers within mail and logistics in the Nordic area.

Norway Post has two huge customer segments, customers and business. Posten takes care of the former, and they exist for the Norwegian people. Bring takes care of the business section, and the Nordic market is their home market. Norway Post has several channels where they deliver their products, such as mailbox, company centers, mail-in-store, post-offices, hubs and post-automates. As for customer relationship, they have 6 000 mailmen that are out daily and meeting their customers, as well as employees in post stores and mail-in-store, whom all provide personal assistance. Self-service is important, as almost everything can be done on the web, and mail and parcels can be picked up at post-automates.

Human is one of their key resources and they are dependent upon their employees to deliver the value propositions through their channels. They have been working in the same field since 1617, which gives them an unique competence upon what they are doing. They owns many physical resources, such as cars, terminals, machines etc. They have an enormous distribution network, and by 2014 they will have around 3 000 places of distribution all over Norway. Production is handling/sorting of parcels and letters in their terminals. After the handling, they have to distribute the parcels and letters out to the various customer segments. Problem solving is a part of their everyday, and it is about transportation of something from A to B the most efficient way at the lowest price. Bring offer the opportunity to coordinate the whole supply chain for customers. All their key partnerships are at the transboundary level.

Norway Post divides their revenue streams in two main sections. Logistics is the largest segment, and consist of groupage and part load, cargo, parcels, warehousing, thermo and express. Post includes letters, bank services, and dialog services. Maintaining their distribution network and terminal buildings, employees, and motor pools are parts of their cost structure.
9.2 Norway Post and Sustainability

9.2.1 How sustainability challenges affect their business model and strategy

CO2 is the largest driver there is, as Norway Post is transport sensitive and emits a lot of CO2 and more. Another is safety in the traffic. They are over all of Norway, and there is a lot of focus on environmental friendly driving, which is going to make the employees improved drivers. They have large campaigns for how they can transport one thing from A to B as safe as possible, and at the same time most environmental friendly.
9.2.2 Advantages of sustainability

One thing is reputation, which is said from a communication perspective. Trust is one, both by their customers and their stakeholders. Investors are getting more and more engaged in the subject. CSR and sustainability is something that everyone company has to be engaged in and relation. It is profitable. Employees are also important, as organizations that have a good reputation and confidence in the market manage to take care of their employees. It it the large picture that makes you attractive as an employer. One disadvantage may be that it is costly. It is a long-term investment that is maybe not profitable immeditaly.

9.2.3 Difficulties encountered

One challenge is that Norway Post is an enormous organization. It takes time for initiatives to mature, it takes time to get an understanding for why they are doing it, it takes time to see the results of what they are doing, and it takes time for the message to reach the bottom. One challenge is to get the people working at the floor to not be afraid of the new processes. Norway Post have done it naturally over time, so people are used to adaption.

Emphasize that it is important to balance sustainability and the economics in order to operate in a sustainable way. Without the economics, it will be difficult to do investments within sustainability. It is costly, and it is important to see the whole picture and short-term vs. long-term benefits. They have over 600 alternative cars (biogas, el-cars, etc.) and they will exceed 1000 during the year, which has been an enormous investment. It is time-consuming as well, as it is impossible to replace 900 cars overnight. It is not possible, and you need to have capital to do it. It has to be a part of your business strategy, and they are trying to turn the whole company to be more sustainable, but with profitability as the foundation. It it important to see sustainability as a part of the whole business, for instance not separate transportation and sustainability, but see it as sustainable transportation. That may be the difference between the ones that have worked with sustainability a while, opposed to the ones that are in the introduction phase. To have it top-of-mind is important, and Norway Post does probably have some distance to walk, because they operate in so many various fields. Someone are already superior, while others still have a great distance left.

9.3 Integration of sustainability in the business model

They began with UN Global Compact in 2010, and at the same time they implemented sustainability within their business strategy. For Norway Post social responsibility means undertaking voluntary measures that does not necessarily bring about short term gains nor are mandated by legislation or licence. They have made their own Group policy for the term CSR, and they have deliberately called it CSR, as it is a well-known term in Norway. When asked about a sustainability business model, the response is that it is to operate businesslike while ast the same time taking responsibility for humans and the environment. It is about having
A business model that acts in accordance with humans and the environment, at the same time making money. They want the whole company culture to be engaged in sustainability. There are so many fields within sustainability, which makes it easy for individuals to be a part of the journey. And it is these individuals that are going to deliver on the goals that are put in place for sustainability. It is supposed to be a part of their everyday, a way of operating Norway Post. As for CSR policies, they have ethical guidelines, environmental vision, and an environmental policy. Table 7 shows the various initiatives that Norway Post has implemented.

<table>
<thead>
<tr>
<th>SOCIAL INITIATIVES</th>
<th>ENVIRONMENTAL INITIATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Focus area</strong></td>
<td><strong>Initiative</strong></td>
</tr>
<tr>
<td>Integration</td>
<td>Integrity program</td>
</tr>
<tr>
<td>Norwegian People’s Aid</td>
<td>Vox</td>
</tr>
<tr>
<td>Recruitment and job advertisements</td>
<td>Employee survey</td>
</tr>
<tr>
<td>Quiet room</td>
<td>Stipulated religious clothing</td>
</tr>
<tr>
<td>Integrity handbook</td>
<td>E-learning module</td>
</tr>
<tr>
<td>Tailored training program</td>
<td>Corporate unit for misconduct</td>
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<tr>
<td>Business partners</td>
<td>Supplier management</td>
</tr>
<tr>
<td>Health promoting program</td>
<td>“It helps”</td>
</tr>
<tr>
<td>Safety</td>
<td>Cross-cultural absence follow up</td>
</tr>
<tr>
<td>Diversity goals</td>
<td>“You make a difference”</td>
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</table>

*Table 7: Sustainability initiatives in Norway Post*
9.3.1 Social initiatives

Norway Post will contribute to the integration of ethnic minorities into Norwegian society. They launched an integrity program in October 2011, with the purpose of increased standards for ethics and integrity. As it is aimed towards employees and business partners, it seems to fit with key resources and key partnerships. Norway post collaborates with both Norwegian People’s Aid and Vox – Norwegian Ministry of Education and Research. The former collaboration focus on a “racism-free zone”, and the collaboration enables the rising of competence within integration and diversity work. Both are collaborations and increase the competence, they are suitable under key partnerships and key resources.

Diversity is mentioned in the introduction to all recruitment and job advertisements. They send out an annual anonymous employee survey with questions about bullying, harassment and discrimination. They offer quiet room at several of their units that is set-aside specifically for meditation and prayer and they accepts the usage of stipulated religious clothing. Their integrity handbook is based on the ethical guidelines. They have an e-learning module on integrity that is created by using the information in the ethical guidelines and the integrity handbook. There is a tailored training program for managers, support, sales, marketing and other persons who will function as a resource person regarding integrity-related issues. The corporate unit for misconduct is available for employees who experience, discover or suspect unacceptable conditions. These initiatives are related to human and competence, which place them under key resources.

Supplier management focuses on minimum requirements for the suppliers, which relates it to key partnerships. They have a health-promoting program, which creates the condition for a good lifestyle. Related to this is “It helps”, which is a systematic approach to get workers with repeated absence over time back to work. Norway Post has worked long-term and systematic with safety at work. Cross-cultural absence follow up has the goal of increase competence among managers to carry out follow-up of employees with immigrant backgrounds. All four initiatives are related to human, which makes it suitable under key resources. The Group has 430 more employees at work compared to 2006, which provides the group with annual savings of NOK 60 million, which place these initiatives under cost structure as well.

Norway Post has ambitious diversity goals, meaning that 15 % of the company’s employees in Norway are going to have an immigrant background by the end of 2015 (12, 2 % in 2012). “You make a difference” is an internal development program for employees with immigrant backgrounds that want experience from jobs in administration and management. Both are related to human, and therefore positioned under key resources.
9.3.2 Environmental initiatives

*Climate promise* is a governmental campaign for public awareness on climate change and how to act on CO2. *Cities of the future* works to reduce greenhouse gas emissions and make the cities a better place to live. *Swan Purchasers’ club* is the official Nordic ecolabel, which helps to ensure that Norway Post chooses products with minimum of environmental impact. *Green Goods Transport scheme* is a research project with the aim of making the transport of goods more climate-friendly. *EU project applications* focus on reducing emissions in urban areas. *ZERO* is a collaboration to intensify professional and industrial collaboration in selected environmental issues. *Green City Distribution* is a project intended to reduce greenhouse gas emissions for goods delivery in Oslo. Norway Post signed an agreement in 2010 with Oslo Municipality for *Business for a Better Environment*. They participate with *SINTEF* to see how navigation and reliability can be improved for commercial traffic. Norway Post contributes to *NHO’s climate panel* through the preparation of industry booklets. *Post Europ and the International Post Corporation (IPC)* bring mail companies in Europe and the entire world together to exchange experiences from environmental work. *Green Dot* guarantees and administers the funding of the recovery and recycling of plastic, metal and glass packaging, carton packaging, beverage cartons and cardboard. *Stockholm City Climate Pact* works to improve Stockholms climate. All the examples in this sections are *partnerships*.

Norway Post have focused on *waste sorting* for many years, which has a positive effect on *cost structure* and *revenue streams*. *Energy efficiency* is achieved by using renewable energy sources and they have installed site-based electricity meters that make it possible to follow consumption on an hourly basis. This affect the *cost structure*. Norway Post’s South-East Norway terminal has a *GEO-energy plant* that provides a 97 percent reduction in environmental emissions. This is related to professional resources and terminas, which localizes it under *key resources* and *cost structure*. *Climate-neutral Service Pack* use alternative fossil fuels, modernized vehicle technologies and courses in environmentally efficient driving for their drivers to make the product climate-neutral. The service is not completely CO2 free, so in order to compensate for the rest of the emissions Norway Post buys climate quotas. It is related to *value proposition* as well as *revenue stream*, and the climate quotas affects the *cost structure in a negative* way. They have an *environmental calculator*, which enables the calculation of how much CO2 a parcel emits when sent between different destinations in Norway. This is a way to engage their customers, and it is localized under *customer relationship* and *customer segments*. Norway Post works on increasing the visibility of its environmental efforts through *communication activities*, which affect their *customer relationships, customer segments, and channels*. Norway Post has *alternative vehicles*, which relates it to *key activities, cost structure and channels*. *Transport supplier program* is a program developed to contribute to a reduction in the suppliers’ climate impact. As it is based upon suppliers, it is useful to have it under *key partnerships*.
### The sustainability business model of Norway Post

Figure 11 is a visual representation of the sustainability business model of Norway Post.

#### INFRASTRUCTURE MANAGMT.
- **Key Partnerships**
  - Stella...
  - Integrity program
  - Norwegian
  - People’s Aid
  - Vox
  - Supplier management
  - Climate promise
  - Cities of the future
  - Swan purchasers
  - Green goods
  - Transport
  - EU project
  - ZERO
  - Green city
  - Business for a better environment
  - SINTEF
  - NHO climate panel
  - PostEurop and IPC
  - Green Dot
  - Stockholm city
  - Transport supplier

#### PRODUCT
- **Value Proposition**
  - Posten
  - Letter services...
- **Bring**
  - Courier, express
- **Climate-neutral Service Pack**

#### CUSTOMER INTERFACE
- **Customer Relationship**
  - Personal...
  - Environmental calculator
  - Communication
  - Environment calculator
  - Communication

#### Key Resources
- Human...
  - Integrity program
  - Norwegian
  - People’s Aid
  - Vox
  - Recruitment and job advertisement
  - Employee survey
  - Quiet room
  - Stipulated
  - Religious clothing
  - Integrity handbook
  - E-learning
  - Tailored training
  - Corporate unit for misconduct
  - Health promoting “It helps”
  - Safety
  - Cross-cultural absence follow up
  - GEO-energy plan

#### FINANCIAL ASPECTS
- **Cost Structure**
  - Distribution, employees, cars, terminals
  - Health promoting program (positive)
  - “It helps” (positive)
  - Safety (positive)
  - Cross-cultural absence follow up (positive)
  - Waste sorting (positive)
  - Energy efficiency (positive)
  - GEO-energy plant (positive)
  - Alternative vehicles (positive)
  - Climate-neutral service pack (negative)

- **Revenue Streams**
  - Logistics, post
  - Waste sorting
  - Climate-neutral Service Pack

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**Figure 11**: The sustainability business model of Norway Post
10. Statkraft

Statkraft is Europe’s largest generator of renewable energy and the leading power company in Norway. The company owns, produces and develops hydropower, wind power, gas power and district heating. They are a major player in European power trading and has 3 600 employees in more than 20 countries. Its power plants and business operations date as far back as 1895 when the Norwegian state bought its first waterfall.

10.1 Business Model Components

Statkraft has great experience in developing renewable energy and they are one of the largest players on the European wholesale electricity market. They do not sell electricity directly to households, but they offer electricity deals through their interest in other energy companies. Statkraft deals in hedge products with industrial companies, power producers and distribution companies, and services offered within this are standard energy products. They are one of the main traders within the European power market, and they operate in the financial market as well. This section is labeled energy products and services.

Nordic hydropower is customers in the sport market and under long-term contracts. Continental energy and trading includes trading and origination, as well as revenue optimization and risk mitigation. International hydropower is mainly in emerging economies where they expect high growth and substantial need for energy, and markets where the Group’s hydropower expertise can create value. District heating is made up of electric companies that sell electricity to households in Norway. Statkraft have two channels, whereas retail distribution is distribution of electric energy to smaller energy consumers such as private residence, agriculture, businesses, institutions, services and light industry. Gross distribution is distribution of energy by high-voltage to retail-distribution or larger industry companies. Their customer relationship is limited to district heating, which they strengthen through mandatory connection.

Production assets are one of their key resources. They have solid experience from production, maintenance planning and optimization of their flexible power plants and trading with energy. A third resource is their pure energy from numerous sources. Market understanding and analysis expertise are both related to trading, and they have experts working with this every day. Development of hydropower, wind power, district heating and new energy sources are one of their key activities. Trading is another important activity, and consists of direct sales to major customers in the Nordic region and Europe, trading on energy exchanges in Europe, and global trading of emission certificates. Distribution and sales is the final, and it is related to distribution of district heating and power sales to private customers and businesses. They have several strategic partnerships with international, regional or local payers with complementary expertise.
Revenue streams are generated by spot sales, long-term agreements with the power-intensive industry, concessionary sales at statutory prices, portfolio management, trading and origination, downstream activities and district heating, and other operating income such as power plant leasing income, rental income, sale of services and gains from sale of asset. As they buy and sell energy, energy purchase is part of their cost structure. Transmission costs are associated with transport of power. Wages and maintenance of production facilities is also an important cost.

Figure 12 provides a visual representation of the business model of Statkraft.

Figure 12: The business model canvas of Statkraft
10.2 Statkraft and Sustainability

10.2.1 How sustainability challenges affect their business model and strategy

Their core business areas are hydropower and wind power. Neither of these technologies generates significant emissions or discharges, but both cause interventions in ecosystems and the landscape. Making these interventions as minimal as possible and adapting them to local conditions minimizes impact on natural diversity.

10.2.2 Advantages of sustainability

It means a lot for their reputation, especially because they deliver “Pure Energy”. It will give them licenses and make them a preferred partner, their relationship towards banks and financial institutions will improve, and it will reduce potential conflicts towards NGOs, the local environment and environmental authorities. Another advantage is that it gives identity and motivated employees, as the employees are proud of working in a company that takes responsibility. It also contributes in keeping competence and improves recruitment. Other arguments are that it is better to be proactive than reactive, it advance the development of environment friendly technology, they will be prepared towards new injunctions and demands, save time on complaints, greater predictability that will reduce the risk for unwanted accidents.

10.2.3 Difficulties encountered

To combine the three pillars of the triple bottom line is a challenge. Another challenge is the various business units, as they have different angles. One problem is that the directors are being measured only in economic terms, which is something they are trying to change. They are thinking of a system that limits the payment of bonus if something negative has happened within the environmental aspect. Only working with environment is not something you do beside the core activity, it has to be integrated. It is not easy to succeed, because they have engineers, economists, and people with other backgrounds. These people will focus on different things, and in a busy day, it is easy that some of it falls out. They have to adjust sustainability so it becomes easy to implement it in its own work. A steady foundation is important, as the corporate management has to take the lead, to make it visible for the people down in the organization. Another challenge is that they operate in various countries, with a different environmental legislation.

10.3 Integration of sustainability in the business model

Their responsibility work began on a small-scale during the 1970s and 1980s due to the large development of waterpower. The Norwegian environmental legislation enhanced from the 1980s and onwards as well, so their activities have followed injunctions and demands as well. However, they began working with an environmental policy in 2011. Emphasize that environment, social and economy needs to go hand in hand, and that an environmental strategy has so start internally in the company. Working with the environment is
not something you do in addition to your core business; it has to be integrated in every phase. The environment shall apply to the whole business, from how they are building new buildings, management and administrative, separation of waste, to energy economizing concerning production of wind power. Statkraft’s corporate responsibility is to deliver electricity to their customers based on renewable and environmentally friendly energy sources, sustainable production methods and responsible market behavior. Follow-up and management of Statkraft’s corporate responsibility is an integrated part of the Group’s management system. For their work with sustainability, they have a corporate responsibility statement, business ethics, Code of Conduct, and responsibility is one of their three values. Table 8 shows the various initiatives that Statkraft has implemented.

<table>
<thead>
<tr>
<th>SOCIAL INITIATIVE</th>
<th>ENVIRONMENTAL INITIATIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Focus area</strong></td>
<td><strong>Initiative</strong></td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td><strong>Renewable and sustainable energy solutions</strong></td>
</tr>
<tr>
<td><strong>Norwegian Red Cross</strong></td>
<td><strong>Environmental friendly portfolio</strong></td>
</tr>
<tr>
<td><strong>Alarga</strong></td>
<td><strong>Reduced greenhouse gas emissions</strong></td>
</tr>
<tr>
<td><strong>Trade unions</strong></td>
<td><strong>Carbon quotas</strong></td>
</tr>
<tr>
<td><strong>Transparency International Norway</strong></td>
<td><strong>IHA Sustainability Assessment Protocol</strong></td>
</tr>
<tr>
<td><strong>Diversity</strong></td>
<td><strong>Consumption, emission and waste</strong></td>
</tr>
<tr>
<td><strong>Human rights</strong></td>
<td><strong>Emission trading</strong></td>
</tr>
<tr>
<td><strong>Percentage of women</strong></td>
<td><strong>Impact on biodiversity</strong></td>
</tr>
<tr>
<td><strong>International Forums</strong></td>
<td><strong>The Norwegian Society for the Preservation of Nature</strong></td>
</tr>
<tr>
<td><strong>Ethics and anti-corruption</strong></td>
<td><strong>Environmental incidents</strong></td>
</tr>
<tr>
<td><strong>Health and safety</strong></td>
<td><strong>WWF Norway</strong></td>
</tr>
<tr>
<td><strong>Safety culture</strong></td>
<td><strong>Bellona</strong></td>
</tr>
<tr>
<td><strong>Health and safety competence</strong></td>
<td><strong>CR in development projects</strong></td>
</tr>
<tr>
<td><strong>Emergency preparedness</strong></td>
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<td><strong>Security</strong></td>
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<tr>
<td><strong>Guards and security</strong></td>
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<tr>
<td><strong>Whistleblower channel</strong></td>
<td></td>
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<tr>
<td><strong>Employee survey</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Table 8: Sustainability initiatives in Statkraft*
10.3.1 Social initiatives

For Society, Statkraft is an active sponsor of sports and culture, and the group had sponsorship agreements with several actors. This can be connected to key partnerships, and it affects cost structure in a negative way, as it is pure payments. They cooperate with Norwegian Red Cross, where they exchange experiences and increase shared expertise among related issues. Alarga is a foundation working to increase the percentage of employees with multicultural expertise in Norwegian industry and commerce. Statkraft has a close and structured cooperation with trade unions. Statkraft is an active participant in several international forums where climate and energy policy is shaped and a member of Transparency International Norway, which is an organization dedicated to fighting corruption around the world. All these are related to key partnerships.

Diversity is something Statkraft strives for, as it will strengthen their international development. This is relevant for development in new and existing countries where they are represented, which makes it suitable under key activities. Percentage of women is also important for Statkraft, and they want a gender balance in the organization. This one seems to fit with development, meaning it is placed under key activities. Statkraft actively promotes respect for human rights. It is highly related to the countries where Statkraft operates, meaning it is placed under key activities.

Statkraft promotes ethical and responsible behavior through training in business ethics and anti-corruption work. Health and safety is important for Statkraft, and they ensure safe operations and project activities, protecting people, society, the environment and the company’s assets. They strive towards a safety culture based on transparency and a desire to learn from their mistakes. Health and safety competence are important to move towards their goal of zero injuries. For security, all of their buildings, plants, and infrastructure are secured against unauthorized access. Statkraft is involved in development activities in countries and areas which can be political unstable, which may increase the need to provide security for people and asset with security guards. A whistleblower channel is established for employees facing difficult decisions, and their employees have the right and duty to blow the whistle on questionable issues. Statkraft holds an annual employee survey, where all employees are invited to evaluate the Group’s organization and management. All topics in this section are related to the safety of human and their facilities, which places the initiatives under key resources. The ones that are related to the safety and security of the employees can also affect the cost structure positively, as it may reduce the sickness absence.
10.3.2 Environmental initiatives

Renewable and sustainable energy solutions mean that they have a good basis for sustainable power production with a portfolio consisting of mainly hydropower and wind power. Related to this is their environment-friendly portfolio. They are the largest producer of renewable energy in Europe, and in 2012, 97% of the company’s power production was based on renewable energy sources. More than 94% came from hydropower, which is a technology with advantages such as high efficiency, long lifetime and high flexibility. Wind power is a renewable technology with few environmental effects and almost no emissions. Gas has substantially lower emissions than coal and it is considered to be a transitional technology in anticipation of the 100% renewable society. Both initiatives are related to their products and services, which place it under value proposition and revenue streams.

Reduced greenhouse gas emissions are directly related to their production of power, and it has been reduced by more than 70% since 2010 due to significantly lower gas power production in Germany. It is related to their production assets, meaning it is placed under key resources. The Group buys ordinary carbon quotas in the international carbon quota market to compensate for greenhouse gas emissions from the part of the business that is not subject to mandatory quota schemes. This affects their cost structure negatively. Emission trading designing products to help their counterparties comply with their CO2 obligations. It is one of the products they offer, which places it under value proposition, and thereby also a revenue stream.

International Hydropower Association (IHA) Sustainability Assessment Protocol is a comprehensive international collaboration where the protocol was tested on different types of hydropower plants in operation. Statkraft’s core activity cause interventions in nature and impact natural biodiversity. As a result they have developed a method of mapping the activities’ impact on biodiversity in Norwegian water regulation areas, with the aim to identify ecological conflicts. This is related to their key activities. They have launched several initiatives for consumption, emission and waste. A project was initiated in 2010 in their hydropower plants with the purpose to reduce internal energy consumption and they separate as much as possible of their waste at source. This is related to their production facilities, which place it under key resources. Less consumption mean also reduced cost structures. Statkraft cooperate with WWF Norway, Bellona and The Norwegian Society for the Perseveration of Nature. They exchange experiences and increase their expertise. This falls under key partnerships. Statkraft are involved in a number of CR development projects. Most of these take place in international emerging markets, but there is also a high level of activity in Norway. This is related to development of new projects, which places it under key activities.
10.3.3 The sustainability business model of Statkraft

Figure 13 is a visual representation of the sustainability business model of Norway Post.

![Image of the sustainability business model of Statkraft](image-url)

*Figure 13: The sustainability business model of Statkraft*
11. Cross-Case Analysis

Chapter 8-11 discusses and analyzes the findings in the case company individually, and each chapter ends by a figure that shows how a sustainability business model looks like for that particular company. The following chapter will analyze all the case companies together, and discuss similarities and differences.

11.1 Products

Statkraft is the only one that has had a sustainable product from their foundation, as their business are based on renewable and sustainable energy solutions. ISS and Norway Post have launched products with the label sustainability, while CCEN offers several products related to sustainability. It seems that the sustainability products they offer is a response towards the sustainability challenges they are facing. CCEN experience that the debate concerning fatness and sugar is a challenge, and as a response, they have increased their portfolio of sugar-free products and low calorie-products, introduced smaller bottle size, and host events such as the powerade sweat session. Sustainability challenges for ISS are related to the industry, such as underpayment, child labor, health and safety issues, harassment and diversity. ISS claim that customers have sustainability in mind, and that they can document that they work to improve all these areas. They offer a product labeled “Green Cleaning”, which use less water, reuse equipment and tools that improve the indoor quality. CO2 is the greatest challenge for Norway Post because they are transport sensitive. As a response, they offer a climate-neutral service pack that uses alternative fossil fuels, modernized vehicle techniques and they provide courses on environmentally driving. The service is not completely CO2 free, so they compensate by buying climate quotas. The core business areas for Statkraft are hydropower and windpower, and neither of these technologies generates significant emissions. A sustainability challenge for Statkraft is that these business areas cause interventions in ecosystems and the landscape, and they work to make these interventions as small as possible.

The case companies share some similarities within this pillar, as they have introduced sustainability products as a response towards sustainability challenges they are facing. The companies have turned these challenges to become an advantage. CCEN observes that consumers are afraid of calories and sugar, and by offering large portfolios of products they may reduce the possibility that a customer choose a similar product from a competitor. ISS also have customers in mind when designing their product. Compared to CCEN, it seems that the customers need to have a sustainability focus in mind to be interested in their product. If a company that approaches ISS only cares about price, their sustainability product will not matter. Norway Post have the similar “issue” as ISS, as they are dependent that the customers have sustainability in mind when they are buying their sustainability product. It seems that CCEN focus on the social part, whereas ISS and Norway Post concentrate on the environmental part. It may be easier for customers to relate to the approach of CCEN, as this is directly related towards people itself. It seems that the sustainability products from ISS and
Norway Post is dependent upon sustainability focused customer groups, whereas CCEN have a broader perspective. Their customers may not be that engaged in sustainability, but rather focus on issues such as weight or diabetes. CCEN have found a sustainability challenge that their customers may be a part of, and offer solutions on how these problems can be solved.

11.2 Customer Interface
Statkraft stands out here, as none of their sustainability initiatives is located within the pillar. CCEN invites their customers to take part in sustainability work with their campaign “three liter pure water to Africa”. ISS also invites their customers to take part in sustainability, as they offer a whistle blower system that their customers can make use of. ISS Norway is responsible for the canteen to Statkraft, and this is one example on how ISS listen to the demand of their customer and deliver a more sustainable canteen. Norway Post have launched an environmental calculator on their web-page that allows stakeholders to see how much CO2 their parcels cause when shipped from A to B. Regarding distribution, CCEN have outsourced it, as they believe this to be more efficient, and therefore more sustainable. ISS and Norway Post both provide their employees with alternative vehicles.

The campaign “three liter pure water to Africa” makes it necessary for the customer to buy the product in order to support the cause. This campaign makes the customer choose a sustainable product with no calories, and because water is a homogeneous product, it may convince consumers to choose their product instead of competing water, without the customer being particularly interested in sustainability. It can be argued that it plays on the values of the consumer. While CCEN offer their customers to take part in sustainability by buying their products, it does not seem that ISS have a clear focus on how they can include their customers in sustainability. As noted in the section about products, it seems that customers need to have sustainability in mind in order to buy the product. The environmental calculator that Norway Post provides implies that the stakeholders are at their web page, and then finds the calculator to check how much their parcels emit. It is unsure what kind of value it provides to their customers, but it may be an opportunity to get customers to choose their climate-neutral service pack when they discover how much their parcels emit. ISS and Norway Post both have alternative vehicles, which mean that they take sustainability distribution seriously. It is difficult to compare with CCEN as they have outsourced their distribution. It is outside the scope of this research to investigate whether the ones that are responsible for the distribution offer sustainable solutions, but because of the annual sustainability supplier summit that CCEN hosts, it is assumed that CCEN would have an influence on the topic.
11.3 Infrastructure Management

There are several similarities between the companies in their infrastructure, such as employees, production facilities, and partnerships. CCEN focus on healthy and safe employees, and they want a diversified workforce. They have installed new production methods that are more efficient and create less waste. Humans provide the services offered by ISS, and they focus on diversity, safety and competence building activities related to corruption and competition law. The efforts Norway Post has towards their employees are related to diversity, safety and integrity. They have a huge focus on alternative vehicles, and they focus on waste management and energy efficiency in their production facilities. Initiatives that Statkraft relates to their employees are diversity, ethics, safety and anti-corruption. For their production facilities, they focus on reduction of consumption, emission and waste. They also focus on development projects and human rights at their global workplaces.

All case companies focus on the safety and security of their employees, and they want a diversified workforce. However, CCEN is the only one that focus on healthy employees. It may be related towards the already mentioned debate concerning fatness and sugar, and that CCEN wants their employees to lead the way as good examples. ISS and Statkraft focus on human rights and training their employees in ethical guidelines. These areas are missing in CCEN and Norway Post, and the reason may be that the former two companies have Norway and the Nordic as their main area. ISS and Statkraft operate worldwide, and perhaps in locations that are less strict on legislation and human concern. Statkraft does also focus on development projects, which may be connected towards their sustainability challenges. The companies with production facilities emphasize much of the same, as how they can be more efficient and decrease the use of energy.

All companies have several partnerships related to sustainability. CCEN have partnership with Red Cross and they collaborate with the campaign “Three liter pure water to Africa”. They also collaborate with WWF on a campaign called “Arctic Home”, which concentrates on the climate situation in the arctic zone. The arctic is one sustainability challenge that affects CCEN, as the polar bear has been an important part of their commercials the last 30 years. ISS focus on having strong partnerships with trade organizations, as they see this as a way to drive change in the market and create awareness on particular initiatives, such as sustainability and improved working standards and conditions. They also focus on their suppliers, as they have a whistle blower system and initiatives towards a responsible supply chain. ISS have formed a partnership with Diversey that concerns innovation on environmental friendly cleaning products. Norway Post has several partnerships, related to diversity, suppliers, purchase of sustainable products and sustainable distribution. Statkraft focus sponsorships, and they collaborate with trade unions and several NGOs with an environmental focus.
The previous section shows that each of the case company has several sustainability partnerships, which are related towards the main business of the case companies. The partnership that CCEN have with Red Cross gives credibility, and may convince the customers that it actually makes a difference to buy a bottle of water to support pure water in Africa. The partnership with WWF concerning the arctic zone is highly relevant for their business, as the polar bear is an important part of the branding of Coca-Cola. These partnership and the sports events they arrange can be related to sustainability challenges that CCEN experience. ISS have slightly different partnerships, as they focus on trade unions. This may be because they operate in various countries worldwide, where human rights may have less attention, which is also related to the sustainability challenges they face. The partnerships of Norway Post cover several areas, but the majority is within distribution. As previously discussed, it is a sustainability challenge for them and engagement may provide new solutions and experiences. Statkraft focus on trade unions and their main partnerships are with environmental NGOs. The latter is especially important as the main business of Statkraft takes place in nature, and by engaging with these NGOs they can share practice and knowledge, and gain credibility. ISS and Statkraft emphasize trade unions, and this may be because they operate on a global basis, as mentioned in the previous paragraph. CCEN and ISS include partners in their products. This may be difficult for Statkraft as their main product is energy solutions, which are already renewable and sustainable. It is possible that Norway Post can benefit by include a sustainable partner in their product as well, because of enhanced visibility and credibility.

11.4 Financial Aspects

This pillar is seems to be an outcome from the other initiatives. CCEN experience that waste management creates new revenue streams and the campaign related to Africa may convince consumers to choose their product. Initiatives related to their employees and production facility affects the cost structure in a positive way, by having more people at work due to lower absence due to sickness, and more efficient production methods. The sustainable product offered by ISS may affect potential customers, and it creates new revenue streams for ISS. They also experience positive effects on their cost structure such as reduced costs to vehicles and sickness absence, as well as decreased energy consumption. Norway Post has also discovered that waste management can create new revenue streams, and their sustainability product has created new revenue stream as well. Initiatives directed towards their employees affect the cost structure in a positive way due to decreased sickness absence, and more efficient production facilities and alternative vehicles save money. They buy climate quotas to make their climate-neutral service pack climate neutral, which affects their cost structure in a negative way. The main revenue stream for Statkraft is actually renewable and sustainable energy solutions, so this is not a new revenue stream, compared to the others. Norway Post Statkraft buy carbon quotas, which affects the cost structure in a negative way. All case companies have initiatives related to their employees that affect the cost structure in a positive way. On the opposite, these
initiatives can be costly, so they may be negative for the cost structure as well. CCEN, ISS and Norway Post have experienced new revenue streams due to the new products, but as discussed under products, it seems that CCEN reach out to several customer segments, whereas ISS and Norway Post reach out to customers that needs to have sustainability in their mind. CCEN and Norway Post experience that waste have created new revenue streams, but Statkraft does not mention this. The reason may be that Statkraft operates in nature, while the two others have more “normal” production facilities.

11.5 Summary
This chapter has discussed similarities and differences in how sustainability is integrated in the mainstream business models of the case companies. It is possible to find sustainability initiatives in all of the nine business model building blocks of CCEN, ISS and Norway Post, whereas Statkraft lack the whole customer interface pillar. It would be interesting to see why Statkraft does not have any direct initiatives towards their customers, and one reason may be that it is a generator of power, and thereby differ a bit from the other companies, whom offer physical products and services towards business and individuals. Although all companies focus on sustainability, it seems that they have different approaches, and that the respective sustainability challenges have an impact on their work with sustainability. CCEN have launched products and events toward the debate about fatness and sugar, they have installed new production methods that decrease the use of water, and they have partnerships with WWF that concern the climate situation in the arctic zone. It seems that CCEN are good at making their customers part of sustainability, as they have products and events that make them part of sustainability thinking. ISS focus a lot on human rights, and they utilize partnerships with unions, whistle blower system and ethical training to meet this challenge. Norway Post focus on alternative vehicles, they have a climate-neural service pack, they focus on energy efficiency and they have several partnerships that focus on sustainable distribution. Intervention in nature is the challenge for Statkraft, and they focus on development projects, environmental NGOs, production facilities and ethical training.

It is possible to find similarities between the business models. All have a sustainable product, employees, production facilities and partnerships is repeated under infrastructure management, and the financial aspects are positively affected by reduced sickness absence and energy decrease, as well as new revenue streams related to sustainability products and waste management. CCEN, ISS and Norway Post have initiatives that include their customers, while Statkraft is absent within this section. One answer to their lack of efforts may be because of their product, as they are a generator of power, and not offer physical products and services as the others. ISS and Statkraft are global companies, and they both focus on human rights and training on ethical guidelines and anti-corruption, which seems to be necessary if the company is making business in other parts of the world with different legislation.
12. Discussion

12.1 Integration of Sustainability in Mainstream Business Models

The previous chapter analyzed how sustainability is integrated in the various business models, and there are several similarities. The case companies offer products that are related to sustainability, and there are many advantages of having a product that focus on sustainability. It may clarify the linkages in the minds of employees, consumers and other stakeholders (White, 2009), reach out to new customer segments (Grayson & Hodges, 2004), lead to customer loyalty (Heslin & Ochoa, 2008; Pivato, Misani, & Tencati, 2008), enhance the customer relationship (Carroll & Shabana, 2010; N. C. Smith, 2003) and a company may be preferred over competitors because of the firm’s engagement in CSR (Carroll & Shabana, 2010). CCEN involve their customers in the campaign “Three liter pure water to Africa”, which is an example of cause-related marketing. This is a commercial activity where business and charities form partnership with each other to market an image, product, or service to mutual benefit (Carroll & Shabana, 2010; Grayson & Hodges, 2004; S. M. Smith & Alcorn, 1991). In addition to this action, CCEN are the only one that offers products to customers who does not have sustainability in mind. ISS and Norway Post also offer sustainability products, but it seems that the customer need to have sustainability in mind for choosing the products. It is beneficial to have products that make it possible for several customer segments to choose sustainable options, without being aware that they are choosing sustainability. Distribution is another way a business can include sustainability. Two of the case companies include alternative vehicles such as electric cars to transport more sustainable, which is an effective way to get sustainable distribution.

The previous section discussed how sustainability initiatives were integrated in the product and customer interface, and there are a lot of initiatives than can be integrated in the infrastructure as well. Common threads within this pillar are employees, production facilities and partnerships. Employees are important key resource in all the case companies, and launching initiatives towards them is beneficial, as they experience lower absence due to sickness. A company with lower absenteeism is generally a happier company and companies with lower absenteeism have markedly higher profit margins (PwC, 2002; cited in Grayson & Hodges, 2004, p. 126). The companies that have production have introduced sustainability initiatives in their production facilities, which are more efficient and use less power. Waste management is a part of the production facilities, and both CCEN and Norway Post have experienced new revenue streams due to this initiative. Partnerships are essential to achieve sustainability (Elkington, 1998; Høgevold & Svensson, 2012; Høgevold, 2011; Lüdeke-Freund, 2009; Seelos & Mair, 2007), and all case companies have partnerships with various organizations that are related towards sustainability. It seems that these partnerships are related towards the main business of the case companies, which is important when choosing whom to collaborate with (Elkington, 1998; Grayson & Hodges, 2004).
Most of the initiatives create a positive effect on the cost structure, such as decreased absence due to sickness, but some of the companies buy climate quotas, which affect the cost structure in a negative way. Sustainability products and waste management are examples on how sustainability can create new revenue streams. A number of studies have found that focus on sustainability will lead to decreased costs (Høgevold & Svensson, 2012; Kurucz, Colbert, & Wheeler, 2008) and a neutral or a positive effect on value (Florida, 1996; Hall & Wagner, 2012; Kurucz et al., 2008; Rao & Holt, 2005; Sharma & Henriques, 2005) and that CSR projects can pay off both socially and financially (Burke & Logsdon, 1996). However, other research is unsure whether it pays to be green (Reinhardt, 1999; Schaltegger et al., 2012). The intention of this research is not to find out whether it is profitable or not to be engaged in sustainability, but it seems like sustainability has a positive effect on the financial aspects of the business model.

As the previous discussion sections and cross-case analysis show, the case companies have integrated sustainability in their business model, meaning that sustainability is “built-in” and connected to their day-to-day operations. CCEN, ISS and Norway Post have sustainability initiatives in each of the nine business model building blocks, whereas Statkraft is absent in the whole customer interface pillar. Several of the initiatives can also be placed in two or more of the business model components as well. That sustainability should be integrated in the business is emphasized by several of the interviewees. The quotation below is from the interviewee at Norway Post.

*It is important to see sustainability as a part of the whole business, for instance, not separate transportation and sustainability, but see it as sustainable transportation.*

Norway Post wants the whole company culture to be engaged in sustainability, and because there are so many fields within sustainability, it makes it easy for individuals to be part of the journey. It is supposed to be a part of their everyday, a way of operating Norway. Statkraft sees it in an equal matter:

*Only working with environment is not something you do in addition to your core business, it has to be integrated every phase, in every link.*

Statkraft wants the environment to apply to the whole business, from how they build new buildings, to management and administrative, as well as separation of waste and energy economizing regarding production of wind power. This is in line with White (2009), who makes the argument that sustainability has to be part of a company’s DNA. CCEN emphasize that a sustainability business model is one that lasts for many years, and considers all the aspects, such as sales and production, risk management for the future, and development of society. ISS focus on the four categories found in the UN Global Compact, which are labor
practice, human rights, environment and anti-corruption. A sustainability business model for ISS therefore one that focus on these areas, as it is important for their customers that they do not have any flaws within these four categories. This may be related to the business areas and locations they operate within. The cross-case analysis and statements from the persons interviewed shows that these companies have integrated sustainability in their business models, and in their day-to-day operations.

All case companies are aware of sustainability challenges that their business and industry are facing, and it seems like sustainability responses integrated within the business model is a good response. The companies have a strong focus on sustainability, and therefore represent good practice, which is a strong indicator that sustainability can be connected to businesses’ day-to-day operations. Integration seems reasonable, as it helps to determine the appropriate sustainability practice for the business (Grayson & Hodges, 2004). It is important for companies to focus on the interdependence between business and society instead of their tension (M. E. Porter & Kramer, 2006; 2011), and for this to be achieved, companies must integrate a social perspective into the core frameworks that they use to understand competition and develop business strategy (Michelini & Fiorentino, 2012). Social, environmental and economic responsibilities are complementary, and the three elements have to be integrated to achieve perfection (Bansal, 2005), and integrating them in the business model seems to be a good way to make these three pillars collaborate thus provide synergies.

12.2 Sustainability Advantages

The previous section has discussed the integration of sustainability in mainstream business models, and it is argued that sustainability should be “built-in”, rather than “bolt-on”. The case companies discuss several advantages by being engaged in sustainability. CCEN mentions advantages such as reputation and brand, and competitive advantage related to depletion of resources and adaption to the needs of society (increased demand for water and light products). It is a competitive advantage for ISS as well, as they can ensure their customers that they will not run into a branding scandal, and it gives ISS credibility as a responsible supplier. Norway Post mentions reputation, increased trust among customers and stakeholders, and that it is necessary to get support from investors. Statkraft also agrees that sustainability increase their reputation, that it enhances their relationship towards banks and financial institutions and reduction of potential conflicts with NGOs, the local environment and environmental authorities. All companies declare that it is advantageous towards employees as well. CCEN mentions that the employees is proud of working in a company that takes care of the society, and that it has positive effects on recruitment. Norway Post and Statkraft also emphasize that it is important for recruitment, as it is the large picture that makes you attractive as an employer. Statkraft also mention motivation, identify and keeping competence as benefits.
The companies experience many of the same advantages, such as reputation and employees. CCEN and ISS mention that sustainability challenges gives them a competitive advantage. The reason for this may be that the sustainability challenges they are facing also affects their customers, and solving these challenges may give them a competitive advantage towards their competitors. The sustainability challenges that Norway Post and Statkraft face does not have such an impact on their customers, which may be the reason for why they do not see it as a competitive advantage. Statkraft on the other hand is the only one that mentions that sustainability may reduce potential conflicts, and one reason for that can be that Statkraft experienced several demonstrations and confrontations towards construction of river systems during the 70s and 80s. That sustainability is advantageous are backed up by research, as there is a positive relationship between CSR and firm reputation (Brammer & Pavelin, 2004; Grayson & Hodges, 2004; Kurucz et al., 2008; Lantos, 2001; T. Smith, 2005), it may result in cost and risk reduction (Berman, Wicks, Kotha, & Jones, 1999; Dechant, Altman, Downing, & Keeney, 1994; Hart, 1995; Shrivastava, 1995), and it can give a competitive advantage (Hart, 1995; Kurucz et al., 2008; M. E. Porter & Kramer, 2002; 2006; N. C. Smith, 2003). Norway Post mention increased interest from investors, and there is a growing trend for investors to direct their money towards social responsible organizations (Carroll & Shabana, 2010; Heslin & Ochoa, 2008; Lantos, 2001; N. C. Smith, 2003; T. Smith, 2005). The companies may also experience great effects towards their employees, such as the possibility to recruit and retain employees from the widest talent pool (Grayson & Hodges, 2004; N. C. Smith, 2003; T. Smith, 2005), engender employee loyalty and commitment (Bansal, 2002), and increased employee satisfaction (Berman et al., 1999; Lantos, 2001; G. Robinson & Dechant, 1997; Thomas & Ely, 1996).

12.3 Difficulties Encountered

As the previous sections show, there exist several advantages by being active in sustainability, however there are some difficulties in pursuing the initiatives. One challenge is that sustainability has to be perfect, or else it can give opposite effect, such as negative press. Related to this challenge is that companies should select the sustainability issues that intersect with their particular business, as no business can solve all of society’s problems (M. E. Porter & Kramer, 2006). Norway Post and Statkraft mentions that to combine the three pillars of the triple bottom is a challenge, and Norway Post argues that sustainability can be costly in a short-term perspective. It is important to remember that sustainability is a long-term investment, which make it difficult for some companies to be engaged, as firms with weak financial performance are less likely to engage in socially responsible behavior, than firms whose financial performance is strong (Margolis & Walsh, 2001; Orlitzky, Schmidt, & Rynes, 2003). This is because firms that are less profitable have fewer resources to spare for socially responsible activities than firms that are more profitable (Campbell, 2007).
Both CCEN and Norway Post claim that time is a challenge, as it takes time for sustainability to mature, it takes time to communicate what they are doing, why they are doing it, how it works, and it takes time before the results are visible. Research underpins that time may be a constraint for sustainable development (Birkin et al., 2009; Høgevold & Svensson, 2012; Polonsky & Jevons, 2009; Svensson & Wagner, 2012). Another related issue is that it takes time to do investments in sustainability. Norway Post has a large vehicle fleet, and alternative cars replace their old cars. This investment takes time, and it is impossible to do everything immediately. As seen, time affects sustainability on various levels, such as employees and infrastructure.

Time seems to be absent in current sustainability business model typologies, and there is no suggestion on where in the business model that companies should make their entry to make the transition as smooth as possible. Trying to integrate sustainability in all business model components at once may be difficult and as previously discussed it is also costly. A suggestion may be to focus on one or two components, and then take a gradual development. It seems natural to start with the product, as this will send an internal message to the employees, and an external message to their stakeholders that the company takes sustainability seriously. It could help to change the mindset of their employees, customers, suppliers, and it may be necessary to invest in new production methods, which affects the infrastructure as well. Norway Post mention that the difference between the ones that have worked with sustainability a while versus a novice is that the more experienced may have integrated more sustainability in their daily operation. Current sustainability business models research does not discuss when a business model component consists of enough sustainability initiatives, or when a business has enough sustainability in place to be labeled a sustainability business model. There is a difference in where the businesses are located on a sustainability scale, and current research on sustainability and business model does not take into consideration that some businesses have integrated some sustainability, and that others have nothing at all. Norway Post and Statkraft also stress that they have various business units, and that these units differ in how sustainable they are. It has been noticed that it takes time for sustainability to reach the departments, and one thing that the business model does not cover are the various units that is affected by the business model components.

Another limitation for integration of sustainability is top management, and Norway Post and Statkraft emphasize that this is important. It has to be rooted at the top, so they can communicate it down to the middle managers, and at the same time they have to lead the way and make it visible for the employees in the organization. That managers are critical for implementation of and monitoring the performance of sustainable business practices is backed by several researchers (Bansal, 2002; Basu & Palazzo, 2008; Borland, 2009; Dive, 2008; Høgevold & Svensson, 2012; Høgevold, 2011; Lubin & Est, 2010; Mirvis & Manga, 2010; Sims & Brinkmann, 2003; P. A. C. Smith & Sharicz, 2011; Stoughton & Ludema, 2012; Svensson & Wagner, 2012; Svensson, 2009; Tollin & Vej, 2012; Visser & Crane, 2010; Wagner &
Svensson, 2010). Statkraft have employees with various backgrounds, such as engineers and economist, and they focus on different things. It is necessary for the leader to adjust the sustainability so the various employees can implement it in their own work. This is also related to the time constraint, which emphasize that it takes time for the term to mature and make the employees understand what sustainability is, and why they are doing it. This makes it necessary for the leader to be good at communicating with their employees, and be in front as a role model, so the employees understand what is expected from them.

Both ISS and Statkraft mention that operating in countries with various laws and cultures can be a challenge. In contrast to the other two, ISS and Stratkraft train their employees on ethical guidelines such as anti-corruption and competition, and this is one of initiatives that reduce the difficulties of operating in other countries. ISS says that it is not possible to copy and paste sustainability from one part of the world to another, as it is difficult to assume that something that is good in one part of the world is good in another part. ISS have an overall strategy for sustainability, but emphasize that it is important to tailor it to each country or market they operate within. There may be a possibility that the local initiatives will result in fragmentation of global corporate CSR activities, but it allows a better consideration of social issues that may be missed with a standardized global CS approach (Muller, 2006). Because ISS and Statkraft train their employees towards operating in other parts of the world, it may be reasonable discuss the findings of Hart and Milstein (1999) who says that different markets need different business models. This resonates with the statements from ISS, in that sustainability has to be tailored to the specific market in where they operate within. There is little research on the subject, and it seems to be necessary for businesses to have several sustainability business models dependent upon the market they serve. Hart and Milstein (1999) suggest three different economies, and it may be necessary for global companies to tailor their sustainability business models to each of them. This separation may be too broad as well, and that it is necessary to adapt sustainability business models down to country-level, or even local markets. The link between corporations and society becomes stronger in developing countries (Jamali, 2010; Matten & Crane, 2005; Michelini & Fiorentino, 2012), and because they represent a good business opportunity as well as being characterized by huge social problems, sustainability strategies should generate business as well as social value (Michelini & Fiorentino, 2012).

All companies have sustainability focus that lies outside the scope of the business model, such as sustainability policies, guidelines, strategies and they have sustainability visions in addition to their overall vision. CCEN and Statkraft links their sustainability work to their overall business vision as well, as the vision of CCEN is to be a role model in everything we do, and for Statkraft is providing pure energy. ISS and Statkraft have responsibility as one of their values, and CCEN have society as one of their promises, which make them promise to behave in a socially responsible way. These may be in place in addition to the
business model, as the presence of ideas or values acts as enablers in integrating sustainability (Tollin & Vej, 2012) and a shared vision of sustainability hold collective beliefs about the company’s environmental objectives, mission and strategic role in developing sustainable business models for the future (Sharma & Aragón-Correa, 2004). Another similarity is that they all measure and report their work within sustainability based on triple bottom line, and they makes sustainability reports in addition to the regular annual report. By doing this the companies will experience increased confidence from their stakeholders (Bansal, 2002), and achieve enhanced legitimacy (Brammer & Pavelin, 2004; Carroll & Shabana, 2010). All case companies have either their own CSR department, or a person that is responsible for this area. It seem that it is a necessity in order to get sustainability to become part of the whole business. Several of the findings in this research resonate with the findings of Stubbs and Cocklin (2008), such as redefining the purpose of business, reporting financial, environmental and social outcomes, stakeholder view of the firm, the role of leadership and nature and environmental sustainability. However, these does not seem to be usable within the business model ontology, but should be more connected towards a business overall mission and strategy. It may be beneficial to have a strategy for sustainability, as business models are argued to be a reflection of a firm’s strategy (Casadesus-Masanell & Ricart, 2010; Richardson, 2008; Seddon et al., 2004; Shafer et al., 2005).
13. Conclusion

This research paper has undertaken a multiple case study on four case companies that all have a strong focus on sustainability, and the purpose of the paper is to answer the following research question:

How integrated is sustainability in mainstream business models?

The following research questions will help to provide answers to the main question:

- How sustainability challenges affect their business models and strategy?
- What are the advantages of sustainability engagement?
- What difficulties were encountered in pursuing sustainability?

The research looks into how sustainability fits into the overall business model of the case companies. The mainstream business model of the company is visualized, and then it was looked into how their sustainability initiatives could be integrated towards the business model. The research shows that the all of the initiatives can be integrated in one or more of the business model components, which shows that the case companies have integrated sustainability into their day-to-day operations. As these companies have a strong focus on sustainability, and therefore is examples of good practice, it contributes to the discussion of whether sustainability should be treated as a “built-in” or “bolt on”. This research shows that the companies have integrated sustainability in their business model, and thereby their daily work, and it is therefore recommended that companies that wants to focus on sustainability should look at possibilities on how to integrate sustainability initiatives within their business models. Sustainability challenges have a huge impact on the business models and strategy of the case companies, as it may affect products, infrastructure management, customer interface and the financial aspects. For companies interested in sustainable development, a valuable place to start can be to investigate how sustainability challenges affect their business and industry.

Advantages by being engaged is that it effects employees and recruitment in a positive way, it is good for company reputation, it gives trust among stakeholders, it may be necessary to get support from investors, it gives competitive advantage, and sustainability can reduce potential conflicts. There are some difficulties to be aware of as well. Time is one challenge, as it takes time for sustainability to mature, it takes time to communicate what they are doing, why they are doing it, and how it works, and it takes time before the results are visible. Related to the time issue is that of top management, and it seems that leaders have to be in front as good examples and communicate in a good way, as this is may reduce the time it takes for employees to understand what a sustainable business means. Global companies that operate in various parts
of the world may have different sustainability business models that are related towards its respective markets, as it seems that sustainability has to be tailored to fit different values, culture and legislation. Other issues to be aware of when integrating sustainability is that is has to be made perfect, it should intersect with the main business areas, and that it can be costly in short-term perspective. It is important to have in mind that sustainability is a challenge in itself, as it is difficult to balance social, environmental and economic pillars. Integrating sustainability within various mainstream business model components is one way to balance the three pillars of social equity, environmental integrity and economic prosperity.

As previously noted, it seems to advantageous to integrate sustainability within the business model, and one way is to have a sustainability product that involve customers, the supply chain and distributors. It is important make the employees’ part of the sustainability process, and integrate solutions within infrastructure. It seems beneficial to have partnerships with NGOs and the like, as they can contribute with experience and give legitimacy to the work. However, it is important to engage with partners that have a connection to the core business. For the financial structure, it seem that the sustainability initiatives will decrease the cost structure, and create new revenue streams. All case companies have a high focus on sustainability in their strategy and vision, they publish sustainability reports in addition to their annual reports, and they have department with the sole purpose of working with CSR and sustainability. Although these points are not related towards the business model, it seems necessary to have in place, as the business model is a reflection of the firm’s strategy.

Lastly, the paper contributes to research on business models, and shows that the business model ontology can be used to describe the business model of companies within various industries, such as production of mineral water (CCEN), facility management (ISS), national mail services (Norway Post), and power production (Statkraft). Hopefully this research will clarify some of the fuzziness about business models, and show that the business model ontology is a reasonable way to present a business model, and that the business model components can be used integrate sustainability initiatives as well.
13.1 Limitations

The results of the study are based on the authors’ interpretation of the data. As a consequence, researcher bias is present in the data. The companies selected also limit the research, and different results may occur if different organizations from various parts of the world are studied. It is believed that the case companies represent good practice, but no quantitative measure was used to select these companies. It may happen that the case companies have competitors within their industry with an even stronger focus on sustainability. In three of the companies only one person was interviewed, and interviews with other persons could have given other results. All case companies are large companies, and this research only gives a superficial view of their business model and their work with sustainability. Time and resources are another limitation, and the research does not shed light on changes in sustainability practices over time, and how the case companies work with sustainability in the everyday life.

13.2 Suggestions for future research

The case study method and the sample of the four companies may imply that the findings suffer from limited generalizability. Future research should investigate a larger sample of companies, perhaps with greater variations in size and countries of origin, to assess whether the findings can be generalized to other countries and firms. Findings in this paper suggest that it may be necessary to have different sustainability business models to different markets, and it would therefore be interesting to investigate a global company to find out if it is possible to find various models. Further research can therefore investigate if a conceptualization can be made on taxonomies for sustainability business models. All case companies have strategies for sustainability and they publish sustainability reports, future research may investigate whether sustainability business models should be extended with components containing these issues.

Future research can employ more structured methods of qualitative data analysis, such as use of computerized software. Quantitative research methods, such as survey or experimental research design can be used to empirically test the research findings and further advance of the understanding of sustainability within business models. This research provides a superficial view of the business model, future research may study the various business model components more in-depth, to find out if the sustainability initiatives really find place in the business model component. All case companies seems affected by sustainability challenges towards their business and industry, it is recommended that future research have a deeper look to find out whether there is a connection. It would be beneficial to use companies within the same industry, to find out if they share the same view on sustainability.

As this analysis is based on four large case companies, it may be interesting to see if there are other opportunities where sustainability should be “built-in” or “bolt-on”. All of the case companies are large
organizations, and future research may investigate small and medium-size enterprises (SMEs) to find out how they work with sustainability. Maybe it is better for these companies to treat sustainability as a “bolt-on” instead of “built-in”. The four case companies are from various industries, and suggestions for further research is to investigate organizations within the same industry, to find out if there are differences in how they treat sustainability. Analysis of an “evolved” sustainability business versus a “born” sustainability business is also recommended, to see if there are any differences in how they integrate sustainability. The last proposal is related to the time constraint as well, as future research can investigate if sustainability business models differ depending on where they are on the sustainability scale. It can be valuable to investigate which business model component that should be the entry point for a novice in sustainability.

Norway Post mention that the difference between the ones that have worked with sustainability a while versus a novice is that the more experienced may have integrated more sustainability in their daily operation. Current sustainability business models research does not discuss the when a business model component consist of enough sustainability initiatives, or when a business has enough sustainability in place to be labeled a sustainability business model.
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Appendix

Appendix A: Interview Coca-Cola Enterprises Norway
Interview with Rønnaug Vinje at Coca-Cola Enterprises Norway 28.06.2013

Transcription is in Norwegian.

AK = Anders Kolstad
RV = Rønnaug Vinje

AK: Hvilke produkter og tjenester tilbyr dere?

AK: Det er en drastisk nedgang?
RV: Ja, det har vært et hardt år for Coca-Cola. Og verdiløfter ja, kundeløftet vårt, vi er kundefokusert, vi ser trendene tidlig, og vi gir markedet nyskapende løsninger som driver kategorivekst og fellesløsninger og lønnsomhet. Samfunnsløftet vårt, det er "deliver for today, inspire for tomorrow". Levere for i dag betyr at vi skal nå våre mål og forpliktelser i forhold til våre 7 fokusområder, vi skal også være ledende innenfor vår industri. Vi skal inspire for tomorrow gjennom innovasjon og lignende. Der har vi de nye planteflaskene som er et eksempel på innovasjon og inspirasjon. Det står det mer om under strategi og styringsdelen. Løftet vårt generelt er at vi skal være ledende innenfor vår industri, vi skal være nummer en for kunden. Vi skal yte kundeservice på toppnivå, og vi skal tilby et sortiment som gir lønnsomt for våre kunder. Det står mer om det på våre nettsider.

AK: Hva er deres kundesegment?
RV: Der var jeg litt usikker, jeg pratet med en kollega om det i går. Kundene våres er jo Rema 1000, Norgesgruppen og lignende.

AK: Ja, for dere har jo egentlig to typer kunder, forbrukere og detaljister?
RV: Ja, for forbrukerne er de som drikker den, også har vi retail.

AK: Retail vil si dagligvare, restauranter, bensinstasjoner og lignende?
RV: Ja, så det er jo en blanding. Men de som kjøper produktet fra oss er ikke forbrukerne, det er handelen.

AK: Men så har dere jo også eksterne brusautomater?
RV: Ja, så det er en blanding. Vi har vending, direkte mot forbrukere er i så fall vending.
AK: Hvordan leverer dere varene ut til kundene?
RV: Det er nytt fra i år, hvor vi har gått over til grossistdistribusjon. Så nå er det ASKO som tar alt. Hele logistikavdelingen vår er lagt ned.

AK: Hvordan gjør dere kunden oppmerksom på deres produkt?
RV: Vi har KAM, Key Account Managers, som er i daglig kontakt med våre kunder, i tillegg så samarbeider vi nært med Coca-Cola Company, de har egne kontorer her på huset. Det er de som kjører markedsføringen på huset. Alle reklamene du ser på TV, internett, osv drives av Company, som skal bygge merkevaren og informere om nye størrelser, og lignende. Promoter produktene i seg selv. Men så bruker vi også sosiale medier.

AK: Hvordan relasjoner har dere i forhold til deres kundesegment?

AK: Hva er deres inntektsstrømmer?
RV: Det er gjennom handelen og vending.

AK: Hva er deres nøkkelressurser?
RV: Jeg er litt usikker på hva du mener med det?

AK: Det er det som gjør dere unike. Selve brandet Coca-Cola kan være en ting, du nevnte i stad at dere var veldig gode på markedsføring? Dette er ressurser som gjør dere unike.
RV: Jeg vil si at supply chain, altså produksjonsanlegget vårt, er en nøkkelressurs. Og vi er helt avhengig av at de leverer. Også har du Company, de må levere sirupen, det vi produserer brusen av. Den er ganske viktig! Også er det selvfølgelig salg, de må levere for at det skal gå rundt. De må være på plass, ellers har vi ikke noe business. (AK: Dette er vel mer nøkkelaktiviteter, ikke ressurser)

AK: Det du nevnte nå henger vel også litt sammen med neste punkt, nøkkelaktiviteter?

AK: Hvem er deres nøkkelpartnere?
rammeverkene og betingelsene for å drive virksomheten. Så hvis det er noen skatter og avgifter, spørsmål om det eller restriksjoner på bransjen, så er det dem som er samarbeidspartnere for å drive lobbying eller påvirke myndighetene.

**AK: Hva er deres største kostnader?**

**RV:** I år så har vi investert 600 millioner i et nytt produksjonsanlegg. Så det er vel den største kostnaden i år. Jeg vet ikke hvor mye jeg kan si, men flaskene koster veldig mye. Jeg vet ikke totalt hva som koster mest, om det er ansatte, for i Norge har vi jo veldig høye lønninger. Så det kan godt hende at ansatte er den høyeste kostnaden. Ellers koster jo også sirupen veldig mye.

**AK: Når og hvorfor valgte dere å gjøre bærekraft til en del av deres forretning?**


**AK: Du nevnte at det blir viktigere og viktigere, er det i forhold til kunder, eller økte krav fra samfunnet?**

**RV:** I Norge, så er forventningene til oss fra kunder ikke stor. Mens i andre land, Sverige for eksempel, eller andre land i Europa, så er det mer forventninger fra kunder, for der har dem kommet mye lenger.

**AK: Jeg trodde vi var ganske langt fremme i Norge?**

**RV:** Nei, egentlig ikke. Forbrukerne har ikke satt noen spesielle krav på bærekraft enda, så per dags dato så er det ikke noen stor forbrukergruppe som faktisk velger produkter ut ifra et bærekraftig perspektiv. Så derfor har ikke handelen så stort press på seg. Utlandet er mye bedre, i England så er det mye bedre. Tesco, Waitrose, de store kundene våres, har bærekraft mye høyere på agendaen.

**AK: Så det er større press fra kjedene der?**

**RV:** Ja.

**AK: Hvilken påvirkning har bærekraftsutfordringer for deres strategi og forretningsmodell?**

**RV:** Når du snakker om bærekraftsutfordringer antar jeg at du mener samfunnsutfordringer?

**AK: Ja.**

**RV:** Noe som er veldig aktuelt nå for tiden, er fedmedebatten og sukkerdebatten. Et konkret eksempel på samfunnsutfordringer som vi er nødt til å forholde oss til. Så i forretningsmodellen og strategien våres må vi øke porteføljen våres med sukkerfrie produkter, og lavkaloriprodukter. Så vi jobber med innovasjon på det området for å gi kundene et valg, et alternativ. Så det er et konkret eksempel på hvordan det påvirker oss. Bærekraftsutfordringer gjelder også vann, når det er lite vann øker kostnaden på vann, og da må vi også

AK: Så jobbing med bærekraft bidrar til å beholde omdømme?
RV: Ja, omdømme, også konkurransedyktigheten, ved å redusere kostnader, spesielt på miljøsiden, men også endre oss i forhold til samfunnsbehovene, som når det er behov for mer vann, eller Coca-Cola Zero, eller mer lightprodukter. Det er ikke bare omdømme, men også konkurransedyktighet.

AK: Hvordan påvirker deres strategi og forretningsmodell deres arbeid med bærekraft?

AK: Jeg har lest litt blandede rapporter om Aspartam, noe er i mot, mens andre er for…
RV: Ja, det er veldig mye spørsmål rundt det, og vi forholder oss til norske regelverk, som slår fast at det ikke er farlig. Det er jo et tillat stoff, og det finnes mye forskning på at det ikke er farlig. Så det er det vi går ut ifra, men vi ser et behov for å tilby et annet søtningsstoff, som er naturlig. Så da har man mulighet til å velge.

AK: Tror du det vil ta over for Aspartam?

**AK: Hvordan har dere implementert samfunnsansvar og bærekraftig tankegang i verdikjeden?**


**AK: Har dere møtt på noen problemer ved implementering?**

**RV:** Jeg må si at jeg har vært med på en reise. Fra 2008 til 2013, det er helt syke forandringer. Når jeg startet, så begynte jeg å arbeide med arbeidsmiljø. Da var fokuset på at vi skulle levere til kunden, og da hadde dem jobbet med det i mange år, og alt som kom var i forhold til miljø, sånn som å slå av bryteren når du gikk hjem, og se på effektivisering, det var en ganske ny tankegang. Så det handler hele tiden om å prate med lederne, og å sørge for at de tar seg tid til å tenke på de tingene. Det er en av de største utfordringene jeg så, nemlig at folk må ta seg tid. Du kan ikke bare prakke på ansatte ulike aspekter uten å forklare hvorfor. Så jeg vil si tid til å gjøre det, er vel utfordringen. Det gjelder salg også, å få den 22-årige gutten ute i salg som ikke tenker ongheit i det hele tatt, å få han til å bære riktig. Å få dem til å endre mentalitet er også veldig utfordrende. Og det tar tid, det har tatt to år for oss, og nå begynner vi å komme dit. Og det krever forankring i toppledelsen, det er så viktig, også skal dem sende det videre til de andre lederne. Som nå så har vi diversity, at vi skal ha mye høyere kvinneandel i Coca-Cola. Vi er 14%, som er dårlig. Så nå er det på
toppnivå bestemt at vi skal finne ut hvordan vi kan ansette flere jenter. Så derfor sprer det seg nedover, og spesielt da i salg og supply chain. Da må lederne for dem rekrutterer, vise at de har søkere som har jenter også, og at de har vurdert dem. Og at de bare ikke sitter igjen med den gamle tankemåten om at det er gutta som er sterkest. For her snakker vi om kundeforhold og arbeidsmiljø, det er ikke bare styrken som teller.

**AK: Du nevnte at det var stor endring fra 2008 til 2013, i forhold til hva da?**

**RV: Det er i hovedsak fokuset.**

**AK: Det var ikke så stort i 2008?**


**AK: Hva er fordelene ved å være engasjert i samfunnsansvar og bærekraft?**


**AK: Er det noen ulemper?**

**RV: Det er ikke noen ulemper i seg selv, men de kan komme. Det jeg vet er at næringslivet kvier seg for å kommunisere, det er der ulempe kanskje kan komme. Min personlige mening er at man må tørre å kommunisere eksternt, man kan få mye shit, men man kan også få konstruktiv kritikk, som gjør at man kan bli enda bedre. Ulempen er selvfølgelig at det kan blåse seg opp, så dersom du ikke har gjort alt perfekt, kan det snu opp ned på situasjonen, så det får motsatt effekt. Det er bare på kommunikasjonsdelen, det finnes vel ikke noen ulemper. Du må også jobbe med bærekraft på de områdene som du kan gjøre en forskjell, det er ikke noen vits å jobbe med for eksempel, vi fikk forespørsel om ville hjelpe til med å sette opp rovdyrgjerder, og det har ikke noen link til vår business i det hele tatt. Og da vil det ikke ha noen effekt, så
du må hele tiden sørge for at den strategien du setter for bærekraft er linket til din virksomhet, eller så vil du ikke ha noen fordel. Det er ingen fordel for oss om det er ulv her ute eller ikke.

**AK: Hva legger du i begrepet bærekraftig forretningsmodell?**

RV: At du har en forretningsmodell som fungerer i mange år fremover, som tar hensyn til alle aspektene, ikke bare salg og produksjon, men også tar for seg risikohåndtering for fremtiden, som ser på utviklingen av samfunnet, og tilpasse seg samfunnet. Man kommer jo alltid tilbake til Gro-Harlem Brundtland sin definisjon på bærekraft, og det er jo et aspekt, men det handler jo også om at vi også skal være levedyktige om 20 år, om 40 år.

**AK: Selve Coca-Cola?**

RV: Mm. Og selvfølgelig at vi skal ha et samfunn, kundene skal jo være der, forbrukerne skal være der. I et ustabil samfunn, der vi ikke har det mest nødvendige, og ikke har penger, da kan man ikke kjøpe brus heller. Så det handler ikke bare om å ha et samfunn som er bærekraftig, men også om en forretning som er bærekraftig.

**AK: Er det en forskjell på CSR og bærekraft?**

RV: CSR, altså vi sier CRS, Corporate Responsibility and Sustainability. Så vi tar bort Social, fordi vi føler at det er altfor snevert. Derfor så tar vi CRS.

**AK: Så dere ser det som det samme, bare at dere fjerner Social?**

RV: Ja, for at Social inngår i Corporate Responsibility eller Sustainability-delen. Og om det er noen forskjell? Målet med samfunnsansvar er bærekraft, det er det som er forskjellen. Bærekraft er målet. Og samfunnsansvar er veien dit. Samfunnsansvar jobber man jo med for å få bærekraft.

**AK: Hvorfor bør bedrifts engasjere seg i bærekraft?**

RV: Det er vel egentlig en oppsummering av alt jeg har sagt… De som ikke engasjerer seg i samfunnsansvar eller bærekraftige spørsmål dem eksisterer ikke.

**AK: Hva gjør dere for å redusere deres påvirkning på miljø? Du har jo vært innom en del allerede…**

RV: Ja, og det står en del i blekka du vil få med deg. Men miljø, vi jobber spesielt i de områdene der vi føler vi kan påvirke. Vi er jo storførbruker av vann, så vi jobber for å redusere vannforbruket våres. Siden 2012 har vi redusert vannforbruket med 47%, vi antar at vi skal opp til 50% neste år på grunn av nye produksjonslinjer. Det er snakk om teknologi, rutiner for ansatte – at de slår av vannet etter at de har brukt det – sånne rutiner. Vi har en vanngruppe og en energigruppe, som jobber med tiltak for å redusere dem to tiltakene her på huset. Vi jobber med bærekraftig transport, i Sverige for eksempel går 75% av alle lastebilene på bio-ethanol. Vi jobber med flaskene våres, bioplast – det har vi i alle flaskene våres i Norge, som eneste og første landet i verden. Og da reduserer vi opp mot 30% i CO2-utslipp.
**AK:** Dere fikk vel en pris for flaskene deres også?

**RV:** Jo. Vi har faktisk fått 2 priser, en fra ASKO og en fra CSR Norge. Et annet tiltak er eco-driving for ansatte, så de skal bruke mindre drivstoff. Vi har gjort om lys-systemet her, så når det ikke er aktivitet så slår det seg av.

**AK:** Hva med sosiale tiltak?

**RV:** Der jobber vi med Røde Kors, Oslo Røde Kors spesielt. Der finnes det fire ressursenter i Oslo, der jobber vi mot ungdommer så de skal ha en plass å komme til, der de kan møte voksne og sånn for leksehjelp og lignende. Vi støtter dem, og det er vel det mest konkrete på den sosiale biten. Også jobber vi internt med ansatte. Sosial likevekt, er det kjønsbalanse også?

**AK:** Det er vel kanskje litt kronglete formulert, men det kan være alt innenfor sosiale områder. Du har jo vært inne på del, sånn som at dere vil ha økt kvinneandel, færre ulykker. Tiltak for å forbedre det sosiale egentlig.

**RV:** Du kan se mer om det i brosjyren, men vi skal jobbe mer med special olympics enn vi har gjort før i Norge. Der støtter vi handicappede i forhold til aktiv livsstil. Det er nytt for i år da.

**AK:** Dere støtter vel aktiv livsstil for ansatte også?

**RV:** Det gjør vi også. Treningsrom, Birken, Oslo Maraton. Og nå ser vi på om vi kan jobbe med Røde Kors i forhold til aktiv livsstil også, fordi det er veldig mange innvandrere som benytter seg av Røde Kors-tilbudene, og hvis man ser i forhold til fedme og diabetes og sånn, er det ofte innvandrere, eller mennesker med minoritetsbakgrunn, de som har mest problemer med overvekt og diabetes i Norge. Så vi ser på mulighetene for å jobbe mer med Røde Kors der. Men den beslutningen er foreløpig ikke tatt.

**AK:** Dere har en avtale med ZERO også?

**RV:** Ja, det er en miljøorganisasjon der jobber vi med utvikling av miljøteknologi, blant annet har vi jobbet med bioplast. Samarbeidet med dem var jo årsaken til at vi prisen gjennom CSR Norge, partnerskapet vi hadde med ZERO bidro til at vi gikk over til bioplast på alle produktene våres, som det eneste landet i verden.

**AK:** Jobber de kun med plast?

**RV:** Nei, altså ZERO står for ZERO Emission, så de jobber med Statoil, og andre aktører også for hvordan de kan jobbe med 0 utslippsteknologi. Så de er veldig flinke.
Appendix B: Interview ISS World
Interview with Jozeph Nazareth at ISS World in Copenhagen 16.05.2013

Transcription is in English.

AK = Anders Kolstad
JN = Joseph Nazareth

JN: Should I start off with some background information about ISS?

AK: Sure, that would be a good start.

JN: Yeah, as you know we are a service provider. And we are over half a million people, 535 000 people, and we operate all across the world, we are in all the regions in the world. And our model is basically self-delivery, that is what we tell our customer, we provide the services our self, versus the old service management, where you had a management company with a whole bunch of vendors. But there it is ISS people, it our own people that provide the catering, the reception, services etc. so that’s one thing, and what that gives us, or gives the customer, is one point of contact. So you know the classical example where we do contracts for global organizations, one of them, when they were working in Europe, they had over 4000 vendors, now they only have one vendor. So if they need to contact anyone, they only contact one person.

And when you have 4000 vendors, you also need administrative staff, to run these vendors, it will also help them reduce their cost. So that is also one thing that we offer them. In fact, I’ll send you a one slide to show you our value proposition, because one thing that we gives them is also we take away their risk, so that we assume their risk in terms of labor management and health and safety management / sustainability. So we take all that risk by making sure that we protect their brand. So we give them brand protection.

AK: So you take all the risk?

JN: Yeah, away from them. On all these areas that we provide them. So as I say, we are half a million people, last week we were nominated as the number one outsourcing company in the world. Usually it was Accenture, or at least they’ve had it for the past three or four years, and we were number four last year, and number two the two previous ones, and now we are number one. So that is pretty amazing. We are very proud of that, and yeah, that is a quick background. And as you know, we have a big operation in Norway, Denmark, and we are very big in Europe, but we are growing in the emerging markets, like Latin America, Asia and the Pacific. In fact, employee wise we are growing very fast in these two areas. Probably 45-46 percent of our employees work in the emerging markets, that is Latin America, Asia and the Pacific. Specifically Asia and the Pacific. Of our 535 000 employee, around 265 000 work in Asia, the Pacific and Latin America. So we are growing very fast there, but our revenue is still very Europe dominated. I think 75 percent of our revenue still comes from Europe.
AK: Do you see Europe as a mature market?
JN: Exactly, that is why. But other markets are also mature, we do a lot of IT and banking. We find that certain customer segments are much more mature in regard of the services that we can provide. So, now I have given you a brief background.

AK: Ok, thank you very much. It was a nice start to our interview. So, to get started, what is a sustainability business model?
JN: Yeah, you know, you have seen it on the homepage, and you have these other questions, such as “What is sustainability?” and “CSR versus Sustainability”. We use the term Corporate Responsibility in here.

AK: So all the various terms mean the same?
JN: Yeah, they do for us. When I try to explain it I start of that we signed with the UN Global Compact back in 1999, so I use their four categories, you know, in terms of labor practice, human rights and anti corruption. So I look at it through those four windows, and sustainability for us is based on that and how we manage our risk in those four areas. Because when we are working for customers, we give them the assurance that within these four areas, we take over their risk and we protect their brand. So you know, if I look at labor practices, human rights, it is everything from making sure that we don’t have child labor, that we do not have harassment, that we do pay on time, and that we pay the right wages on time, you know, regarding overtime, we give them premium wages. So we make sure that we manage our employees correctly, we treat them correctly, in terms of health and safety, we protect our employees, in terms of the environment, in areas such as water waste, chemicals and energy, that manage that, that we reduce our impact. That is something very important, in terms of anti corruption, that we do not collude, in terms of pricing, so that we can make assure that our customers are not involved in any price fixing, so this is a sustainability model. Making sure that we are active in these four areas, that we are not only reactive, but also proactive, because we want to build it up to being a competitive advantage. For us, this is a key part of our delivery model. That we can offer to our customers, if that make sense.

AK: So sustainability efforts is a competitive advantage?
JN: Yeah, absolutely. You know in Denmark, in the last one and a half year, there has been a lot of stories about a local competitor, that had hired eastern Europe workers, which had not been paid the right wages, and living in horrible conditions, with rat infected housing and garbing cans and all that. So you know, we can assure our customers that they will not run into a branding or scandal because of that. So you know, for a global customer, regardless if it is a service provider, it is always them that will come on the front page, and they don’t want their name on the front page. And this is something that we can assure them, as considering our value proposition.

AK: So yeah, as you mentioned, taking their risk?
JN: Yeah, that is correct.
**AK:** When did your organizations become engaged in sustainability efforts, and why?

**JN:** I think we have been doing it all the time, but if you look at when we formalized it, probably three of four years ago. As I mentioned we signed up to UN Global Compact in 1999, and then around 2002, but for three years ago we came up with an actual plan for corporate responsibility, and then formalized it, but we have always been engaged. Because, you know, we are very open about this that our business is based on our people. It is our people that delivers our services, we do have the machines and all that, such as vacuum cleaners, but it is our people that do our services. It is our people that are in touch with our customers, out of our 535,000 people, 96 percent of them are located at our customers cites. So we have always been engaged, in terms of sustainability and in terms of corporate responsibility. We’ve just, I think, I will say that we got basically a policy in place about three years ago, and we are working in a much more structured format in the last three years, at the group level. At country level, we have been doing a lot of corporate responsibility, but again, we didn’t have this umbrella, from the group level. And that is what we kind of established three years ago with our CR policy.

**AK:** Did you encounter any challenges when you implemented this formalized corporate responsibility plan?

**JN:** The key thing about corporate responsibility it’s the definition of corporate social responsibility, corporate responsibility, sustainability. You know, ten years ago it was environment, and then became CSR, and then CR, and then sustainability, and now it’s kind of back to corporate responsibility. I think the key thing here is that people understanding the phrase, people know the content, the challenge part is to get people to realize that what they are doing is corporate responsibility, or corporate social responsibility or sustainability. It is the terminology that really screws up people.

**AK:** So all those fancy words just mean the same? Sustainability is equal the corporate responsibility and CSR?

**JN:** Yeah, me personally do not like the word sustainability. It is a jogging, and another problem is that sustainability is not understood in many parts of the world. If you go to emerging markets, they do not understand sustainability, they have learned the CSR, they understand environment, they understand corporate responsibility, but sustainability is not well understood. It is a difficult word in English, so for people to understand it is difficult.

**AK:** I share your concern for the topic, as I have been reading about sustainability business model, many are linked toward how to make a profitable business model, how to make it sustainable. It is difficult to separate the term sustainability versus sustainable.

**JN:** Exactly!

**AK:** Regarding CR, have you experienced any difference in the market you are in? In terms of Europe versus i.e. the emerging markets? Is there differences?
JN: I think one of the things that I have seen is also that it is not only the markets, but also the ideologies that we do have in the West, that we can impose our world into certain areas of the world where people are really living from day to day. And I think that it is the understanding of cultures which is difficult, the challenge is not say “Hey, this is the way we do it in Denmark, copy and paste it in the third world”, for example. Or developing world, as the third world is not a good terminology. You cannot copy and paste it, because it is a different, it is a totally different culture, and those cultures are often also much more older than Europe, believe it or not, so they’re working under different conditions. We cannot assume that what is good here, will work or be accepted there. So I think we need to be a little more, and it is quite amazing about, and we still have that impression, that they need to be more like us, you know. And yeah, I think that is the challenge, to better the standards, for like health and safety, now they talked about Bangladesh last year, yesterday there was this thing about the union organization in Switzerland, that was trying to get all these major clothing brands like Calvin Klein, and Wal-Mart to sign up to certain standards with the fire, and standards to increase safety, protection of their workers working in the plants in Bangladesh, that I think we can contribute to. To make sure that by safety standards, working conditions, that we pay on time and pay premium, those are the thing I think we can have a lot of influence on. But other values, I believe we have to be careful about in terms of, assuming, that this is something that is good here, is good there.

AK: Ok, so you have this overall CR-policy, but you have to tailor it each country, market, segments, etc?

JN: Exactly, you need to do that. You cannot assume that, I think it is good to have an overall vision for CR, but at the same time tailor it to the specific market, specific country. That is important.

AK: What impact does sustainability have for your strategy and business model?

JN: You know, in a way, it is a very positive impact, as I say, it gives us a competitive advantage, because if we can document or provide evidence that we have these processes in place, that we are proactive, that we can actually provide that our countries pay our wages on time, that we don’t have child labor, and that our health and safety standards are high, that we do not accept harassment, that we accept diversity in our organization. For us, this is a tremendous competitive advantage. Especially, because or strategy is to look our for major customers all around the world. We want the global brand. Number two thing is also that we have come up with this model called Integrated Facility Services Model, that we look out for the whole facility, from anti-corruption, to technical maintenance, to catering and security, so we are at our customer site. We know our customer site very well, so we can also have an influence in terms of their employees’ behavior, we can help them in terms of behavior, and we can also help them in terms of environment, in help reduce their use of energy and their water, helping them reduce their waste. So you know, we have a lot of influence, so for us, this is something that is becoming more of a delivery model to our customers, how do we help them reduce their energy, their waste, their water consumption, you know, their safety, etc. So it is a very positive aspect for us.
AK: So you do more than just your initial services, like providing guidance?
JN: Yeah, we can do much more than just doing cleaning, catering and security. We want to partner with our customers, you know, ideally we do not only want to considered a vendor, we want to be a partner to our customers. And I think that the mentality is also being seen from the other side of the fence, where our customers also want somebody to work with them in achieving their goal. So quite often, now for the global contracts, we are bidding for them, and they will say you know, we have, well, this is just an example: we will have increased or double our production, at the same time reduce our energy consumption, how can you help us? So we can help them, because we can do their maintenance, we can plant maintenance, be proactive in helping them reduce the energy consumption, by helping them metering, by doing baseline studies, by coming up with solutions to reduce the energy consumption on the need, on the time of the day etc. So we are getting much more to that area in terms of helping them manage their own consumption.

AK: What is the advantages/disadvantages of being engaged in corporate responsibility?
JN: There are no disadvantages of being engaged, it is a great advantage of being engaged.

AK: Yeah, you have already mentioned the competitive advantage. Is there something else?
JN: For us it is a potential business growth, because it is a win-win. We can go to a customer and say that we can help them to reduce their electricity consumption, and we get some benefit from it in terms of doing this project, and they get a benefit from reducing their consumption, so it is a win-win. So sustainability for us is only advantages, there is no negativity or disadvantages. It is something that we look at very positively, and we can definitively see this, and it is become more and more a global requirement from our customers, you know, how we can help them in this area.

AK: So you have experienced increase attention on the subject?
JN: Absolutely!

AK: Ok, over the last couple of years, or what time frame?
JN: I would say over the last few years, three or four years. The maturity of our customers has happened in the short term, is has not happened 20 years ago or 10 years ago, it has happened in the last five, seven, five-to-ten max. So the term of maturing are going even further, how can we partnering with the supplier to achieve the goal, how can they help us, you know, to reduce our energy consumption or double our production. How can they partner with us? It is becoming a much more closer relationship, because usually, when we go for these customers it is usually an agreement for five years, so it is a long-term partnership.

AK: So when you are entering a agreement, it has a five-year perspective?
JN: Yeah, and especially for large customers, it is five years.

AK: Is it like a company policy?
JN: No, it depends on each customer. But usually for them also, to see the benefits, and for us to see the benefits, that we can promise them, you need that window of five years. So it is usually a five-year contract. Sometimes it is even longer, but usually it is five years.
AK: So when potential customers are approach you, they have corporate responsibility issues in mind?

JN: Absolutely, and that is exactly what you were saying, that we see this trend when we are bidding for this, the questions within this area is becoming much more and much more detailed. So there is much more focus in this area, it is not only on price, not only on cleaning, not only in providing the food, it is in this area. It is like, what are you doing in terms of this and this? I will give you this very classical example of asking questions is this: “What are you doing in terms of energy?” “How can you help us in terms of achieving .. bang bang goals?” “What are you doing in terms of water?” “How can you help us in terms of waste?” You know, so they are very specific, and then provide us evidence. “Give us basis, how and what have you done, what are the savings you have achieved?” It is becoming a very, that trend is very, increasing, from global customers.

AK: So that is good for you?

JN: Very good, I think it is very good for us because, you know, we want the global customers, and the other thing is also this is something that we can do. We have our workers, our employees on their site, so they can do this. It is a good business model.

AK: Will you say that you are some kind of expert in this area?

JN: I don’t know. Are we experts in every country? No, but it is something we’re developing, and we can definitively see it becoming a bigger part of the business.

AK: Now I want to move the interview more towards business models and sustainability. Can you link some of your corporate responsibility efforts to your products / value proposition?

JN: Yeah, I will send you that slide because our value proposition slide is really good. In terms of our people, as I mentioned, we provide, give them credibility towards risk management and labor management, and in terms of safety and environment. That is something that we take away their risk, that is something that we offer as a part of our value proposition, and those areas. In terms of product, yes we also offer products that are environmental friendly such as green cleaning solutions, that will use more friendly chemicals, less water, less electricity, the machines we use, the processes we use, efforts that use less water, we can use different machines, water instead of chemicals, so stuff like that. We can offer that to our customers as a part of our delivery model.

AK: That is correct, I have read that one of the products you offer is sustainability cleaning? In these terms, are you climate neutral?

JN: No, I think that some of our countries are climate neutral, but not we’re not as a Group. I think you’re right, some of the countries have joined. I think Norway is maybe climate neutral?

AK: Yeah, but Tone (HR-responsible in ISS Norway) told me that they were going to stop buying climate quotas from 2013.

JN: Yeah, that is right. They were doing that, but at Group level, we are not doing that.
AK: So it is not a goal for you to be climate neutral?
JN: No, what we are trying to right now is to do a stepwise thing. Right now, I started here three years ago, so my first goal was to determine the baseline, again, you know, must of our workers are working at our customer site, so our direct impact is really our own offices, but we are very few, and our offices are relatively small. We employ 535 000, and we are 120 people in this building. That is very small, and I don’t think that any company will have that kind of ratio. So we are trying to measure our impact at each country and at the group level, and you can get a copy of our CR report for the last year. So our first thing is to get some credible evidence, some baseline ideas. Do we measure our customer sites? No, because we have over 200 000 customers. Some are small, and maybe we visit them once a week, you know, this small cleaning jobs for one or two hours, other ones we have like here, where we have dedicated staff. 30 people, 40, people, 70 people, thousands, depending on the size of the site, there we can add a lot of value because we can first of all, the operational efficiency can be tremendous, and also from a sustainability point of view we can do a lot. Because we are looking after the whole site. Now I had lost track of what the question was, I am sorry.

AK: We were talking about climate quotas and climate neutrality?
JN: Yeah, climate quotas, yeah yeah. Why we don’t have that. So from a group level our first step is to make sure that we have a credible baseline data. So really, right now the only reduction target is for example that I’ve put in officially is regarding our cars. Because we have a lot of cars, we have 22 000 leased cars around the world and that’s relatively a huge part of our impact compared to electricity or water usage, as cars have a huge impact. So our target is to reduce or emission from our cars, because it is a big part of our environmental impact. So that is something in the first step, so once we have credible data, then we’ll look at reduction targets, at a group level on the use of electricity.

AK: So you want the credibility to be some sort of fundament?
JN: Yeah, we don’t want to just say we want to be carbon neutral or reduce by 30 percent, when you don’t even know your baseline data. That doesn’t make sense. We could say that in five-six years we’re going to be carbon neutral, and it would be nice to say publicly, but let’s see if they will be.

AK: But you measure, you have triple bottom line reporting? How do you make up an account for people and planet?
JN: We measure people in each country, what do you mean by accounting?

AK: How do you make up an account? Because I have seen in your report that you have these account for people, planet and profit? How can you make up an account for that?
JN: Yeah, for people, it is first how many males and females, part-time and fulltime, in terms of injuries, we report on people’s sicknesses, we report on people. So on the people side that is what we report on. On the planet site we report on electricity usage, water usage, fuel usage and business travels. Those are the areas
we report on. And of course on the profit we have all the taxes we pay, profit, so we cover those areas. And we use GRI as a basis now, that is the guidance we use.

**AK: GRI is a popular tool?**

JN: Yeah, but I’ve heard that in May they were going to redo it. A lot of companies, we are really modest, we go for the C, I don’t know if you know about the grading, but is this grading on A, B and C. Where C is reporting on 10 KPIs, and you know, there could be 1 KPI in one of these areas, so we report on planet, profit and people, and then you can come up until a total of, I think it is 81 KPIs. And a lot of companies report on 81, and that is not possible. There is a lot of controversy, and some companies get away with A+ when they report on, and its debatable. So now they’re trying to, or I’ve heard that they’re trying to rearrange the whole system. Which makes sense. I think the key thing is to have transparency and focus on the KPIs that are important for the company. And for us, it is people, because it is a people business, it is our people that carry on.

**AK: Can you link some of your corporate responsibility efforts to your customer interface, such as customer segments, customer relationships and distribution channels?**

JN: Yeah, I think I have covered that one before. In terms of customer segments, it is in terms of the four areas, making sure that, in terms of human practices and labor practices, that we pay on time, that we document, actually, that is a, you know, everybody could start up a cleaning industry. You could start up by go out and buy a mop, and consider yourself as a cleaner. So we compete with anyone who could just go out to Netto and pick up a mop, versus another person that can hire a whole bunch of people, and tell the customer we’re paying our workers, without them actually paying their workers. Or pay them below the minimum wages, so this is something that we promise our customer, we will pay accordingly, we will also give a pay slip to show how much the person is earning, how many hours the person is working, the taxes deductive, so we are very transparent. We can assure our customers that we do this, so it is something we can offer on the people side. On the planet side, we can also offer our customers environmental friendly processes, you know that we will use chemicals that are environmental friendly, we use machines that are efficient both in an engine and water perspective, so it is something that we address our customers. Now, depending on our customer, these aspects are important. You know, for a person that is getting us to clean a little store for one hour a week, to be truthful, they don’t give a hell. But as you go up to the customer segment to the medium size or larger ones, it becomes much more important. And that is where the added value are important.

**AK: Because you bring safety and risk management?**

JN: Safety and credibility, you know, the brand is very important for major, global companies. You don’t want, you know, I read this article in the paper this morning, there was a ranking of companies, what’s it called…
AK: Reputation?

JN: Reputation or something like that, where H&M got really slaughtered, because of the things happening in Bangladesh, so branding like that is very important. The brand protection is extremely important for these companies, and this is something we can bring to the table, as we wont heart you, we’ll help you.

AK: So you will strengthen their reputation?

JN: Exactly, we wont damage their reputation. That is the most important thing.

AK: So they use you as a kind of legitimacy?

JN: Legitimacy, or they don’t have that risk right. The biggest thing for them is to partner with a risky partner that can damage their reputation, that can, and once the reputation is heart, it can affect the bottom line, or profit, so, it’s important, as it’s something we can bring to our customers in terms of. Customer segments, as I say, it depends on the maturity. Some segments are more mature than other segments, so again, is it important for them? That is where we can add, we can benefit to their value.

AK: And regarding relationship, I assume you want a close relationship?

JN: Yeah, we want to be a partner. Ideally, we don’t want to be considered a supplier, we want to be considered as a partner. So we want to enter into a partnership.

AK: Can you link some of your corporate responsibility efforts to your infrastructure management, such as key partnerships, key resources, key activities?

JN: Sorry, I really didn’t understand that question when you wrote it. I’ll take a chance answering, and you’ll see if I answer it correctly. Infrastructure management is for example, as I mentioned, a lot of our clients are major clients, and we look after everything from electricity, power stations, so we help them with infrastructure management. So what we can offer is how can they reduce their energy consumption? You know, we can install meters, we can find out, you know, when they peak, and help them reduce their consumption. Infrastructure management can be of some existence to them.

AK: Of, so what are your key resources? Is it physical, fiscal, human resources?

JN: Its human, mainly human. It is not physical, because it is our workers carrying out work on our customers site. It is not financial, as we do not lend money or something. So human is our key resources. And intellectual you can say, not intellectual property, but intellectual in coming up with solutions to assist our customers.

AK: And you provide sustainability solutions?

JN: Yes.

AK: How about key activities?

JN: As I said, we can help them reduce their consumption, reduce their water usage, etc. So that’s something on the key activities we can help out with. Even in terms of our catering, how do we provide healthy food? Many customers are focused that their employees eat well, so we can assist them because we provide the food, we cook the food, we can assist them in their goal of providing this healthy food to their employees.
AK: By healthy food, is that ecological food, or what is it?
JN: If it needs to be ecological food, or to be less fat food, everything from showing their nutrition of the food they’re eating. Some companies have requirements, and there is one large customer where the food needs to be labeled in terms of the nutrient content, the fat content and so on. Their employees know what they’re eating, how much calories they’re eating, etc. This is something than we can assist.

AK: Do you have any key partnership? Some kind of NGO, suppliers?
JN: We have key suppliers, you know for our chemicals, those are key suppliers. We buy chemicals from primarily two major suppliers, so we do have key suppliers we rely on. And we build partnerships with them. You know, I just worked with a green cleaning tool with one of the suppliers to come up with a very easy tool that is sales and operational, and can be used at the sites to putting in few variables, to come up with a new way of more environmental friendly cleaning. We do partnerships with them.

AK: But you don’t have any partnerships with NGOs? I think I saw something about it in your web page?
JN: All local. We still don’t have one at group level. Locally, we have a lot. Red Cross in Denmark, we do a lot. We are doing a whole amount of good stuff at country level, but at group level, we don’t have. We’re still thinking about it.

AK: Ok, you are thinking about one?
JN: We are looking at a global solution, yes, but it doesn’t have to be a partnership, it can be something at a global level, that countries can, we want to have a common vision for this project. So countries can, we still work on this principle, that our countries have a lot of autonomy, that there is a lot of entrepreneurism in the countries, they work within a framework, the group framework, but they also have freedom to do that. We want to do the same thing with the corporate sustainability project, we want to have a global, a common vision so countries can slaughter into this. So they can do their own projects, as long as it’s under this vision, which is fine, because it is very difficult, I have been looking for the last three years, it is very difficult to have really one NGO across the whole world. It is impossible, because certain, it is very difficult, I can tell you. I have tried to contact the UN, all the NGOs, it’s very difficult.

AK: To whom is it difficult?
JN: You know, some, or certain NGOs are focused on certain things, in certain areas in the world, so to get a global project, is extremely difficult. Very difficult, to get a fit with the business model. This is also something that has to work with ISS.

AK: You want a connection:
JN: Yeah, a connection that our employees should feel attached to this. It shouldn’t just be something because of the heck to it.

AN: Can you link some of your corporate responsibility efforts to financials, such as revenue streams or cost structure? Do you think you can offer higher prices because you take some of the risk?
JN: That is a good question. Cause just because it is cleaning people think it is only about the lowest prices, and for a lot customers, it is, but for certain customers, the ones we are aiming for, price is not the most important. It is a criteria, but sustainability is also. Again, I will go back, and I have probably said it six or seven times, they want to make sure that their vendor pays their employee on time and look after them in regard of health and safety. This is very important. It is part of our model, yes, they will pay a little more of us, because we can guarantee this. So you, know, in financial, we are not the lowest, maybe not the highest. But you know, why not? We can guarantee for this, so we should be paid more than the person who does not guarantee this.

AK: Do you also think you will have higher costs because you have so strict policies on wages?

JN: Probably, or I don’t know if its higher costs, but it’s just the way we do business. If we pay our workers what they are entitled to, then it is just a regular cost. It is more the other way around, where our competitors are not being their workers what they are entitled to. So there is something wrong there. And you know, in Denmark, again, one and a half year ago, a story came out, the communes here where asking for bids for the public sector, and this was based on the number of hours, and the price, if you give the number wrong, and the price, you should be able to find out that something is wrong, right? But they would go after the lowest price, and the highest maximum hours, which, if you make simple mathematics, there is something wrong here, in people’s bids. You know, this is something we were very open about, we want to go after, what do you call it… output based! Input based is based upon how many hours you put in, we want to put out based in that, we will ensure that there is room for example, and that there is room for example as the output. How we do it, we guarantee that. You don’t know if its going to be 100 hours, or 80 hours, if we can do it in 80 hours, it is because we have effective processes, but we’ll give you the service level. The market is going that way, to output based. It is more based on what kind of services can you give us? That is something that we like, and more effective.

AK: Do you have any sustainability efforts that are not related to your marked activities? Outside your business model?

JN: No, we don’t have anything I can think of. We did a stakeholder assessment in December, which is also in the CR report. I will say that it is not on the radar. It is not something we feel that its needed.

AK: Ok, I think you have covered most of the questions. I only have two very basic questions left, that go on environment and social. What do you do to reduce your impact on the environment?

JN: Yeah, we do both behavioral. So every year now, I’ll run it in September again this year. It’s a behavioral campaign, more about awareness. Very simple, you know. The majority of our workforce is not skilled. So, it is very simple, and we want these behaviors, and not only at our work places, but we want them to be taken home too. It can be everything, from turning the lights when you leave the room, to turn of the computer, make sure the water is turned off, you know waste segregation. We push this awareness every year as a campaign, so from the environmental point of view that is something we do about behavioral. And
as I mentioned previously in the environmental side, is to bring effective management to our customers. You know, small things from making sure that we can offer them to change to environmental friendly effective lightning, with wary quick payback time, to larger thing were we can control their chillers. Optimize their big machines and energy use. It varies, and the depends on the customer, but the key thing is behavior. We make sure that our employees and customer do the small, easy wins behavioral changes.

**AK: So you are really focused on your customers?**

JN: Yeah, what I did last summer was that I launched something called ISS Green Offices Program, and this is again only as a start of our own offices, what I did was I set up three different, bronze, silver and gold certification. And for each one of them, first of all, you need 80 percent participation from the office to be part of this program, so they have to sign up. And everything, the bronze was very simple. It was mostly about behavioral, the silver to gold was more about procurement, what type of IT and what kind if paper you buy etc. So it became a little more stringent. In the ISS world there is no one with the gold, a few has silver, and the rest have bronze. But this again, is a way to make sure that we reduce our own impacts in our own facilities, and for us, also to use this model for our customers. So we can also offer this model to our customers. This is something that we are moving towards.

**AK: Is there a connection where the medals have been placed?**

JN: Ah, good question. Ehm, the silver, believe it or not, I don’t have a lot of silvers, but there are a lot of bronzes. I got a couple of silvers in Australia, one in China, but the rest are all bronzes all around the world. I even don’t have them in each country, but Norway is bronze, their offices is bronze, mostly in Australia is bronze. China, Taiwan got bronze. Out of the 53 countries, to be honest, I only got 10 countries that really applied. UK is also bronze. So it varies, which is good. if everyone came in gold, it would be bullshit you know. So it is good to know that, I really believe that awareness will drive change. So to get people to change their behavior, you got to start slow.

**AK: What do you do to improve social equilibrium?**

JN: Yeah, that is a very good point. We have three focus areas we talk about in the report. One is, about the right, or access to work. We have 535 000 people, we have a turnaround in about 49 percent, which is a pretty high turnover. It varies from country to country, from region to region, but, we’re also very proud of that. Because, first of all, we give a lot of people their first job, a lot of people come from a different country, in Denmark, about 40 percent of our workforce of 9000 are non-Danes. I mean, first-moving, what do you call them? Immigrants? So we take them away from the social system, we give them the dignity, we give them a job, so they can come in the society, so we are very proud of that. That is something we’re trying to promote, saying that we want you, we take people. The second reason is diversity, which is another point we are very proud of. We have people from all over, people from all types of cultures, males and females, religion doesn’t matter, we take everybody. We have a tremendously diverse organization, we did a study in Denmark a couple of years ago, where we took a control group of Danes, versus another group of diverse
cultures. And the diverse cultures were more productive. And that’s because they come with other ideas, so, it is also more effective. And the third focus area is focus on education. As I mentioned a lot of our employees does not have a lot of education, but we provide them a lot of training when they come into ISS. So that is also something we are very proud of. You know, we don’t mind if our employees go to McDonalds, we don’t want them to, but we ’re happy, because if they find something better, that means that we have helped them. And that’s the true, of course we don’t want them to leave because it costs to employ a new person, it is recruitment costs, training costs, etc. you know, so we want them to stay, but at the same time we are proud that we give people a step in the right direction. So socially, we are very proud of what we do.
Appendix C: Questionnaire ISS World
Questionnaire with Tone Edvinsen over email, response received 08.05.2013

Transcription is in Norwegian.

FORRETNINGSMODELL:
Kundesegment:
Hvilke grupper av mennesker eller organisasjoner skal dere dekke behov hos/skape verdier for?
Hvem er deres viktigste kunder?
ISS leverer servicetjenster innenfor Catering, Renhold, Eiendomsdrift, Support Services, Bemanning og Sikkerhet, enten som singel service leveranser eller i en total Facility Service leveranse. Våre kunder er fordelt både geografisk og i ulike segmenter. De strategisk viktigste kundene er de vi kan utvikle et langsiktig partnerskap med i en total FM-leveranse.

Verdiløfte
Hvilke produkter og tjenester tilbyr dere som skaper verdier for deres kundesegment?
Hvilke problemer hjelper dere til med å løse?
Differensierer dere mellom ulike kundesegmenter?

Verdiløfte (stikkord):
Forstår serviceleveranse og utvikler løsninger som gjør at kundene kan fokusere på egen kjernevirksomhet.
Kompetanse personell
Integrekte løsninger
Kostnadseffektivt

Distribusjonskanal
Hvordan leverer dere deres produkt/tjeneste til deres kundesegment?
Hvordan kommuniserer dere med deres kundesegment?
Hvordan gjør dere mulige kundesegment oppmerksomme å deres produkt/tjenester?
Vi leverer tjenester i hovedsak i egen regi (egne ansatte)
Salgsorganisasjonen er styrt sentralt men med lokale selgere. Vi bruker lite ressurser på ekstern markedsføring

Kunderelasjoner
Hvilken type relasjoner har dere til deres kundesegment?
Vi har alt fra tett kundedialog og oppfølging/partnerskap til små renholdskunder der det er den enkelte ansatte som har hoveddialogen.

Inntektsstrøm
Hvordan tar dere betalt i dag?
Ulik inntekt for ulike kundesegment?
Usikker på spørsmålstillingen?
Vi har et eget fagmiljø som kalkulerer kontrakter basert på de IT-verktøy som er utviklet. Her ligger standard for påslagsfaktorer for de ulike fagområder.
Nøkkelressurser
Hva er deres nøkkelressurser som gjør at dere er i stand til å oppfylle verdiløftet?
Fysiske?
Humane?
Finansielle?
Immaterielle rettigheter?
Andre?
«Det er alltid mennesker i det» er et begrep vi ofte bruker når vi snakke rom ISS. Våre nøkkelressurser er personal – de som er ute i feltet hver dag og møter kunden.

I tillegg har vi sterke sentral fagenheter innenofr alle fagområder samt HR og salg. ISS har eget kompetansesenter: ISS Akademiet.

Vi har også en sterk finansiell rygrad med tanke på både vår elveranse i Norge, samt den globale strukturen.

Kjerneaktiviteter
Hva er de viktigste aktivitetene dere selv må utføre for å kunne levere verdiløfte?
Hva er dere best på?
Vi er gode på kompetansebygging og ivaretakelse av et flerkulturelt miljø. Vi har en tydelig strategi og gode verktøy for å implementere og drifte ute hos kundene.

Nøkkelpartnere?
Hvilke organisasjoner er deres avhengige av for å kunne levere deres verdiløfte?
Dette kan være nøkkelpartnere, leverandører, allianser, klynger og lignende
Hvilke nøkkelressurser har de?
Hvilke kjerneaktiviteter hjelper de dere med?
Vi er avhengig av kompetente leverandører innenfor de varegrupper vi handler inn. Her har vi bl.a. etablert egen innkjøpsgruppe i samarbeid med Choice og Umoe Catering. Dette gir oss stor innkjøpskraft.

I tillegg er vi selvsagt avhengig av gode samarbeidsforhold med tillitsvalgtes organisasjoner og vår egen NHO.

Kostnadsstruktur
Hva er de viktigste kostnadene?
Hva er de dyreste nøkkelressursene?
Hva er de dyreste kjerneaktiviteten?
\textit{Personalkostnader er den viktigste og dyreste kostnaden.}
Appendix D: Interview Norway Post
Interview with Tina Marie Flem in Oslo, 02.07.2013

Transcription is in Norwegian.

AK = Anders Kolstad
TF = Tina Marie Flem

Forretningsmodell:
AK: Jeg vet at du sa at du ikke har dine styrker innenfor spørsmålene som angår forretningsmodell, men har du fått sett noe på det?
TF: Ja, altså, for vi har en ganske så omfattende oversikt som egentlig viser alt det du spør om. Så det blir litt copy-paste. Vi er jo innmari store, og så breie, en ting er jo post og logistikk-biten, men bare antall produkter og tjenester som vi tilbyr er nesten 640. Både små og store. Men vi har jo post og logistikk, CRM. Og deler under der, som express, supply chain, varelager. Vi har utrolig mange produktområder og segment. Og de kan jeg gi deg en god oversikt over, så det spørs hvor omfattende du egentlig vil gjøre det?
AK: Nei, det er kun for å få en generell oversikt over hva dere tilbyr.
har, bakgrunnen for det, og hvordan vi indirekte jobber med det. Den her er veldig grei å ha og kontrollere på.

**AK: Hva med kundesegment?**

TF: Ja, det er jo på en måte privatkunder og bedriftskunder som er de to store. Vi deler dem inn i de. Vi har jo gjort en analyse på hva som er viktigst når det gjelder risiko, forretnings- og den biten der. Hvis du tenker rene kunder, så er det privatkunder i Norge, og bedriftsmarkedet i Norden og Europa. Det er de vi skiller på.

Og det er alle typer bedrifter som trenger post og logistikktjenester. Det er ikke en bedrift i verden som ikke er potensiell kunde. De viktigste vi skaper verdier for i Posten er jo det norske folk, hver eneste husstand i Norge har vi en relasjon til. Det er de som er primærkundene for privatmarkedet.

**AK: Hva med distribusjonskanaler? Hvordan når dere ut til kundene?**


**AK: Hvordan er deres relasjoner til deres kunder?**

TF: Det går på det meste, altså personlig, selvbetjening, automatisering. Vi er i sosiale medier, ja alle kanaler, vi er jo på Facebook, Twitter og på det meste. Der har vi fortsatt en vei å gå, men vi er ganske på altså. Så i forhold til det private markedet så har vi over 6000 postbud som er ute og møter kundene våre hver eneste dag ute. Så der er det face-to-face viktig, så vi jobber mye med den personlige relasjonen der. Og selvbetjening blir bare viktigere og viktigere, se på posten.no og bring.no, nesten alt Posten gjør kan gjøres via nettet i dag. Det omtrent bare å lime på frimerket på brevet. Og det går bare ned og ned, det er ikke det vi lever av i dag, det er pakker. Det er det som er den store fremtiden. I forhold til kunderelasjoner og bærekraftsarbeidet vårt, så har vi definert interessentene til bærekraftsarbeidet vårt. Der har vi første og fremst eier, kunder, leverandører, og den type ting. Der har vi sagt hvilken arena vi møter dem på, på samtlige av
dem. Og det kan nok være greit for deg å se på. Vi er veldig gode på å analyse og snakke med dem, en ting er undersøkelse, en annen er omdømmeundersøkelser, kundeundersøkelser, fokusgrupper, konkurrentanalyse. Vi er ganske på de forskjellige kundene våre, og gjennom CRM-satsingen vår så er vi eksperter på å definere og kategorisere kundegrupper også. Vi kan jo eksempelvis når Aftenposten sender ut reklame og sånn i aviser, så går de til alle som mottar avisene. Vi kan drive kundesegmentering per husstand i forhold til hvem som der, hva alderen der er. Da begynner det å bli interessant, så man ikke sender leketøysreklame til et par på 60 år hvor ungene har flyttet ut ikke sant. Så vi er veldig opptatt av kundegruppe og kunderelasjon og den delen der altså.

AK: Hva med inntekter da?
TF: Den tenkte jeg at min kjære finansdirektør må ta altså, for at det skal bli så korrekt som mulig. For det blir litt tynt. Så det kan jeg ta på mail til deg også.

AK: Det er i orden. Det er vel hovedsakelig pakker, men sikkert mye annet også?

AK: Hva er deres nøkkelressurser?
TF: Det er mennesker og kompetanse. Finans er også en del, samt alt rundt produksjon. Vi eier jo utrolig mye utstyr, i form av biler og terminaler, store maskiner, og hele den biten der også. Som er en del av de fysiske ressursene vi har. Vi har roboter, og Østlandsterminalen er jo Nord-Europas mest teknologiske terminal, som driver med automatisering av post og pakker. Så det er på en måte ressurer, altså biler, bygg, menneskene. I forhold til finansielt, så ettertreber vi å være lønnsomme hele veien. Vi har jo statsstøtte, i forhold til den bittelille delen av geskjften vår som er krav fra eier. Og det handler om brev under 50 gram, så det får vi penger for. Men det har vi ikke gjort de siste årene, fordi vi greier å gjøre det lønnsomt. Det er kun brev under 50 gram vi ikke er konkurransesuksess på, alt annet er vi konkurransesuksess på. Og konkurrerer på lik linke med DHL, Tollpost og de der. For at vi skal opprettholde distribusjon til hele Norges befolkning, som er et krav fra eier, og det er jo heller ikke så lønnsomt. Å skulle levere til den ytterste øya i Nordland en dag for eksempel, og det koster penger, men vi har greid å finansiere det selv da, gjennom å gjøre andre deler av virksomheten lønnsom. Så det er slik at logistikk og varelager betaler litt for det norske folks behov for å få brev seks dager i uka. Det er jo en del av konsesjonen vår, for den krever at vi har den leveransen.
AK: Så dere får ikke automatisk statsstøtte?

TF: Nei, det gjør de en vurdering på hvert år. Så lenge vi leverer og får overskudd, så får vi ikke det allikevel. Selv om det egentlig hadde vært rett i forhold til bunlinja og overskudd, men det er sånn det er. Og det er sånn konsesjonen er, så Posten må jo bare levere de produktene i forhold til konsesjonen. Det er jo kun 5-10% av det Posten gjør som ikke er konkurranseutsatt, så det er en liten del, og folk tenker jo at Posten er et statsmonopol som bare driver på med post, men da hadde vi ikke overlevd lenge for å si det sånn. Det går bare en vei, og det er rett ned.

AK: Hva med kjerneaktiviteter, hva er de viktigste aktivitetene dere må gjøre selv?


AK: Produksjon, er det håndtering av brev og pakker?


AK: Hva med partnere, har dere noen nøkkelpartnere?

er viktigst. Det de utfører er leveranse for oss. Type distribusjon og produksjon av brev, pakker, gods, som vi på en måte tar ansvaret for.

**AK: Hva med kostnader, hva er deres største kostander?**


**Posten og bærekraft**

**AK: Når og hvorfor valgte dere å gjøre bærekraft til en del av deres forretning?**

**TF:** Vi startet med UN Global Compact i 2010, og meldte oss inn der. Det var da vi introduserte begrepet bærekraft, og det gjorde at vi måtte dra det inn i forretningsstrategien og implementere det via den. Og det var også krav fra eier, om at statlige selskaper bør rapportere på GRI. Krav er feil, forventning er det. Staten kan ikke kreve det, for det blir for omfattende. Men selv om vi ble med i UN Global Compact, og begynte å rapportere på GRI og hele den biten, så har vi lang fartstid å arbeide med samfunnsansvar. Det har vi gjort i flere tiår, og det er fordi vi naturligvis er opptatt av miljø og mangfold, eksempelvis, som har vært våre store satsningsområder. Miljø og mangfold og integrering. Det har vi gjort i ganske mange år, så de områdene innenfor bærekraft er ganske godt dekket. Vi har jo en stor organisasjon, der vi krever masse arbeidskraft, og det gjør det at vi er helt avhengig av å være en bedrift med stort mangfold, i forhold til hvor den arbeidskraften er hentet fra. Vi har jo over 70-80 nasjonaliteter som jobber i Posten, som har gjort det nødvendig for oss å jobbe med den type områder tidligere. Det var først i 2010 vi begynte å sette det skikkelig system, og det er jo det GRI handler om. Og vi har drevet med det i lang tid.

**AK: Hva betyr bærekraft for Posten?**

**TF:** Det er jo veldig fascinerende det med definisjoner, for det finner du sikkert ulikt fra selskap til selskap. Så jeg tror den reisen du har gjort nå er særs spennende altså. Men vi tok oss det bryet med det å definere opp mot hva vi mener er bærekraft og samfunnsansvar i forhold til rapporteringen vår. Så vi har skrevet at bærekraftsdelen handler om å rapportere på sosiale og miljømessige forhold ved virksomheten, mens samfunnsansvarsbiten, eller CSR, det er bare andre betegnelser som blir brukt om bærekraftsrapportering. Vi tenker det at samfunnsansvar for oss, det er det ansvaret vi viser utover det som er kreved av oss. Rett og slett. Mens bærekraft kanskje er enda mer overordnet, det handler om måten vi driver virksomheten på. Det er litt større, og omfatter ganske mye mer. Det er sånn vi ser på det. Samtidig så tenker jeg det at bærekraft og samfunnsansvar er egentlig ett altså. Når vi rapporterer så er det bærekraft ikke sant, og det er finansielle resultat. Det er jo sånn det er, det henger sammen. Det er jo derfor det er en del av forretningsstrategien våres også, at det må på en måte være økonomisk forsvarlig det vi driver på med. For økonomien ligger i bunn, det
gjør den hele veien. Så begrepet samfunnsansvar er "kjernebegrepet samfunnsansvar er det ansvaret konsernet tar for de mennesker, samfunn og miljø som påvirkes av vår virksomhet". Det er egentlig vår definisjon på samfunnsansvar. Vi påvirker det på veldig mange måter ikke sant. En ting er at vi er ute i lokalsamfunn, vi kjører bil der, sikkerhetsmessig ikke sant, vi har utslipp av CO2. Vi har utrolig mange områder vi møter de på, så det er jo på en måte hva slags ansvar tar vi for de mennesker, samfunn og miljø som vi er tilstede i. Det er samfunnsansvar for oss. Også har vi definert de 2 hovedsatsingsområdene våre, for de er svært gjeldende for bransjen som vi er en del av.

AK: Du har allerede vært inne på et spørsmål jeg har tenkt å stille senere her, er det en forskjell på CSR (samfunnsansvar) og bærekraft?

TF: Ja, det skal jo egentlig henge litt sammen. Jeg tror samfunnsansvar som begrep har jo vært der hele veien, mens bærekraft er den moderne begrepsbruken av det. Så når Gro-Harlem Brundtland fikk fokus rundt dette her, så ble det veldig i vinden. Men det er jo en veldig interessant å se hvor forskjellig bedriftene definerer de to termene der altså, det er jo en studie i seg selv. Man kunne jo neste laget masteroppgave bare på de to ordene der. Og man blir jo ikke noe klokkere om man eksempelvis går inn på regjeringens anbefalinger heller, for de er veldig svevende i bruken av de der. Men vi har i iallfall laget en egen konsempolicy for samfunnsansvar, og vi har bevisst kalt det samfunnsansvar, fordi det er et kjent norsk begrep, og folk vet liksom hva det er. Men når vi rapporterer, så har vi nå kjørt inn bærekraftbegrepet. Det er nesten en modningsprosess altså, der vi sier hvordan vi jobber med bærekraft, og da bruker vi det bevisst hele veien. Vi skriver om det i policyen vår da, og hvordan vi tenker.

AK: Så bærekraft tar mer over som et begrep?

lønner seg på sikt, da må du vente til tallene er grønne. Men når det er sagt, så har vi også et eget miljøfond hvor vi kan søke om midler til å gjennomføre enkelttiltak utover i hele bedriften, og da er det ikke nødvendigvis krav til lønnsomheten, men da er det krav til at det tjener miljøet. Så det har vært en stor suksess, men det er jo business case på det også da. Men det er ikke så brutale i forhold det andre.

**AK:** Miljøfondet, er det internt her på Posten?

**TF:** Miljøfond er for hele konsernet. Både Posten og Bring, og alt av aktiviteter av det vi driver på med.

**AK:** Hvilken påvirkning har bærekraftsutfordringer, altså samfunnsutfordringer, for deres strategi og deres forretningsmodell?


**AK:** Nå er du inne på neste spørsmål, hvordan har dere implementert dette i verdikjeden?

**TF:** Lederne i Posten er den viktigste eieren av det her. Styret i Posten Norge er svært opptatt av det, som igjen sender til konsernedelen, og konsernedelen tar det her videre gjennom nivå 3 lederne. Det er over 70 nivåledere i Posten, og de tar det gjennom noe som heter konsermnøt. Det er alt fra regiondirektører, til meg som jobber som informasjonsdirektør, så alle topplederne i Posten har ansvar for sin kjede, og ta det her ut i sine ansvarsområder. Det vil si at eksempelvis en regionsdirektør som har ansvar for post, logistikk og ØT som vi har, kan skal tenke miljø og verdikjede i hele sin måte å operere på. Det vil si at kjøretøyparken

**AK: Så fra toppen og ned?**


**AK: Hvilken betydning har KPI-ene for deres? Går det eksempelvis på bonus eller lignende?**


**AK: Var han det før han begynte, eller ble han farget av Posten?**

TF: Han var det før han begynte ja. Han jobbet i sprengningsbransjen før, der var sikkerhet en veldig viktig del hverdagen.
AK: Hvordan påvirker deres strategi og forretningsmodell deres arbeid med bærekraft?


AK: Har det vært noen utfordringer ved å implementere det i verdikjeden?

TF: Ja, det kan du trygt si. Det er veldig forskjell på hvor modne folk er. Vi har gjennom å vise de gode eksemplene og regnskapet, og sette krav rett og slett. Vi har en konsernsjef som er dyktig til å sette krav og følge opp, det blir på en måte fulgt opp også gjennom målinger, det er hele tiden en pushing. I forhold til utfordringer er det at det er en enormt stor organisasjon. Det tar tid å modnes, det tar tid å få en forståelse for hvorfor vi gjør det, få sett resultat av ting, og det er ikke bare kortsiktig, men også langsiktig. Når du har så mange ledd som vi har, så tar det tid før det kommer fra toppen til bunnen for å si det sånn. Og det er en helt naturlig utfordring i et så stort selskap som Posten. Det er helt klart en utfordring. Men når først hjulene har begynt å gå, så har det en enorm effekt. Vi er jo godt i gang, og hjulene våre suser avgårde vil jeg påstå. Når det gjelder bærekraft er det egentlig veldig lett å selge inn, folk catcher det ganske fort. Det er ikke så mye du må trykke på og trykke på. Folk ser verdien av det, og ser sammenhengene, så kommer de en etter en. Og vi har kommet ganske langt vil jeg påstå, vi er blant de fremste i Norge på å implementere det i verdikjeden. Og våre medarbeidere utgjør, bare i Norge så er vi 16 000 ansatte. Postbud og sjåfører, hverdagen deres har blitt helt forandret sant. Tidligere kjørte de bil, mens de nå sitter i en åpen el-jepp, en packster, som er spesialdesignet for å slippe ut minst mulig CO2 og sånn som gjør det at arbeidshverdagen er helt annerledes nå. Ikke sitter de i en oppvarmet bil lenger, de må kle på seg bedre, og de ser jo det at de sparer på det hele i arbeidsprosessen. Vi er veldig opptatt av LEAN i verdikjeden vår – hvordan gjøre det enklest mulig. Og det er ting som vi har gått inn i alle, vi har jo en egen LEAN-direktør som rapporterer direkte til konsernsjefen, så høyt står det. Og det er også en del av bærekraft altså, det er kanske et av de viktigste bærekrafttilkene vi har. Det med å forenkle prosesser, og forbedre og forenkle prosesser, hele veien. Det er kjempe viktig. Det og er en utfordring, når noen banker på døra, og skal forenkle prosesser og gjøre ting kjappere og hurtigere,
så vil det si at noen må eksempelvis gå. Så det er utfordringer ikke sant, når du fornyer en organisasjon, og når du skal gjøre ting enklere og bedre, noe som også bærekraft er. Så er de utfordringene å få folk på lageret å ikke bli redd for de prosessene, og det synes jeg vi i Posten har håndtert ganske bra, vi har gjort det naturlig over tid, hele den biten der. Folk i konsernet er vant med omstilling, og det er noe du må dersom du skal overleve i 2013, du må omstille deg hele tiden for å følge med. Se på all digitaliseringen som er nå, du må kunne omstille deg fra å være en bedrift for 20 år siden som bare gikk rundt og puttet brev i postkasser, så er vi i dag tilstede i alle netthandelsbutikklokkering som en egen leverandør ikke sant. Vi tilbyr levering på døra, eller ekspress. Vi er en del av hele den verdikjeden ikke sant, og det er fordi vi har greid å omstille oss hurtig, til å følge markadet og følge behovene til kundene våre. Men det er jo en utfordring, å hele tiden følge med.

AK: Hva er fordelene med å være engasjert i samfunnsansvar og bærekraft?
AK: Er det noen ulemper?

AK: Hva legger du i begrepet bærekraftig forretningsmodell?

AK: Hvorfor bør bedrifter engasjere i bærekraft?

AK: Ansatte vil vel sikkert også gjerne jobbe i selskap som tar ansvar?
TF: Ikke minst, og som har godt omdømme og tillit i markedet, og evner å ta vare på arbeidstakerne sine, og evner å se verdier i human kapital, og ikke bare finansiell kapital. Det er et sånn stort bilde som gjør at du blir attraktiv som arbeidsgiver.

AK: Jeg har allerede tatt en god del av tiden din, og i forhold til hva dere gjør for miljøet og det sosiale så ser jeg at dere har en god del informasjon om dette på hjemmesiden deres?
TF: Ja, det gjør det, samtidig kan du få med deg den brosjyren her (årsrapport 2012), her står det også velig utfyllende hva vi har gjort.
Appendix E: Interview Statkraft

Interview with Bjørn Iuell in in Oslo, Norway, 10.07.13

Transcription is in Norwegian.

AK = Anders Kolstad
BI = Bjørn Iuell

BI: Utmeisle en klarere miljøpolicy for Statkraft. For vi har ikke hatt noen. I den prosessen så kommer vi innom ting som jeg antar du er interessert i.

AK: Forklarer hva masteroppgaven går utpå, og forklarer hvordan en forretningsmodell er bygd opp.


AK: HSE er ikke det samme som HR?

BI: HR er det gamle personal og lønningskontor som man kalte det i gamle dager, mens CR og HSE er Corporate Responsibility og Health, Security and Environment. HMS kaltes det jo på gammelnorsk, og den M-en i HMS var veldig knyttet opp til byggherreforforskriften, som nesten kun er arbeidsmiljø. Jeg har nå jobbet her i fire år, og kom fra Veidirektoratet, der jobbet vi mye med å presisere at det miljø som jeg representerer, altså som biolog og naturforvalter, det er det ytre miljø, og ikke arbeidsmiljø. Det blir ofte stemodellig behandlet i HMS-sammenheng, fordi arbeidsmiljø-M-en i HMS, den er knyttet til byggherreforforskriften, og den er veldig godt presisert der, hvordan man skal organisere seg, og hva slags kompetanse og kvalifikasjoner man skal ha for å gjøre det. Så det har vært et ganske stort arbeid, og jeg måtte faktisk ta et par skritt tilbake da jeg kom hit, fordi vi slet fremdeles med det at i HSE-begrepet, så er det det ikke mye fokus på sikkerhet, hjelmbruk, personlig sikkerhetsbruk og lignende. Corporate Communication er en avdeling vi jobber mye, i tillegg til Public Affairs, som også er en del av dette.
Miljøpolicyen som jeg jobber med må jo gå hånd i hånd med hvordan vi kommuniserer dette, og hvordan vi samhandler med andre innenfor Public Affairs biten. Det henger veldig sammen.

Statkraft er et gammelt selskap, og i 1905 ble det første fossefallet temmet, og da begynte jo den egentlig gullalderen for Norge, som stort sett besto av fjellbønder og apekatter. Og før denne oljetiden var det temning av vannkraft som var det store. Og dette var jo et rent statlig selskap. Jeg har stjålet en plansje fra en avdeling som heter PG, som er Power Generation. Det er de som produserer strømmen, og det som er hovedkjernen i vår bedrift. Det har vært det lenge, og det er der vi tjener pengene. De senere årene har markedsoperasjoner vokst til å bli minst like viktig når det kommer til økonomi, og da går det på kjøp og salg, vi kjøper energi når det er billig, og selger når det er dyrt. Og vi operer også i det store utland som en handler for småprodusenter, for eksempel i Tyskland, hvor det er mange småprodusenter av vindkraft, de trenger en stor handler for dem som kan kommunisere dette ut på markedet og gjøre en god deal ut av det. Det har vi gjort en stor rolle.

AK: Så det vil si at dere selger deres produkt?
BI: Ja, vi forvalter det de produserer. Og den markedsoperasjondelen vår blir det sagt i kroneverdi og inntekt minst like viktig som selve kraftproduksjon. Det sitter en svær gjeng borti her hvor få slipper inn, som kjenner alle bevegelser på markedet og kjøper og selger, på en slags kraftbørs kan du vel si. Innenfor vannkraft, som er vårt tradisjonelle operasjonsområde, så har dette med miljøbitten og bærekraftelementet vært viktig hele tiden.

BI: Hvor gammel er du?
AK: Jeg er 25.
BI: Ok, da husker du ikke disse store vannkraftutbyggingene, hvor det var demonstrasjoner og folk hadde lenkegjenger og lignende. Både i Alta-vassdraget og andre vassdrag.

AK: Jeg har hort om det, i hvertfall det med Alta...

**AK: Du nevnte demonstrasjoner mot vannkraftverk, vet du hvorfor de oppsto?**

til ganske store problemer. I magasinene fører det til at, hvis det er intensiv produksjon av elektrisitet, så får du lav-vann i magasinene, og du får tørrlagt store områder på sidene. Og når du da fyller opp igjen så vil dette føre til økt segmentering, erosjon, også får du dette ut i vassdragene. Det har sine utfordringer.

Rognplanting, første gang jeg hørte om det trodde jeg det var trær, men det er altså fiskerogn som settes ut i vassdrag. Jeg tror faktisk Statkraft er den største produsenten av settefisk i landet. Det er jo en stor bedrift i seg selv. I tillegg til at man kompenserer for at man har en mindre produksjon av i vassdragene enn man ellers ville hatt, så tar man også vare på genetiske stammer fra forskjellige elver.

Multi purpose, som jeg nevnte i Filippinene, det er når man demmer opp vannsystemer, og man kan bruke dette vannet til mange forskjellige ting, ikke bare til vannkraftproduksjon. Vi har sett når vi er inne i Sør-øst Asia og Sør-Amerika hvor vi jobber sammen med Verdensbanken, at det blir større og større behov for å kombinere vannkraftproduksjon sammen med andre formål. I forbindelse med rent drikkevann, og vanning – for å få opp produksjon av mat.

Når vi bygger de store vannreservoarene våre, spesielt oppe i den norske fjellheimen, som er helt unik, vi har vel den største magasinvannkapasiteten i Europa, som gjør oss til en veldig viktig aktør i det vi kaller balansevann. For når vi bruker vannkraften som balansevann mot vindkraft, som jo er avhengig av at det blåser, og det gjør det jo ikke hele tiden. Så er det jo den upålitelig kraftkilde, så man er nødt til å ta imot strømmen når det blåser. Og når det ikke blåser så er det greit å ha den fleksible vannkraften, spesielt fleksibelt fordi vi har disse store magasinene. I en del andre land de såkalte elvekraftverk, hvor du bare tar ut litt av vannet fra elva. De har ikke sånne store magasiner, så du kan ikke pøse på med vann over lengre perioder hvis vindmøllene står stille. Det er en rolle vi skal utvikle etter hvert, når vi får disse kablene mellom Norge og Sentral-Europa, så kan vi ha en rolle der. Vi har store reservoarer av vann oppe i fjellet spesielt, høyt oppe, og det skaper problemer blant annet for villreinen, som må trekke ut for å kunne hunn.

**AK: Har dere holdt på med disse tiltakene lenge?**

**BI: Jeg tror nok av kjølvannet av de store vannkraftutbyggingene på 70-80-tallet, så kom dette mer og mer tydelig frem. Så har jo det norske miljøvernloven som blitt forsterket på 80-tallet og oppover. Så det har fulgt hånd-i-hånd med krav og pålegg. Jeg tror ikke vi har gjort veldig mye mer enn vi har vært nødt til. Og nå har vi også sett det at å være proaktiv ut mot interessenter er en fornuftig måte å operere på. Å drive med sånn bulldozertaktikk, og prøve å rette opp ting i etterkant, har det ikke ført til noe særlig. Loan-prosjektet er det vi har sett frem oftest, for der har vi brukt opp enorme penger på både environmental og sosial impacts studies og tiltak. Vi har flyttet store folkemengder, reetablert dem, gitt dem ny infrastruktur, bedre helsevesen og alt dette her. Også er det et eksempel fra Sverige, hvor det har vært store aksjonsgrupper mot disse elveutbyggingene. Det å være tidlig ute, og være ærlige når vi kommuniserer, har man lært at er en fornuftig strategi. Man bruker ti ganger så mye energi på å prøve å rette opp skader i etterkant.**


**AK: Må man ha en viss score for å oppnå dette da?**

**BI: Ja, det ligger på dette med bærekraftighet, hvor du får en score på en scale fra 0-100. Det skal være åpenhet, objektiv bevisførsel, det skal ikke være noen synsing og det skal kunne testes av andre. Det er da en policy at Statkraft skal bruke dette systemet.**

Vi opererer i en verden hvor det er veldig stor variasjon (peker på slide med 3 ulike bilder). Det midterste bildet viser noe som har blitt veldig hot i Norge den siste tiden med småkraftverk, å bygge ut bittesmå kraftverk i småskala. Det aller første er fra en generator som er koblet opp i et asiatisk land, hvor du har et møllehjul som driver et stort hjul som igjen driver en generator som driver en lyspære og en tv i en hytte. Og nederst har du et gigantanlegg som du finner i Kina blant annet. Det er en ganske stor variasjon i det spillet her. Og vi operer jo ikke på den aller laveste skalaen, men vi har jo vært aktive i utbygging av småkraftverk i Norge blant annet. Vi driver ikke med den øverste, men den midterste, og selv om vi ikke har så gigantiske som det kinesiske, så har vi ganske så store prosjekt vi også.

**Water Supply Erigation Control** er veldig viktig, ikke minst i disse tider. Med varmt, vått, og windy trenger noen dammer for å kunne kontrollere disse flomperiodene som kommer på andre tider av året enn vi er vant til og til forskjellig styrke. Det som er viktig der er at man bevarer vegetasjonen langs disse vassdragene så du har en naturlig svamp som gjør at du får disse voldsomme støtene når flommen kommer. Det er jo en stor

AK: På grunn av produksjonen av metan?

BI: Ja, og det er jo et spill som vi er veldig, veldig observante på og aktive i de flora hvor dette dukker opp. Vi jobber jo intenst for å fortelle at det er ikke så ille. Vi har gjort masse undersøkelser i norske store dammer, det finnes så å si ikke metanutslipp fordi omsetningen er så liten i vårt kalde klima. Men lengre sør, for eksempel i Laos, så har de funnet at det kan stemme at det vil være en metanproduksjon.

AK: Er det ikke noe å gjøre for å forhindre dette?

BI: Jo, altså du kan fjerne så mye vegetasjon som mulig. Det andre er jo at den metangassen som produseres ville blitt produsert før eller senere uansett, men vi bidrar til at den blir akselerert. Også er det et annet aspekt vi jobber litt, for når du har disse store dammene, spesielt når vi jobber i store strøk, så vil du en viss fordampning, og da er det krefter innen fossilkraften som sier at det er jo ikke fornybarekraft, for dere demmer opp vannet – også slipper vi det ut igjen sier vi. Da sier de at det som fordamer det forsvinner opp i luften, og det faller jo ikke ned igjen i vassdraget, og da har vi sagt at det går jo inn i vannets kretsløp da. Ja, men lokalt, så fjerger dere vann – er deres respons. Så det er en del å være oppmerksomme på. Og vi vet jo nøytaktig hvor de innvendingene kommer fra.

Så det vi begynte med for to år siden er de spørsmålene her (viser en slide med ulike spørsmål vedrørende engasjement innenfor miljø). Vi så å at vi lå og sov på denne soveputen, at vi driver med vannkraft, vi driver med vindkraft, vi er så snille så, men er det nok? Når vi er ute i den store verden og skal konkurrere om kraftprosjekter så er det andre som kan gjøre det mye raskere og mer effektivt og billigere enn oss, men med en annen miljøprofil enn oss. Skal vi fortatt ha en miljøprofil, skal den være tydelig? Skal vi bruke den
også prøver vi å forhandle oss noe ned. Vi driver med fornybar energi vet du, så da er det ikke så farlig. Nå er jeg veldig intern og åpen med deg, det tror jeg han fikk høre. I den prosessen så reagerte de med strittende hår, men er jo bare å erkenne at det var sånn det var. At Statkraft har ikke sånn kjempe grønt miljøflagg vi kan vaie med, at vi tar skikkelig miljøansvar på alle områder. Vi gjør faktisk ikke mer enn det vi er pålagt, og kanskje litt mindre enn det til og med. Og det vil jo omverdenen før eller senere oppdagde, og fare-var-prinsippet innebærer at dette må vi ta tak i. Da vil vi også stå bedre rustet mot nye regler og krav som vi vet vil komme. (Nevner så flere ja-grunner som står på side 8 i PP.) Hvis vi investerer noen millioner i å ta i litt i forkant, så slipp vi den regningen som er 10 millioner i etterkant. Det er ingen lett sak å diskutere med økonomer om, for de vil gjerne ha tall på dette her umiddelbart, og de klarer vi ikke. Men det å kun forholde seg til lovverk og pålegg betyr at man ikke har noen egen miljøpolicy. Vi har en 0-policy, det var i grunn vår beskjed til både management her og styret, og det kjøpte de med alt.


AK: For det du snakker om når skjedde for to år siden?

BI: Ja, prosessen begynte for to år siden ja. Og at det ligger som jeg sier i de forskjellige BU-ene, noen har produksjon, andre har marked, andre driver med internasjonale operasjoner, andre driver med kommunikasjon, Public Affairs osv. De har jo forskjellige innfallsvinkler, og de sliter med litt forskjellige
krav internt, i veldig mange av våre ledere og prosjektledere blir de ikke målt på noe som har med miljø å gjøre. De blir målt på budet – on schedule ikke sant.

**AK: Det blir veldig økonomisk?**

Bl: Ja, og det er det vi prøver å endre da.

**AK: Dere er enda ikke ferdig med å endre dette?**


Banker og finansinstitusjoner er veldig viktig når vi jobber internasjonalt også, gjennom blant ISM Power, IFC, Verdensbanken. De er veldig på hugget der, at man skal ha en veldig høy miljøprofil.

**AK: I forhold til investorer?**

Bl: Det er for å få penger fra Verdensbanken til disse prosjektene.

**AK: Så dere får penger fra de?**

Bl: Ja, vi er nødt til å finansiere prosjektene på en måte før vi tjener penger på dem.

Konfliktreduksjon er et annet aspekt.


**AK: Men dere har en miljøpolicy?**

Bl: Ja, det er det den diskusjonen her leder opp til. Det er det vi har jobbet med, altså hvorfor. En ting er at jeg sitter i CR-avdelingen og synes at dette er veldigiktig, så skal dette opp gjennom diverse ledd og helt opp til ledelsen her og styret.
Dette var våre gamle konsernprinsipper for miljø, den lever kanskje fremdeles. Og den har nok levd sitt interne liv blant de som synes det var morsomt å lese det. Men det er ikke alle som har giddet å ta seg tid til det. Miljø skal gjelde all virksomhet, fra hvordan vi bygger nybygg, og drifter og styrer det, søppelsortering internt, og på lokalene våre, og energiøkonomisering til produksjon av vindkraft. Hele kjeden skal preges av dette. Vi jobber med det.

Dette med kompetanse er jo en stadig diskusjon, man skal jo holde kostnadene nede, og det er ikke alle rundt i systemet som er like obs på at det krever faktisk en spesiell kompetanse på det her. Dette har gått inn i dette HMS-begrepet som jeg nevnte innledningsvis, og det har vært tatt av disse HMS-koordinatorene som da har primært sett på arbeidsmiljø.

Tredje punktet der er noe som man har diskutert mye, og som nå er fjernet. Jeg vet ikke om det er oversettelsen fra engelsk som har ført til det, at vi skal "oppnå fremragende miljøprestasjoner gjennom kontinuerlig forbedring av teknologi og prosesser. Den er tøff. Definer fremragende?


**AK:** Dette er ikke krav, det er mer forventninger?

**BI:** Ja, det er forventet. Så ligger da guleroten, "bedrifter som evner å ligge i forkant, osv osv, kan få både økonomiske og markedsmessige fortrinn". Bevis det.

Vi skal ta offensive grep for å redusere våre påvirkninger utover det som følger av krav. Det ligger en del føringer der, og hvis du velger å lese med mine briller så kan du plukke ut de sitatene der, så får du mye annet også.

Også er det den jobben jeg gjorde, hvor jeg gikk igjennom 14 andre bedrifters nettsider. Og hvordan de presenterte seg utad. Det jeg har skjønt i ettermitt så er det ikke alltid at internettpresentasjonen gir 100 % riktig speilbilde av hva som foregår i bedriften. En av de bedriftene som hadde en veldig bra nettside, Ibedroha, en bedrift i Spania. Mine spanske kontakter sier at det er ikke et firma de ville samarbeidet med på miljøsiden. Så dette er presentasjonene deres, men jeg har plukket ut noe som går igjen. Og ordet commitment, altså de bedriftene som presenterer seg på nettsidene med commitment på miljøsiden, eller

Det er ikke bare det at man har noen miljøprinsipper, det handler om måten bedriften ledes på. En utfordring vi har, som mange andre bedrifter har, er at det er ledelsens ansvar, hvis man nedover i systemet ser at verken ledelsen eller avdelingsledelsen rundt omkring setter dette på dagsordenen, at det blir målt på det, så vil det ikke skje.

**AK: Det må gå fra toppen?**

**BI: Ja, det er veldig økonomstyrt belønningsystem innenfor disse bedriftene. Som går på at det skal skje innenfor tid og budsjett, så har du gjort jobben din.**

Så er det da av og til hvordan skal man finne systemer som setter begrensninger på utbetalings av bonus hvis det er negative ting innenfor miljøsiden. Frem til nå har vi bare hatt en rapportering som går på at vi skal rapportere miljøbrudd, og det er bare de alvorlige som blir rapport til konsernedlelsen, og som kan få konsekvenser. De er definert på en slik måte at de er aldri der. Da må en av dammene våre briste, og du får en total miljøødeleggelse utstrøm, eller nedstrøms, eller at vi får et arsenikkutslipp som dreper alle fremmede arter på Filippinene og sånn. Nå overdriver jeg litt, men vi kommer aldri opp i den kategorien. Da har det ingen som helst konsekvens for hvordan vi agerer.

Dette med identitet og ansatte, de ansatte i bedriften skjønner at her har vi en ledelse som ikke bare er interessert i profitt. Jeg jo valgt et sitat fra vår sjef på forsiden av denne rapporten. (Sitat opplesing). Dette er ikke noe noen har funnet på, det har han gjort selv. Så han har snudd på flisa. Det bidrar til mer motiverte ansatte, og en arbeidsstokk som er stolt av bedriften sin, i stedet for et selskap som bruker bulldosertakten. Å skille seg ut som arbeidsgiver ved verdiene kan også være veldig utslagsgivende når du skal konkurrere om den beste kompetansen og i noen av disse møtene jeg har vært på her for nyansatte når man har spurt om hvorfor ønsket du å søke jobb her i Statkraft, så er det veldig ofte det som går igjen. Det med fornybar kraft, klimaendringer, sånne grønn profil, har virket tiltrekke på veldig mange.

**AK: Det kan jeg tro på.**

**BI: Ja, jeg er jo en av dem, så jeg kan ikke være uenig i det. En miljøstrategi starter veldig ofte internt i bedriften, og vi har vært veldig klare på det at når vi har jobbet med den prosessen, så har vi hele tiden hatt forankring mot ledelsen, men utformingen av disse tankene og ideene har skjedd lavere ned i systemet, med medvirkning for alle disse forretningsområdene. Og bare jobbe med miljø er ikke noe man driver med i tillegg til kjernevirksomheten, det skal være integrert. Nå har jeg jobbet med miljø i 30 år snart, i denne bransjen, både da jeg jobbet på kommunenivået, så var det veldig sann at miljøbiten var en sånn ekstrasak, og på siden, i Veidirektoratet så var en liten sånn vorte på siden av systemet som jobbet med dette, og dette skal jo være en integrert del. Det er ikke en egen som jobber med miljø, så kan de andre slippe av. Det er lett
å si, men det er ikke så lett å få til. Fordi de andre er ingeniører, økonomer, eller helt andre fagbakgrunner, og ha et helt annet fokus, og i en travel hverdag så er det mye av dette som glipper. Vi må jo da tilrettelegge for at dette skal være så enkelt som mulig å ta med seg inn i sitt eget arbeid. Forankringen er viktig, at man har dette fra topp-ti-bunn og fra bunn-til-topp. Konkurransekraft, omdømme, alt dette er hentet ut av denne interntuttiten.

Dette med samfunnsansvar har blitt et viktig suksesskriteriet, det har blitt enda mer fokusert på det de siste årene, halvannet år i norsk diskusjon og i media. Noe som opptar forbrukerne, det er jeg ikke så sikker på. I hvert fall i diskusjoner. Og det er i grunn en oppsummeringssak da. Vi har veldig mange interessenter vi må forholde oss til, vi begynner med klokka fra venstre der (snakker om interessenter, siste side på PP). Snakker om de ulike interessentene, godt summert opp.

**AK: Resultatene som er listet opp, er dette noe som har skjedd, eller ting dere antar vil skje?**

**BI:** Den omdømmebiten sier de som jobber med kommunikasjon at det er kjempe viktig. Dette med kompetanse, at du er tidlig ute og jobber proaktivt, det har vi flere eksempler på, det er bedre å være føre-var enn tidlig-snar. Økte marksedsandeler vet jeg ikke riktig, om vi blir foretrukket partner? Jeg vet ikke hvor mye det teller når det kommer til stykket. Hvis jeg skal være veldig realist så har jeg vel en følelse av at det går veldig mye på økonomi og andre ting. Og at dette er mer en tilleggsøkonomi, når avgjørelsen allerede er tatt.


Reducerte kostnader jo mye av det som ligger i argumentasjonen og motivasjonen for det å drive med kildesortering, energiøkonomisering og alt dette her. Å hele tiden reduserer forbruket så reduserer du også forbruket. Men også tenke logistikk, tenke fornuftig og rasjonelt på disse produksjonsstrømmene våre hele veien. Det er like mye et økonomisk spørsmål som et miljøspørsmål.

Det var den prosessen som førte til at vi i fjor fikk gjennomslag for at vi skulle både etablere et nytt sett med miljøkriterier for bedriften.

**AK: Det var i 2012 dere begynte å implementere dette?**

**BI:** Ja. Det ble da en felles Corporate Responsibility and HSE Policy, som du kan få med deg. I forkant ligger Statkrafts Code of Conduct, altså leveregler for Statkraft som ligger mye på bærekraft, føre-var-

Vi skal jobbe med å forbedre og utvikle disse standardene. Det tredje punktet er en kjempe utfordring, for når vi operer i Tyrkia, så kan de ha en helt annen miljølovgivning enn det vi har og er vant med. Da vil vi ha norsk lovverk, IFC sitt standard system, og tyrkerne som jobber med sitt. Veldig ofte går man da inn og velger det laveste ikke sant, bare minstekravet i det landet du jobber i. Det gjør seg ikke veldig godt på trykk, at Norge da utnytter at det lander du operer i, du dumper dine kraftverk ned i land som har en lavere miljøstandard fordi du da slipper unna med billigere penger. Vi har fått en del sånne oppslag, rettferdig eller ikke. Men her står det at vi skal ”clarify the comparability between the practicability and national good laws and regulations”. Men så ligger det også i IFC standardene at der hvor det er en divergens mellom lovverkene, om det er internasjonalt, globalt eller nasjonalt, så skal man alltid velge det som er høyest. Så det ligger i dette med ”international good practice”. Hvis det er en forskjell mellom krav og ambisjonsnivå i de forskjellige lovverkene, så skal du alltid gå for det som ligger høyest.

Og vi skal også se på mulighetene til å ”og beyond god practice”, men der henger det på en bisetning, when there is a business case of doing so”.

**AK:** Så det må være økonomisk rettet?

**BI:** Dette kan du tjene penger på, så da kan du tillate deg å spytte mer penger inn i miljøbudsjettet. Også er det dette med å finne rett standard, som skal skje i samsvar med våre forretningsområder. Neste trinn var å finne en ny KPI, du kjenner begrepet?

**AK:** Ja.

**BI:** Jeg fortalte tidligere at vi målte og rapporterte oss selv på miljøbrudd, som vi har en oppdeling på. Alvorlig, mindre alvorlig, osv. Men vi kommer da aldri opp i den skalaen som rapporteres videre. Nå rapporterer vi også etter dette GRI-systemet, hvor vi rapporterer på alle mulige slags indikatorer. Det ikke
noe sånt imponerende analysearbeid i etterkant av de rapportene slik at det får noen konsekvens, eller at vi snur oss rundt og gjør noen endringer i hvordan vi jobber. Dette har hatt liten påvirkning, vi driver og rapporterer, og vi rapporterer videre inn i systemet og til ledelsen, men det har ingen effekt. Så det vi har prøvd å gjøre noe med, ved at vi lar andre prøve å vurdere oss.

Vi søker nå å få en environmental rating, including trend and benchmarking osv. Vi snakket med norske bedrifter som gjør mye av det samme, og valgte oss et sveitsisk firma som heter Oekon. De er egentlig siktet inn på å gi råd til finansinstitusjoner og personer som skal investere, og de har jobbet med vår bransje, som var hovedgrunnen til at vi valgte dem. For vår bransje er litt spesielt, i hvert fall om du sammenligner oss med matvarebransjen eller de som produserer biler. Så det er et nytt miljømålekort som ble implementert i fjor hvor vi har endt opp på B-+, også kalt Prime-nivå innenfor dette økosystemet. Vi gjør en benchmarking mot andre selskaper som vi kan sammenligne oss med, for å se hvordan de gjør det på de samme spørsmålene. Også har vi opprettet noe av det vi har jobbet med tidligere, miljøbrudd og miljøforholdsrapportering og brukte vår årsrapport, bærekraftsrappor, men de innhenter opplysninger fra allehåndekilder rundt omkring i verden, i den grad det finnes. Det vi har slitt litt med i utgangspunktet nå i startfasen er at det er en del vi ikke rapporterer på, eller informerer om, fordi det har vært en del selvsagte ting, det er ikke noe vi synes det har vært noen å skrive om. Men når vi ikke finner informasjon så blir den satt som null, vi får ikke noe skår på det, så vi får minus på det, selv om vi mener selv at vi er gode på det. Så vi jobber å bli flinkere på å rapportere. Det går på environmentla management, sustainable energy generation, environmental impact generation, så dette er veldig tilpasset energibransjen. Også går det på strøm og gasforsyning, og eco-efficiency, som går mer på energiøkonomisering og slike ting. Den første vurderingen vi fikk da lå sånne på C. Da vi foreslo dette for styret så synes de at det var kjempe spennende. Og de hadde da nettopp fått ny styreleder, som ikke kjente til noe annet firma som lot et uavhengig firma vurdere din miljøprestasjon.

Det nederst til høyre er noe som vår communication-avdeling. Men vi har ikke kommet så langt enda, det er fremdeles ganske nytt. Men det er jo veldig spennende da, for å se om det vi gjør på miljøsiden også kan måles på andre måter. Og vi har satt noen sårne grenseverdier som man skal gjøre på sårne målekort, at vi må ligge på B- i hvert fall for å få grønt. C er gult, og faresonen er rød. Også ser du disse andre firmaene som vi sammenligner oss med, de ligger rett over eller litt under her.

Environmental management går jo på policy, som vi da ikke hadde på det tidspunktet. Men vi har external reporting, GRI – den har vi på stell. Performance indicators som går på miljøbrudd og slike ting, var de ikke veldig imponert over. Climate change strategy hadde vi ikke, det er vi i ferd med å få. Vi skjønte ikke at vi trengte det, vi jobber jo med vannkraft! Travel and transport, det er også noe som vi må flinkere til, både å måle og kommunisere. Ok, vi jobber med video og møter og prøver å redusere reisevirksomheten vår, vi har
en maskin- og trafikkstall som går på miljøvennlig drivstoff, vi reduserer strømforbruk, alt dette her. Men vi har ikke satt det ned i noen tabeller i noen særlig grad.

**AK: Men det må dere gjøre nå?**

**BI: Ja, og det er jo skikkelig viktig da. Da får man motivasjon for å gjøre det, og det blir jo synliggjort. Det tror jeg er veldig viktig, og at det er en feil vi har gjort tidligere, at det finnes veldig mye godt miljøarbeid som skjer rundtomkring i bedriften, og det har alltid vært det. Så noe av jobben min er å få synliggjort det. Få det frem i dagens lys, så de som jobber med det får motivasjon når de oppdager at andre gjør akkurat det samme. Det er faktisk lov å tenke i den retningen.

Sånn ser det arket vi får fra Oeko ut, og vi ligger da på "Good". Det du får uansett er en samlet vurdering ut fra to hovedtemaer, og det er alltid "social rating" og "environmental rating". Vi (han) driver med miljøratingen, så det er den vi er mest interessert i. Det er det han jobber med, og på den sosiale siden så har vi ikke kommet så langt. Det er et omfattende arbeid, og en grundig vurdering. Så jobben vår blir jo å få dette delt opp og sortert på en måte så vi kan bruke det internt i våre systemer. Så hvert forretningsområde kan ta tak i de delene hvor vi ligger litt etter, så kan vi prøve å forsterke det. Det er hovedjobben fremover.

Dette er også noe jeg gjorde for et par år siden, som har vært et bakgrunnsarbeid for den jobben vi nå har kommet frem til, hvor vi da har en miljøpolicy, vi har et rating system som gjør at vi blir vurdert ut fra veldig spesifikke transjeredelerte spørsmål. Alt dette er i hovedsak bygget på disse internettfunnene mine da. Code of Conducts går jo på hele CR-aspektet, ikke bare på miljøsiden.

Så da, er det noe jeg har oversett?

**AK:** Du har jo svart på veldig mye da, men vi kan jo ta et raskt overblikk?


CSR ble jeg først introdusert for når jeg jobbet internasjonalt i Veidirektoratet, det ble snakket om CSR i Europa og andre steder, men ikke i Norge. Det begrepet var vanskelig å oversette. Samfunnsansvar er vel det eneste jeg kan svare på der er at CR-begrepet hos oss er mye videre, så det omfatter antikkorrupsjon, etikk, menneskerettigheter, hele dette gamle HMS-begrepet, så det er mye videre enn bærekraften. Samtidig så er bærekraft i utvikling, disse tre pilarene, med økonomi, sosiale og miljømessige forhold.

**AK:** Så det er litt av det samme?

**BI:** Det kommer litt an på hvem du spør antakelig.
Hvorfor bør bedrifter engasjere seg i bærekraft, der har jeg noen sitater i den blekke du får med deg. Jeg har hentet inn noen fra NHO, og det er da det samme at det må man jo bare, det lønner seg i det lange løp, og man skal være en samfunnsaktør osv. Hva gjør vi for å redusere påvirkning på miljøet? Det var det jeg begynte med, og vi har hatt mye å slite med på vannsiden, det jeg jobber med går jo på aksept for å bygge vindkraftverk i Norge, det er jo så å si umulig, derfor bygger vi mest i Sverige og Storbritannia.

**AK: Det er stor motstand i Norge?**
**BI: Det er dyrt, og du er avhengig av subsidier, el-sertifikater og andre ting, men nå er det jo lokal motstand som er primært hovedproblemet.*

**AK: Var det i Geiranger det var noe problem?**
**BI: Jeg tror ikke det har vært noe problem med vindkraft dør, men problematikken har gått på monsternasr og problemer rundt det.*

Hvilke sosiale tiltak har dere? Jeg tror det som jeg sendte deg i går, spesielt det eksemplet fra Laos, er glansbildet vårt vår da.


**AK: FoU er ikke et område dere tjener noe penger på?**
**BI: Det er for å løse problemer vi sliter med, dreper vi for mange havørn på Smøla kan vi risikere å måtte stenge det i deler av året.*

**AK: Det er vel ikke så bra for omdømme?**
I 2008 hadde Aftenposten en serie oppslag om at folk døde som fluer på Statkraft sine anlegg, som blant annet SM Power hadde ansvar for, blant annet i India. En del av de store utfordringene i forhold til personskader og antall drepte har gått på transportsituasjonen – altså trafikksituasjonen, det er helt andre standarder på veier og veinett, og helt andre krav til sikring i en del mindre utviklede land enn Norge. Og en del av disse anleggene våre ligger naturlig nok i litt utilgjengelige områder, det er jo Trollstigen i miniatur ikke sant, det er jo 200 meter i rett fall og ikke noe sikring. Så har du jo regntid hvor alt forsvinner, også har man vel vært litt sann blåøyd og sett gjennom fingrene at å operere i sårne land så må man regne med sånt. Men det er ikke akseptabelt, et menneskeliv er et menneskeliv uansett. Det handler om at ledelsen viser engasjement og ansvar. Det er dessverre vanskelig å gardere seg helt mot skader og dødsfall, da det er mennesker som er involvert. Du kan ha alle regelverk på plass, opplæring, barrierer og fysiske foranstaltninger som er helt etter europeisk og norsk standard, også har du den menneskelige faktoren som gjør at man tråkker over denne barrieren. En av eksemplene som ofte brukes er at vi har jo vært der vi og for ikke så lenge siden da de bygget ut et av våre kraftverk et annet sted på Sørlandet, så hadde de kalkulert inn i prosjektet at så så mange menneskeliv kom til å gå tapt – erfaringsmessige tall da. På et av de anleggene står det vel en steinblokk utenfor som sier at 11 eller 17 menneskeliv gikk tapt under dette prosjektet. Vi jobber jo ikke med så mye nye anlegg i Norge lenger, de store kraftverkstidene er over. Utbyggingstiden er over, men vi jobber jo med store anlegg, vei og tunnelbygging gjennom SM Power, og vi har jo Norges beste kompetanse akkurat på det faglige. Og jobber intenst med opplæring. Enkelte steder er jo det å få HMS-biten opp på et forsvarlig nivå nesten like stor jobb som å innføre demokrati ikke sant. For det er så fjernt, og standarden – jeg vet ikke om det er verdien på menneskeliv vi skal måle det ut ifra, men de har jo så mange andre viktige utfordringer, så det å sette opp guard-railes på en sikksakk vej, det er ikke noe man prioriterer, det kan jo hende man overlever på andre måter. Så når vi bygger disse veiene inn i anlegget så plutselig oppdager man at langs disse snirklete veiene så dukker det opp telt og salgsboder, og det jobber små barn der som løper innimellom svære anleggsmaskiner og trucker på flere tonn som frakter steinmasser ut og inn. Også er det barnefamilier som etablerer seg der, men det er sånn det er i de landene der, der det er menneskelig aktivitet prøver de å selge et eller annet, eller bidra med service. Og barna er en naturlig del av arbeidsstokken i en familie. Hvordan takler du det?
Du hadde fått en del avisoppslag dersom du på en anleggsvei oppe i Eidsfjord hadde hatt teltleire med folk fra lokalmiljøet som hadde etablert seg på helårsbasis og solgt gulerøtter og jordbær mens småungene satt og hakket stein.