



UNIVERSITY OF GOTHENBURG  
SCHOOL OF BUSINESS, ECONOMICS AND LAW



# IMPLEMENTING SUSTAINABILITY IN A FAST- GROWING SCALE-UP COMPANY

A CASE STUDY IN THE MEDTECH INDUSTRY

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Author: Alice Karlsson

Student ID: 724241

Supervisors: Ginevra Antonelli, Madeleine Englund, Maria Isabella Leone & Rick Middel



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Written by Alice Karlsson

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School of Business, Economics and Law, University of Gothenburg, Vasagatan 1, P.O. Box 600,  
SE 405 30, Gothenburg, Sweden

Institute of Innovation and Entrepreneurship

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Contact: [alicekarlsson@gmail.com](mailto:alicekarlsson@gmail.com)

## ABSTRACT

As sustainability is becoming an increasingly important part of society, not only from a societal and environmental perspective but also, from a corporate one (Nidumolu et al., 2009; Evans et al. 2017), companies are realizing the increasing need of implementing sustainability as a part of their corporate values (Epstein & Rejc Buhovac, 2014) One way of doing this is through actively working in reducing their environmental impact by integrating the 17 sustainability development goals (SDGs), as presented by the Department of Economic and Social Affairs of the United Nations, into their value chain. However, working with the SDGs could be seen as ambiguous (Heriksson & Weidman Grundewald, 2020) and thus, companies require tools for integrating sustainability (Evans et al., 2017). This study therefor contributes to the theoretical perspective on how implementations are best made into a corporation through a case study together with a fast-growing scale-up company in the MedTech business to find practical tools for the company to be able to implement sustainability into their value chain. This, led to the research question being conducted as *“How could a fast-growing scale-up company manage the challenges and possibilities of strategically implementing sustainability into their value chain?”*.

Due to the abductive approach of this report, the theoretical framework was first set up to serve as a foundation for the data collection and was then adapted based on themes derived in the data collection. The theoretical focus revolves around how to work with goals related to sustainability and the SDGs, how to communicate the efforts, implementing sustainability into a value chain, as well as steps going forward. The empirical data, as well as the analysis is formulated around the same structure. The data collection was done through a qualitative approach by conducting 21 semi-structured internal interviews, to better align the findings with the company structure. The outside perspective was instead offered by the theoretical framework. What the study concluded was that the company could utilize the company culture for working with sustainability and that they are successful in working with SDG 3 - *good health and well-being* but that the internal perspective could improve somewhat. As for the SDG 12 – *responsible production and consumption*, it could be integrated into the value chain, but there is a need to review processes within each department. Further, there is a need for improved communication, both internally and externally, regarding sustainability, to successfully manage it. The communication should be done by a sustainability manager, who is also responsible for a focus group within the company. In addition, all departments, or parts of the value chain, should be responsible for working with sustainability.

## KEY WORDS


Sustainability, Sustainability Development Goals, Value Chain, Growth, Goals, Communication, SDG 3, SDG 12, Good Health and Well-Being, Responsible Production and Consumption

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*Gothenburg, June 2021*



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Alice Karlsson

# ABBREVIATIONS

**CSR** - Corporate Social Responsibility

**ERP System** - Enterprise resource planning system

**FCL Shipments** – Full container load shipments

**HR** – Human resources

**ISO** - International Organization for Standardization

**KPI(s)** - Key Performance Indicator(s)

**LCA** – Life Cycle Analysis

**LCL Shipments** – Less than container load shipments

**NPD** – New Product Development

**M&A(s)** – Merger and acquisition(s)

**MedTech** – Medical Technology

**MSCI rating** - Morgan Stanley Capital International rating

**OKRs** – Objective Key Results

**PLC** – Product Life Cycle

**SDGs** - Sustainability Developments Goals

**SME** – Small & Medium Enterprise

# DEFINITIONS

*Corporate Social Responsibility* – A business model that helps a company to be socially accountable, including aspects of economic, social, and environmental responsibility. (Fernando, 2021)

*Green Bonds / Green Funds* – “A green bond is a type of fixed-income instrument that is specifically earmarked to raise money for climate and environmental projects” (Segal, 2021)

*Green washing* – “activities by a company or an organization that are intended to make people think that it is concerned about the environment, even if it’s real business actually harms the environment.” (Oxford Dictionary, u.d.)

*Value* – The definition used is that of shared sustainable value: “a measurement of how much the customers are willing to pay for a company’s attempt to oblige to sustainability on an environmental, economic and social level in a competitive and socially beneficial way.” (Porter & Millar, 1985; Evans et. al, 2017; Porter & Kramer, 2011)

*Value Chain* - a distinction of activities, both economic and technical, that are necessary to perform the business. (Porter & Millar, 1985)

*Sustainability* – “An implication of change and innovation or adjustment of the business in accordance with its surrounding or supporting environment.” (Faber et al., 2005)

*Triple Helix of Sustainability* – The co-dependence of environmental, societal and economical sustainability. Usually visualized using three semi overlapping circles to represent their connection (see figure 2). Together, in their intersection, they create sustainable value according to Evans et al. (2017)

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# 1. INTRODUCTION

*The introduction consists of background, aim of research, limitations, and disposition. This serves as the foundation on which the remainder of the report relies upon.*

## 1.1. BACKGROUND

Sustainability in a business context can have a variety of characteristics, although among them some common elements are implication of change and innovation or adjustment of the business in accordance with its surrounding or supporting environment (Faber et al., 2005). Faber et al. (2005) choose to divide this definition of sustainability into three different constituents: the artifact of sustainability, goal orientation and the aspect of integration. Evans et al. (2017) in turn, build on this definition and emphasize that the ability to innovate is an essential part of successfully integrating sustainability in a business. As sustainability is becoming an increasingly important part of society, not only from a societal and environmental perspective but also, from a corporate one (Nidumolu et al., 2009; Evans et al. 2017), companies are realizing the increasing need of implementing sustainability as a part of their corporate values (Epstein & Rejc Buhovac, 2014). Various ways of doing this has been applied by different corporations and to different extents. Both the current environment and the future holds challenges regarding social, ecological, and economical aspects. (Nidumolu et al., 2009) Therefore there is a rising need to mitigate the risks of negative impact on these aspects. One way of doing this, from a company perspective, is through actively working in reducing their environmental impact by integrating the 17 *sustainability development goals* (SDGs), as presented by the *Department of Economic and Social Affairs* of the *United Nations*, into their value chain. Out of which some examples are good health and well-being; gender equality and decent work; and economic growth. (United Nations, 2020)

As expressed by Henriksson & Weidman Grunewald (2020) the integration of SDGs can be ambiguous but can also provide profitability in terms of supply chain strength, attractiveness among investors, risk mitigation and regulatory compliance, to mention a few. Furthermore, Henriksson & Weidman Grunewald (2020) mentions attractiveness as an employer to be one of the main benefits of integrating the SDGs to a company strategy. This is supported by a survey conducted by Sustainable Brands (2016), which concludes that the employees tend to be willing to accept a lower imbursement for their work, if the work is being done within a company engaging in social responsibility. In addition, companies tend to, among several other advantages, easier attract top talent, enhance image, and improve their differentiation in the market (Sustainability Edge, u.d.). Nidumolu et al. (2009) also emphasizes the reduction of costs, as a result of the decrease in used input, to be one of the benefits from an environmental-friendly approach.

As stated, a successful implementation of sustainable aspects can prove advantageous for a company from a strategic point of view (Henriksson & Weidman Grunewald, 2020; Sustainable Brands, 2016; Nidumolu et al., 2009). However, for the sustainability work to be more than words expressed in a report, without any validation being done through actual improvements, Epstein & Rejc Buhovac (2014) state that sustainability must be integrated in the whole organization. One way to ensure integration to the whole organization is through the value chain, since the value chain refers to the full range of activities needed to create a product or a service. Where value is measured by the amount that customers are willing to pay for the company's products or services. (Porter & Millar, 1985).

As stated by Geissdoerfer & Evans (2018), however, many companies fail in meeting their sustainability targets. Evans et al. (2017) also state that there is a lack of case studies associated with sustainability implementations. They further state that there is a lack of clarity and agreement of the concept among its users. To reduce, or at least mitigate these issues, the study will take the form of a case study, with a sole company, to aid them in implementing the SDGs into their value chain. This requires a mapping of the current value chain, a mapping of where potential changes can take place, as well as a mapping of which goals lie outside the scope and core of the company. Porter & Millar (1985) clarifies that one strategy to generate higher value compared to competitors is through differentiation, which in this case will be done by incorporating sustainability in the whole value chain. Miloiu (2021) further state that is the responsibility of the MedTech (Medical Technology) industry to address sustainability challenges in the healthcare sector and to actively work to reduce the negative impact on the environment as well as the social aspects of sustainability. First and foremost, due to the core goal of the industry being to save lives and improve health. Miloiu (2021) list an essential part in reaching this goal, for companies in the industry to ensure sustainable value chains.

### 1.1.1. COMPANY DESCRIPTION

The company, together by which this study will take place, does currently not have a sustainability strategy in writing nor a specified way of working with it per se, even if they to some extents are already successful in working with some elements of sustainability. For instance, through diversity in terms of nationality of employees. Considering that the company is currently in its development and scale-up phase, the initiation of a more specified sustainability strategy is suitable. This, to function as one of the strategic pillars of the company once their role in the market will remain clear. The company is an international company in the field of MedTech, operating around the globe with sales offices in Europe, Asia, and North America, with production in two of these. In their current stage they have approximately 120 employees but is growing at a rapid pace. As this study is a strategic decision for the company, and will most likely affect their stakeholders, the company has chosen to remain anonymous throughout the process. They will here on forward be referred to as "the company". Some differentiation in terms of value proposition as well as some implementations of the sustainability goals are already incorporated by the company, while some

goals are potential ones and others tend to lie outside the scope of what is feasible for the company in its current position. Meaning that the company have limitation in terms of for instance funds, customer preference and time allocated to implementing these changes. The integration of the SDGs is to take place within the whole company and throughout the whole value chain. The company is, in turn, part of a corporation. The focus for the thesis is mainly that of the company specific, however, some of the interviewees had a more corporate role, and thus, some of the answers are to be more linked to the corporate perspective. As the company wishes to transfer the sustainability work to the remainder of the corporation in the long run, there has been some recommendations made on how to proceed with this.

## 1.2. AIM OF RESEARCH

As the implementation of the sustainability can be ambiguous (Heriksson & Weidman Grundewald, 2020) and there are few case studies on how to best implement it into a value chain (Geissdoerfer & Evans, 2018), this study aims to contribute to the theoretical perspective on how implementations are best made into a company. This is motivated by Evans et al. (2017) who states that researchers need to provide companies with the knowledge needed for them to be confident in implementing sustainability into their corporations. As mentioned, sustainability is become increasingly important for stakeholders (Epstein & Rejc Buhovac, 2014). As a result, corporations will need to engage in more sustainable business models and strategies (Nidumolu et al., 2009; Evans et al., 2017; Geissdoerfer & Evans, 2018). Thus, the practical aim of the thesis is to offer the practical tools for the company, for them to be able to successfully implement sustainability into their value chain.

## 1.3. RESEARCH QUESTION

How could a fast-growing scale-up company manage the challenges and possibilities of strategically implementing sustainability into their value chain?

## 1.4. DELIMITATIONS

The report is limited to operational implementations for a single specified company. Thus, presumptions to corporate structure etc. might not be applicable in other cases. In addition, this said company has specified a need for anonymity which further limits the possibilities of openness. As a result of this limitation, the transferability of this study might be negatively affected since it might be hard to apply to other industries or corporate structures. General limitations include time and information availability. Intentional limitations include the focus on the managerial perspective of sustainability, rather than for instance ecological or technical solutions. With this said, however, recommendations can still be made for the company to focus on these aspects. The data of the study has selectively been limited to internal interviews, since the research aims to see investigate how said company could manage the challenges and possibilities of implementing sustainability into their value chain.

### 1.1.2. PRE-STUDY

To figure out which goals are relevant to a business; three steps can be followed. The first one is to segment the SDGs, for instance by topic or focus area. Here it is important to clarify which goals are end-state goals and which are intermediate goals designed to result in greater goals. The second step is figuring out in which of these segments the company fits, and which goals relate to the company or the company's activities in the value chain. The third step is to make the business case, that is finding the commercial argument for each goal. (Chakravorti, 2017) To conclude which goals and targets to focus on for both the theoretical framework as well as the empirical results, a pre-study was conducted together with the company. Initially all the goals were reviewed and scaled down to those potentially relevant to the company which serves as an additional delimitation. Afterwards these goals were broken down to those which were relevant to this thesis as well as to the company. The specific goals around which the study will focus on have been selected as *Goal 3, Good Health and Well-Being* and *Goal 12, Responsible Consumption and Production*. Once this limitations in terms of number of goals were done, all the sub targets were reviewed together with the company representative to ensure that the focus was on both the goals and the target that was of relevance to the company. The goals have several sub targets, however, for this thesis the below ones were selected as being relevant to the company. The goals have been selected with the focus on the business, goal three since it has a high integration with the field of the company, and goal twelve since it has a high integration with production industries (United Nations (b), u.d.).

Steps to figure out how to implement the SDGs	Definition
1. <i>Segment the SDGs</i>	For instance, divide based on topic or main focus area. Clarify the timeframe for implementation
2. <i>Figure out the company fit</i>	Figure out which goals are possible to integrate to the company value chain
3. <i>Make the business case</i>	Investigate where the commercial focus is for each goal.

Table 1 - How to implement the SDGs (Chakravorti, 2017)

For goal three, *good health and well-being*, the focus for the company is to be:

- 3.b. Support research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration which affirms the right of developing countries to use to the full the provisions in the TRIPS agreement regarding



flexibilities to protect public health and, in particular, provide access to medicines for all (United Nations (a), u.d.)

- 3.d. Strengthen the capacity of all countries, particularly developing countries, for early warning, risk reduction, and management of national and global health risks (United Nations (a), u.d.)

And for goal twelve, *responsible production and consumption*, the focus is to be on:

- 12.2 By 2030, achieve sustainable management and efficient use of natural resources. (United Nations (b), u.d.)
- 12.3 By 2030, halve per capita global food waste at the retail and consumer level, and reduce food losses along production and supply chains including post-harvest losses. (United Nations (b), u.d.)
- 12.4 By 2020, achieve environmentally sound management of chemicals and all wastes throughout their life cycle in accordance with agreed international frameworks and significantly reduce their release to air, water and soil to minimize their adverse impacts on human health and the environment. (United Nations (b), u.d.)
- 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse. (United Nations (b), u.d.)
- 12.6 Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. (United Nations (b), u.d.)
- 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature. (United Nations (b), u.d.)

## 1.5. DISPOSITION

Initially, the first chapter, as presented above, serves as an introduction for the reader to the topic and foundation of the report. Thereafter, the study will proceed with the theoretical framework, chapter two, that will present what is already known, or at least previously studied, within the field. Following will be a presentation of the methodology, chapter three, where the research process as well as design will be thoroughly described. Chapter four, results, will cover the findings from the data collection. This will be followed by a discussion in chapter five, where the findings will be discussed in relations to the literature review as well as the research question. Finally, a conclusion will be presented in chapter six. See table 2 below for a visualization of the disposition.

<b>Chapter</b>	<b>Focus</b>
<i>1</i>	Introduction
<i>2</i>	Theoretical Framework
<i>3</i>	Methodology
<i>4</i>	Empirical Data
<i>5</i>	Analysis
<i>6</i>	Conclusions

*Table 2 - Disposition*

## 2. THEORETICAL FRAMEWORK

*The theoretical framework is built around six main chapters: the strategic importance of implementing sustainability, how to work with the goals, how to communicate and collaborate, how to set up the work in terms of responsible parties, how to integrate it in the whole value chain and lastly the value system.*

### 2.1. THE STRATEGIC IMPORTANCE

The pathway towards a sustainability implementation can be somewhat ambiguous, and there are no clear ways to implement it in a business. (Geissdoerfer & Evans, 2018) The landscape to orient in terms of sustainability is often followed by standards, market risks, financial constraints and other obstacles which can lead to confusion and in some cases an increase in implementation costs. (Batalhone & Clement, 2018) This ambiguity has caused many actors to be late in adapting their businesses towards a more sustainable approach (Chakravorti, 2017). The process of working sustainably can sometimes be seen as a burden by companies, as a need for a substantial number of resources for little gain. While, in fact, moving towards a more sustainable approach can lower a company's cost and increase company revenues (Nidumolu et al., 2009). Nidumolu et al. (2009) is emphasizing this further by stating that smart companies now treat sustainability as the key driver for innovation which is reducing cost through reducing input and increasing revenues through creating better products or by enabling new businesses. As the key to progress is innovation, the key to progress is highly associated with sustainability (Nidumolu et al., 2009). As expressed by Chakravorti (2015), innovating in a sustainable manner is like ordinary innovation efforts by the company, with one distinct difference which is that the result from the innovation will not only benefit the company but rather be shared by multiple stakeholders. Sustainability is also mentioned as one of the key drivers for competitive advantage in the future, where only companies that are successful in the implementation will achieve this advantage (Nidumolu et al., 2009). Bonini & Swarts (2014) also state that one business benefit from implementing sustainability could be improved reputation and that sustainability is highly connected to values of growth and flexibility within an organization. These arguments were followed by the motive to win market shares as suggest by Chakravorti (2017). Henriksson & Weidman Grunewald (2020) also mentions attractiveness as an employer to be one of the main benefits of integrating the SDGs to a company strategy. Further, employees tend to accept lower imbursement for their work, if done at a sustainable company (Sustainable Brands, 2016) and the company can also easier attract top talent and improve company image (Sustainability Edge, u.d.).

#### 2.1.1. GOVERNMENTAL AND LEGAL COMPLIANCE

Chakravorti (2015) was noticing barriers for companies to work with the sustainability development goals. There is a combination of external barriers and internal barriers. The external barriers include regulatory and policy obstacles as well as the capacity of customers and suppliers. While the internal include the

difficulty of goal measurement, the ability to monitor the processes as well as the ability to communicate the impact. It is essential, states Kramer et al. (2019), that the governments require accountability and verification of all corporate claims and add up the commitments – These recommendations fall outside of the scope of the corporation itself, and it is rather directed to UN and is encouraging them to create accountability towards organizations claiming to be working with the goals. What can be done, however, from a corporate perspective, is to make sure that the accountability is not an issue. What needs to be done, is to focus on the goals that the business is successful working with or have goals related to. In addition, companies must ensure the integrity and seriousness in their way of working towards these goals. (Kramer et al., 2019) Nidumolu (2009) further states that the companies need to be able to anticipate and foresee regulations and shape according to them. The biggest challenge associated with this lies in ensuring compliance with norms and how these norms will serve as an opportunity for the company. As the company successfully handle this challenge, there is an opportunity for innovation in compliance as an opportunity and that is, the chance of inducing experiments of sustainable technologies, materials, and processes. (Nidumolu et al., 2009) To ensure rapid market creation, one of the companies by which Ritala & Assimakopoulos (2013) conducted their research, said that the openness to different legal procedures and collaboration principles was essential.

## 2.2. WORK WITH THE GOALS

In a report by Bonini & Swartz (2014) recommendations for capturing value from sustainability are presented. They are stating that sustainability is often viewed upon as a luxury investment while in reality it creates profits and business opportunities. To be able to capture the value that sustainability presents, Bonini & Swartz (2014) also suggests to first identify the values that matters the most. This doesn't necessarily entail overlooking other values, just finding the core focus. Chakravorti (2017) is further defining the main challenge of starting to work with the SDGs to be finding the focus point for your company, since working with all the SDGs would be a waste of resources and in need of substantial operational support. The SDGs that are too distant from the current business model or too broad for a successful business implementation should be the first ones to be removed from the integration plan. Trying to focus on all the goals will only result in a fragmentation of resources, detaching the investments from the corporate strategy and risk of making all the SDGs seem unrelated to business. However, one should not overlook the fact that all SDGs are interconnected and that positive actions towards the people and planet are an essential part of doing good business. (Chakravorti, 2017) Kramer et. al (2019) supports this by stating that it of essence is that the goals are related to the core business. Kramer et.al (2019) are also presenting recommendations in how to best proceed in the implementation of the goals for the realizations to go beyond that of mere cosmetics. First, the company must choose fewer and more specific goals. The recommendation for corporations is to focus on between 1-3 SDGs that are highly connected to the core business. Claiming to work with all, or too many, will only result in the efforts not being taken seriously. It is better to be selective, and to focus more precisely on a few goals, together with the specific targets of

said goal and to create measurable outcomes. (Kramer et al., 2019) Kramer et al. (2019) recommend focusing on the most promising business opportunity when selecting which SDGs to work with.

The integration of the SDGs must be part of the operations and strategy and by focusing on the goals that are offering the best opportunities in terms of business, the company can easier integrate it in the organization as such (Kramer et al., 2019). What Chakravorti (2017) found to be the main arguments for selecting specific SDGs, included reduction of business risk in terms of bad reputation but also the shift in norms of transparency, responsibility, and traceability. Based on the selected values, or SDGs, Bonini & Swartz (2014) recommend setting specific goals. The goals should be clear, specific, ambitious, and measurable. Chakravorti (2015) also raises the concern of long-term investments and their lack of direct profit. Bonini & Swartz (2014) further state that it is important to drive sustainability initiatives long-term and that there is often a short-term perspective on earnings while the investments that relate to sustainability often have a long-term focus. Moreover, Bonini & Swartz (2014) state that it is important to create accountability for the company goals that relate to sustainability by setting KPIs (Key Performance Indicators) and assigning them to their respective responsible departments. Chakravorti (2015) states that as most businesses are profit dependent and rely heavily on external investors or stakeholders, this serves as an obstacle to sustainability implementations. Mainly because these types of investments also lack a clear funding mechanism. One additional challenge for innovating for sustainability is that of spreading the benefits among multiple stakeholders, as this might sometimes include competitors as well. (Chakravorti, 2015) The wide range of the SDGs is making the challenge of implementation great and unclear which causes it to lose momentum, as the number of goals is many and the targets within them are even more widespread. (Chakravorti, 2015) Even though the sustainability implementation is essential, it is equally vital for the company to not allow the complexity and the broadness of the SDG integration to become preventive to corporate action and thus, corporations need to start the integration at a feasible level. (Chakravorti, 2017) However, Chakravorti (2017) believe that integrating the SDGs offers the possibility to both pursue sustainable development meanwhile pursuing their individual business objectives. Costa et al. (2019) is stating that continuous improvements that are aimed at refining the sustainability work inside the company often fail in the long run. They further state that integrating sustainability requires both technical and social practices to be consistently implemented and integrated in a manner that is encouraging a sustainable continuous improvement culture. (Costa et al., 2019) In conclusion, the opportunities for companies to gain financial advantages and market benefit, lies in 1) integrating the whole organization, 2) setting the goals and initiatives at a feasible level and 3) making the process of working with sustainability progressive, agile and continuous (Chakravorti, 2017; Costa et al., 2019), to ensure innovations as well as create profits. (Nidumolu et al., 2009)

### 2.2.1. SUSTAINABILITY DEVELOPMENT GOALS

The 17 SDGs were defined by the United Nations in 2015. The goals aim to provide a roadmap to ensure peace and prosperity for both the planet and the people, both currently and in the long run. The main purpose of the goals is to inspire the member countries to work, through global partnership, actively with the goals to assist along this road. The goals cover numerous aspects, for instance strategies to improve health and education, reduce inequalities and offshoot economic growth. (United Nations (c), u.d.) Based on the suggestions by Chakravorti (2017) the goals were segmented based on relevance during this report and then selected together with the company prior to the study and as expressed by Kramer et al. (2019) focus should be on a selected few (1-3). Thus, the goals selected were as expressed, goal three and goal twelve which will be explained in detail below.

#### 2.2.1.1. Goal 3 – Good Health and Well-Being

Goal three, *Good Health and Well-Being*, aims to ensure good health and well-being for all. The absence of good health can result in reduced economic opportunities, reduced availability of education and increased poverty. Lack of health and well-being does not only cause poverty but is also a result of poverty. The goal is thus highly connected to other aspects of sustainability development, such as water and sanitation, gender equality, climate change and peace. To better address these challenges, all sectors, including the private sector need to contribute to the goal. (UN Global Compact & WBCSD, 2015a) As presented by Kramer et al. (2019), when a company states that they are working with goal three, it can entail basically anything. Thus, the integration of the goal needs to be done through product and service integration in addition to value chain and distribution network integration. Fundamentally, by guaranteeing access to health services and safe working conditions to employees, companies can guarantee higher productivity in addition to higher well-being among staff members. (UN Global Compact & WBCSD, 2015a) On the SDG Compass for goal three issued by UN Global compact and the WBCSD (2015a), key business actions addressed by this SDG include making investments in health in the business operations and to leverage these operation investments to support health care delivery by public and international organizations. As further explained in the report by UN Global compact and WBCSD (2015a) not all targets, nor all business actions, are applicable to all industries or businesses. In the SDG Industry Matrix conducted by UN Global Compact and KPMG (2016a) opportunities for business in relation to goal three include:

- Improving knowledge, practices, and attitudes in communities in collaboration with governments.
- Share expertise with governments to strengthen health systems.
- Create collaboration across the industry and with research organizations to develop innovative and low-cost preventive and medicinal treatments.
- Develop and adopt a low-price and high-volume pricing model.
- Provide good working conditions and offer healthcare services and insurance for employees.

- Develop a risk mitigation strategy for disasters and have a preparedness plan for employees to follow should a disaster take place. Also provide the physical and psychological support in the case of a disaster.
- In the SDG Industry Matrix for Industrial Manufacturing (2016b), it is also included, to develop low-cost products, processes, and value chains together with distributors for the production and sale of medical devices.

### **2.2.1.2. Goal 12 – Responsible Consumption and Production**

As the middle class is increasing on a global level, consumption is increasing consequently. As a result of the increase in consumption, and thereby production, new ways of production and consumption will need to take place to ensure that it is done in a sustainable way. Thereby, goal twelve has been formulated as responsible consumption and production. Society needs to find ways to phase out products or production that is not in line with the emission targets while at the same time making sure that the products are not using natural resources in an unsustainable manner. The ecological footprint needs to be reduced, both by end consumers and the supply chains of businesses. Businesses can encourage and inspire individuals to become more sustainable in their consumption by using innovative solutions and reducing the impact of their own products. Some distinct ways by which this can be done, is through making energy use more efficient, using recycled raw materials and redesigning their products in a way that parts can be replaced individually rather than having customers replace the whole products. Waste reduction and waste utilization are further expressed as ways by which a company can reduce their negative impact on the environment. (UN Global Compact & WBCSD, 2015b) There are multiple ways by which companies can work with goal twelve of the SDGs. An opportunity lies in the transportation, both from and to the company, and making sure that they are made in a sustainable matter. For instance, switching from airfreight to sea freight or improving the efficiency of the transportations. In addition, companies can adapt to circularity by adapting their products in a way that ensure reuse at the end of the product life cycle as well as making sure that it is recyclable and energy efficient. Not only can they make sure that their products are recyclable, but they can also make sure to recycle, reduce and reuse their own consumption of natural resources, energy, by-products etc. One way of ensuring reduction in carbon emissions is to use an internal carbon price as part of the decision-making process. (UN Global Compact & KPMG, 2016a) By further integrating innovative efficient production tools, such as 3D printing, into the manufacturing process the companies can reduce waste from long-run production and prototyping. Additional adoption possibilities to the manufacturing process include adopting improvements and technologies that aims to reduce fossil fuel usage. All in all, the efforts made on a company basis about goal twelve include more efficient and reduced usage of materials, both in terms of ingoing and outgoing products. (UN Global Compact & KPMG, 2016b). Batalhonne & Clement (2018) are using sustainability development goal twelve to argue that business as usual is no longer a viable option and that companies need to alter their way of resource usage as well as implement a sustainable managerial perspective. The goal aims to do more and better with less by reducing

waste generation and usage of resources. Companies can be the driving force of carbon emission reduction in the industry by demanding improved information on raw material usage of their purchased components from their suppliers. (Batalhone & Clement, 2018)

### 2.3. COMMUNICATION AND COLLABORATIONS

As mentioned by Ritala & Assimakopoulos (2013), it is essential to involve various stakeholders from different positions of the value chain in the development process early on. One way of ensuring this involvement is by emphasizing openness and communication, by for instance promotions of technologies, or surveys to gain feedback already in the development phase. (Ritala & Assimakopoulos, 2013) This exchange and sharing of benefits can be connected to the theory of shared sustainable value which emphasizes that value creation comes from finding alliances and mutual benefits aimed at increasing financial performance (See 2.3.3. for further development of the definition) (Porter & Kramer 2011; Ritala & Assimakopoulos, 2013, Dyer et al., 2018; Bonini & Swartz, 2018). Costa et al (2019) also state that the implementations should be based on both hard data and soft data and that sustainability would result in cultural revolution as the individuals become a fundamental resource for the company. What they further state as vital is that the process for working with continuous improvements must be understood by all, and the best way to ensure this is through communication and building trust. Furthermore, Costa et al. (2019) place emphasis on the need to train employees and managers, to create awareness and interest for the continuous process associated with sustainability. This is supported by Ritala et al. (2018) who are also stating the importance of continuous work. As a result, Costa et al. (2019) believes that a culture could be built around the process of sustainability. Soini & Dessein (2016) has divided culture in terms of sustainability into three representations, or parts. The first one being culture *in* sustainability, the second culture *for* sustainability and the last culture *as* sustainability. As the culture moves upward, towards the third representation, the sustainability culture tends to increase in complexity and place more emphasis on social and ecological aspects. The first, culture in sustainability, is emphasizing an independent role of sustainability where intrinsic values serve as the foundation for societal change and view culture as an achievement in development. Whereas the second, culture for sustainability, includes the understanding of a more functional role of culture, in the broader context of sustainability and view culture as a resource and condition for development. The third and last representation, culture as sustainability, is aimed at transforming society towards a more sustainable condition and view development as a cultural process. For the first stage, the view of culture on external factors, such as society and nature are complementing and reviewed from a human perspective, meaning that humans serve as the starting point for the reasoning. The second stage, rather view society and culture from an interacting and affording perspective and the last stage, from a perspective where nature is constituent of culture, and the approach is more transforming. (Soini & Dessein, 2016) Soini & Dessein (2016) also emphasize that as the culture shifts towards stage three rather than stage one, the focus shifts from being anthropocentric towards being more eccentric (see figure 1 below for a visualization).



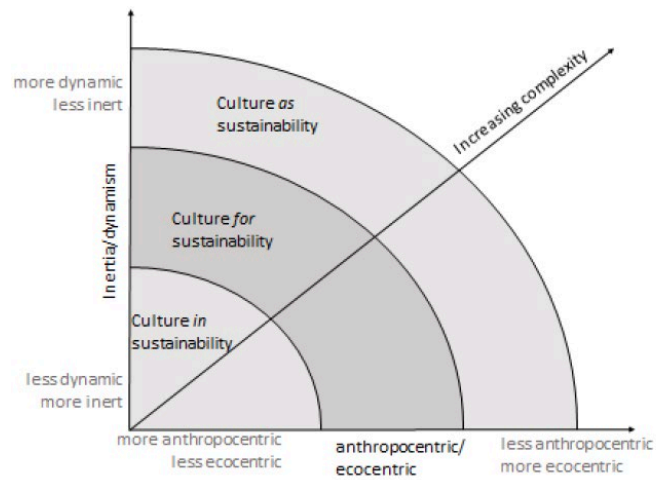


Figure 1 - Culture & Sustainability (Soini & Dessein, 2016, pp. 9)

Genç (2017) states that communication, both internal and externally and regarding sustainability, is essential. It is further stated that communication could be both verbal and non-verbal, but it entails transferring of ideas, thoughts, or feelings to a recipient from the information source. To successfully implement sustainability, communication is vital. Genç (2017) further states that its important for the communication tools to be suitable for the recipient and that the communication is simple, direct, and precise. Kramer et al. (2019) is further stating the importance of being transparent about issues and the parts of the processes that work against the goals. Instead of hiding these parts, the company should be clear that it is an issue and offer a plan towards reducing it. (Kramer et al., 2019) One way of ensuring this could be to set goals with the help from KPI which are then followed up, as the fourth step of Bonini and Swartz (2014) suggests. For companies to be able to better start to work with sustainability, Nidumolu et al. (2009) suggest starting viewing compliance as an opportunity. When doing so, it is essential that the corporation can work together with other companies, including rivals, to develop and implement innovative and creative solutions. Chakravorti (2017) further emphasizes the complexity of a successful implementation and states that the actors who have been successful thus far have been so due to their ability to make it highly integrated to the business, as well as their ability to narrate it both internally to the employees but also externally to the market. Kramer et al. (2019) supports this by stating that all organizations must facilitate partnerships and work towards partnership in reaching the goals. When working with external parties to implement innovative societal solutions, the companies are working towards shared sustainable value through value capture as defined below (Porter & Millar, 1985; Evans et. al, 2017; Porter & Kramer, 2011; Bowman & Ambrosini, 2000; Dyer et al., 2018).

### 2.3.1. SHARED SUSTAINABLE VALUE

As mentioned by Nidumolu et al., 2009 sustainability is one of the key drivers for competitive advantage, where companies that are successful in the implementation of sustainability will gain a competitive advantage. Porter & Millar (1985) stated that competitive advantage comes from differentiation and creating

better value than your competitors. They choose to define value as a measurement of how much customers are willing to pay for a company's products or services. They further emphasize that a company is profitable firstly when this value exceeds the cost of performing these activities (Porter & Millar, 1985). Evans et al. (2017) present a triple helix to further define sustainable value. It is defined as the integration point between the three helixes: environmental focus, social value forms and economic value forms. They also argue that sustainable value cannot be reached unless all three forms are achieved and connected to each other. Together, they imply changing the way the company relates to, and exchanges value with other stakeholders (see Figure 2 below). Separately, environmental value focus aims to solve problems related to environmental challenges while generating economic and social value, for instance by reducing waste or emissions. Social value forms are instead focused on equality, health, and safety to mention a few, they are attempting to be beneficial for the environment while maintaining an economic focus coincidentally. Finally, economic value forms are related to both these aspects by focusing on profit and business stability among others. (Evans et al., 2017)

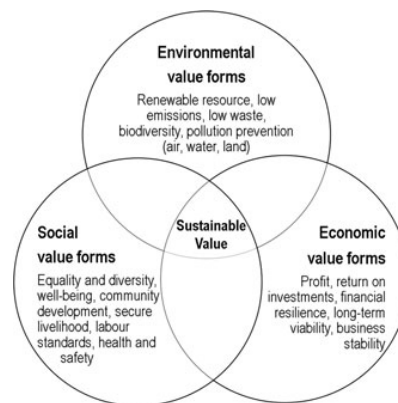


Figure 2 - Sustainable Value (Evans et al., 2017, p.600)

A third value-definition is that of shared value as provided by Porter & Kramer (2011), referring to practices that improve competitiveness of a company while in parallel improving the economic and social environments in which said company operates. Shared value recognizes that societal needs, in addition to economical, define a market and that by addressing these social needs a company can gain economic value in the form of improved quality, greater efficiency and broader strategic benefits for all parties. (Porter & Kramer, 2011) Thus, shared sustainable value can be summarized as a measurement of how much customers are willing to pay for a company's attempt to oblige to sustainability on an environmental, economic, and social level in a competitive and socially beneficial way. (Porter & Millar, 1985; Evans et. al, 2017; Porter & Kramer, 2011).

<b>Concept</b>	<b>Definition</b>	<b>Author</b>
<i>Value</i>	A measurement of how much customers are willing to pay for a company's products or services	Porter & Millar (1985)
<i>Sustainable Value</i>	The integration point between environmental focus, social value forms and economic value forms.	Evans et al. (2017)
<i>Shared Value</i>	Practices that improve competitiveness of a company while in parallel improving the economic and social environments in which said company operates.	Porter & Kramer (2011)
<i>Shared Sustainable Value</i>	A measurement of how much customers are willing to pay for a company's attempt to oblige to sustainability on an environmental, economic, and social level in a competitive and socially beneficial way.	Authors Elaboration

*Table 3 - Value definitions (Author's Elaboration)*

### 2.3.2. VALUE CAPTURE

To make sure to seize the company's full potential of this shared sustainable value, the companies need to perform value capture. Value capture differ in terms of definitions, one definition by Bowman & Ambrosini (2000) is that value capture is the "realization of exchange value" (Bowman & Ambrosini, 2000, p. 9) whilst Dyer et al. (2018) defines value capture as "[...] value that is appropriated by each of the partners". (Dyer et al., 2018, p. 3141). The two definitions share some common attributes, firstly, there is the attribute of multiple actors, then, that of value for each part and finally, that of exchange. Thus, value capture as here onforward stated, will be defined as "partnership in realizing and exchanging value" (Bowman & Ambrosini, 2000; Dyer et al., 2018). Bowman & Ambrosini (2000) choose to visualize this value capture as in Figure 3 below where the firm captures the value from the different suppliers and then delivers it to the customer.

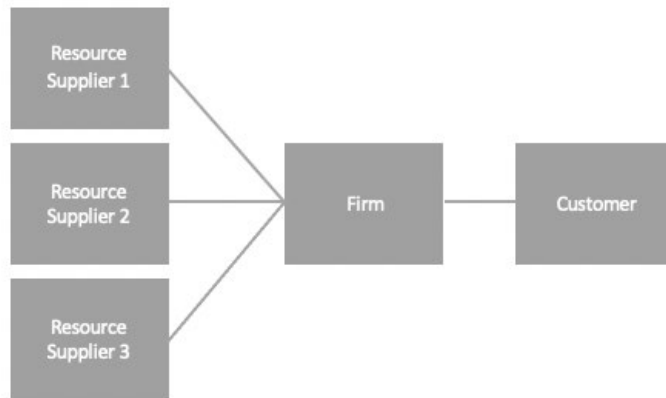


Figure 3 - Value Capture (Adapted from Bowman & Ambrosini, 2000, p.10)

### 2.3.3. SHARED SUSTAINABLE VALUE CREATION

Dyer et al. (2018) define value creation as “the value created in an alliance that is above and beyond the value created in competing arms-length market relationships” (Dyer et al., 2018, p. 3141). Considering that this definition is built on constructing an alliance, we can connect the creation of value to that of shared value. Porter & Kramer (2011) argue that there are three main ways by which companies can create shared value: firstly, by redefining product offerings and their markets, secondly, by reconceiving productivity in the value chain, and thirdly, by facilitating local cluster emergence. Ritala & Assimakopoulos (2013) also emphasizes that corporations must work together to generate innovative solutions and that trust between partners is the outcome of continuous efforts throughout time. For value creation, tangible tools (e.g., contracts) tend to become more stable and resolute as the collaboration evolves compared to the same tools applied in value capture (Ritala & Assimakopoulos, 2013). Ritala & Assimakopoulos (2013) further emphasized the need to view all competitors as potential collaboration partners and making sure that their involvement is of equal collaboration to ensure full usage of the solution. Ritala & Assimakopoulos (2013) mention that the purpose for companies to cooperate should be motivated by an attempt to link actors together towards a mutual purpose. In conclusion, connecting back to the definition of shared sustainable value, a “measurement of how much customers are willing to pay for a company’s attempt to oblige to sustainability on an environmental, economic and social level in a competitive and socially beneficial way” (Porter & Millar, 1985; Evans et. al, 2017; Porter & Kramer, 2011) as well as the above definitions of creating value, shared sustainable value creation can be defined as “innovating offerings to the market and increasing the productivity through alliances and collaboration with actors in the company value chain in a sustainable matter resulting in increased financial performance” (Porter & Kramer 2011; Ritala & Assimakopoulos, 2013, Dyer et al., 2018; Bonini & Swartz, 2018) Nidumolu et al. (2009) describe a developing new business models as a step in their process towards working more sustainably. Here, businesses need to find a way to deliver and capture value in an approach that will adjust the fashion in which the company compete. To successfully do so, companies will require an understanding of how partners can enhance their value offering as well as the understanding of the consumers’ needs and how

these needs are best met. The outcome of having these understandings will result in a new approach to the market in terms of moving more towards a service offering rather than a product offering, new developing techniques that will alter the value-chain relationship and it will, in addition, result in a rich combination of both digital and physical infrastructures. They are also stating that the companies need to avoid green washing by gaining public support for their sustainable efforts. (Nidumolu et al., 2009).

## 2.4. OWNERSHIP AND STRUCTURE OF THE SUSTAINABILITY PROCESSES

Kramer et.al (2019) are raising the issue that most of the goal integrations nowadays are solely a reframing or relabeling of the company's previous CSR (Corporate social responsibility) efforts and has not resulted in a real alteration of the corporate strategy. As a result, the companies are not seizing the opportunities that the goal integration is presenting. A projection that competitive advantages can be gained because of successfully integrating work towards reaching the SDGs into a corporation is stated by Kramer et. al (2019). Bonini & Swartz (2014) states that, for companies to emphasize that it is a business issue, the sustainability goals should be reviewed at every board meeting. Chakravorti (2017) additionally argues that the result of this successful implementation is dependent on the decision making inside the corporation, the decision to become more sustainable must come from the top of the organization to be effectively implemented. Bonini & Swartz (2014) further connects value creation in sustainability to innovations that aim to reduce resources or improve processes. They state that, these innovations are not necessarily aimed at improving the sustainability work per se but might sometime result in a sustainability improvement anyhow. For the innovations to be successful there is a high emphasis on top management support. In addition to value creation through innovations, sustainability integration can also generate financial performance. (Bonini & Swartz, 2014)

Bonini & Swartz (2014) is stating that it is important to invest in the goals which is supported by Kramer et al. (2019) who are stating that it is important to reallocate resources for sustainability investments and that without dedicated resources, no significant innovations will take place. Kramer et al. (2019) is further stating that a business making serious investments in sustainability does not only increase the effectiveness of their goal implementations but also shows a seriousness towards stakeholders. However, an issue, according to Bonini & Swartz (2014) is that the financial benefit from sustainability efforts is normally hard to measure considering that savings or returns might relate to different parts of the business. Bonini & Swart (2014) as also highly encouraging an introduction of a chief sustainability manager to ensure value creation. Even though the manager might lack the authority to make any radical changes to the corporate structure, they can serve as an influencer in decision making processes regarding the value proposition this influence can help integrate sustainability in a manner that makes sense to all involved parts of the company. (Bonini & Swartz, 2014) Epstein & Rejc Buhovac (2014) state that sustainability must take place along the whole value chain and be fully integrated in the corporate culture for it to have effects on the day-to-day business. To do so, the companies must assess the environmental, social, and economic focus throughout

the organization and the impact these factors have on each department or business area. (Epstein & Rejc Buhovac, 2014) In conclusion, the top management must be supportive of sustainability improvements, a chief sustainability manager should be introduced (Bonini & Swartz, 2014) and the whole company needs to be involved to ensure that all departments are taken into consideration. (Epstein & Rejc Buhovac, 2014)

## 2.5. IMPLEMENTING SUSTAINABILITY IN THE VALUE CHAIN

The chapter includes a definition of the value chain, the sustainable value chain as well as recommendations for improving the value chain in terms of sustainability.

### 2.5.1. THE VALUE CHAIN

The value chain is defined as a distinction of activities, both economic and technical, that are necessary to perform the business (Porter & Millar, 1985). Additionally, Porter & Millar (1985) clarify that the company value chain is a system of codependent activities, which all are linked. The linkage between activities comes from one activity affecting another through a trade-off, for instance by affecting costs or effectiveness of another activity. This results in a need for optimization and coordination between value activities. The value activities can, in turn, be divided into two different categories. Where the primary activities are associated with the actual production of a product or service, while the support activities are instead aiding the primary ones. The supporting activities include firm infrastructure such as general management, legal structure, and accounting, all of which supports the whole value chain. (See Figure 4). (Porter & Millar, 1985) Nidumolu et al. (2009) state as one of their steps towards working more sustainably to be: making value chains sustainable. Here, the main challenge is increasing the efficiency in the value chain. By high technical knowledge, the ability to successfully alter the operations in a manner that reduces emission and raw material usage as well as through ensuring that suppliers reduce their emissions, businesses can find innovative opportunities in this stage as well. These opportunities present themselves by the company being able to develop alternative ways of sourcing materials and components for their processes, being able to increase their use of clean energy sources and finding innovative techniques for returned products as well as their waste. All in all, the biggest challenge is to alter the company's offerings so that they are sustainable and eco-friendly (Nidumolu et al., 2009)

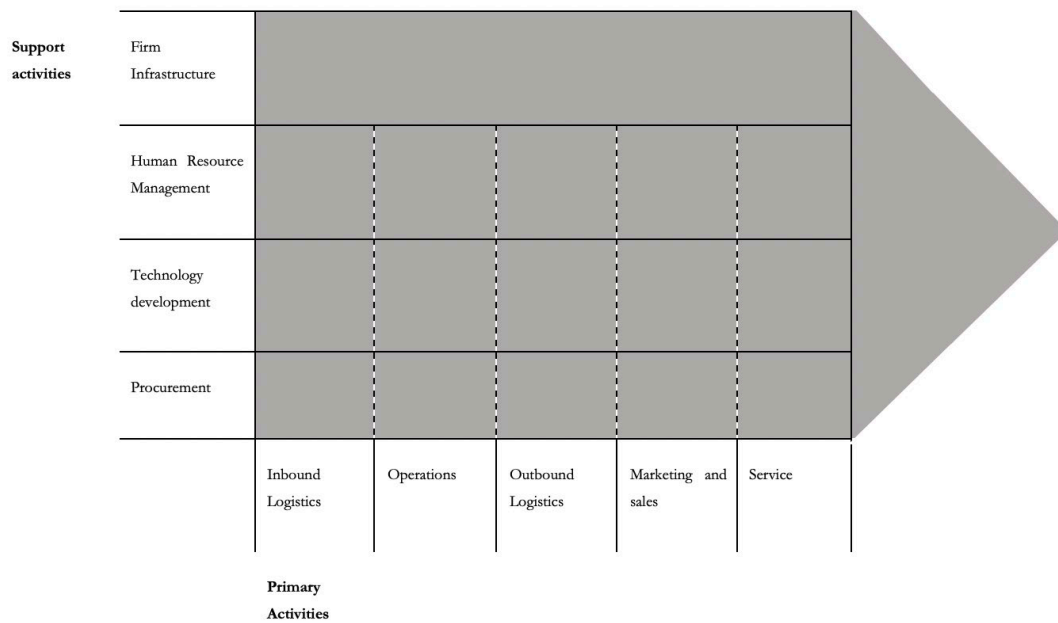


Figure 4 - The value chain, adapted from Porter & Millar (1985)

Critics of the value chain framework, however, state that is an outdate tools and not long applicable due to that assumption on which is relies, that customers are tangential to the process of the companies. While they instead have a lot of bargaining power and possibility to alter the markets by asking for the products they require, as opposed to having to adapt to the offers of the companies. Follows, is an argument that the framework was conducted in an era where size was considered a key aspect to competitive advantage and profitability. (Merchant, 2012) Epstein & Rejc Buhovac (2014) have, however, adjusted the framework by Porter & Millar (1985) and are building sustainability into the framework. Epstein & Rejc Buhovac (2014) state that the primary and supportive activities are equally important in helping the company reach their goals, both regarding sustainability goals, but also financial ones. This is supported by Anthony (2019) as well, who expresses that a sustainable value chain is the sum of a company's primary activities and its support activities (see Figure 5). Epstein & Rejc Buhovac (2014) have constructed their own version of the value chain-framework by Porter & Millar (1985) integrating sustainability into the value chain model (see Figure 6). Where activities include for instance reviewing transportations, designing for the environment, and measuring environmental impact. (Epstein & Rejc Buhovac, 2014)

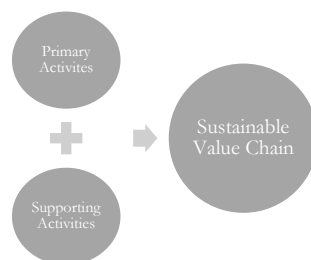


Figure 5 - Sustainable Value Chain, adapted from Anthony (2019)

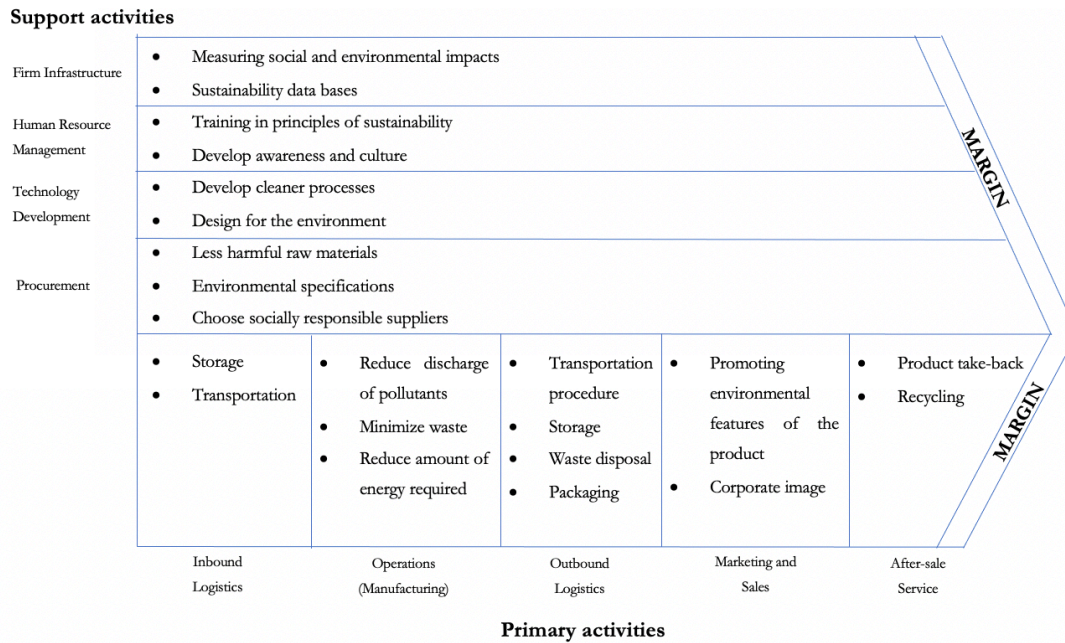


Figure 6 – The sustainable value chain adapted from Epstein & Rejz Buhovac (2014) based on Porter & Millar (1985)

## 2.5.2. THE ARCHETYPES OF SUSTAINABILITY IMPLEMENTATION

To implement sustainability into an organization and to improve the sustainability of products and processes, Ritala et al. (2018) suggest a strategy for business model archetypes according to Figure 7. The framework for describing sustainability is divided into three main innovation types: environmental, social, and economical. Each of the parts are, in turn, divided into three archetypes. The emergence of a sustainable business model innovation is dependent on continuing progress within the sustainable activities of the firm. Since business models are viewed as a strategic decision within the firm, applying a sustainable business model is a choice to move towards a more sustainable business. The main goal of a sustainable business model is to deliver mutual value, both internally in form of revenues and profits, but also to the external environment of the firm. Based on this mindset, Ritala et al. (2018) reached the conclusion that a business model should include the three main innovation types. The types are aimed at giving examples of instruments and explanations that can aid companies in building their business model for sustainability. The first type is that of environmentally oriented archetypes which is divided into: maximize material and energy efficiency which is about optimization within the use of resources, closing resource loops that is connected to reuse of materials and products and substitute with renewables and natural processes which concerns business innovations in the processes. The social archetypes are delivering functionality rather than ownership, adopt a stewardship role and encourage sufficiency. The shift from ownership to functionality aims to remove the need for ownership, one example is that of the car industry, where the customer does not necessarily have the ownership of the car, but instead pay a monthly fee to be part of a carpool or similar. The stewardship refers to the responsibility taken by the company, in addition to the necessary, to discourse social and environmental issues. One clear example of this is for the company to solely sell products with efficient energy usage or improve the physical regions in which they are operating.



The last artifact, sufficiency, is about making the consumption within the company slow. The final type, the economic archetypes are divided into repurpose for society/environment, which is about altering the business construction towards sustainability and to align the purpose of the business to that of the society, inclusive value creation referring to sharing resources, knowledge and wealth creation either vertically or horizontally in the organization and finally, develop sustainable scale up solutions, which means for the company to deliver sustainable alternatives at a significant scale to maximize the sustainability benefits. (Ritala et al., 2018)

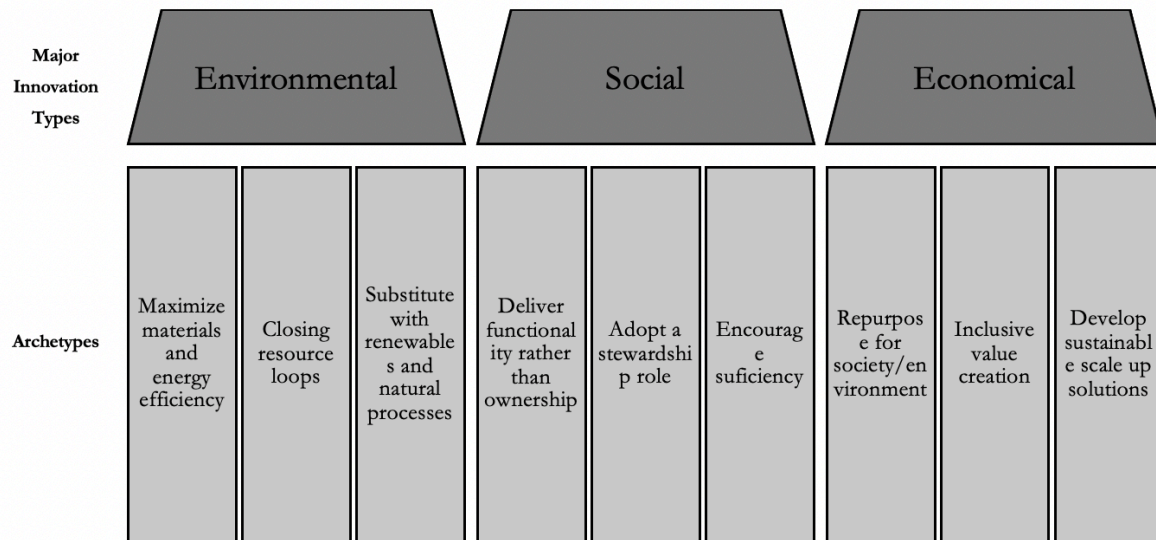


Figure 7 – The nine sustainability archetypes adapted from Ritala et al. (2018)

In their research, Ritala et al. (2018) conclude that the most common archetypes are: substituting with renewables, creating value from waste and maximize material and energy usage which are all connected with the environmental aspect. The sum of the social and economic aspects were actually less than the amount of either of these aspects, individually. The practical implications of the framework for corporations lies in using it to signal out win-win situations, inspiration for innovations or for policy implications. (Ritala et al., 2018)

### 2.5.3. REINVENTING THE PRODUCTIVITY WITHIN THE VALUE CHAIN

Porter & Kramer (2011) further explain an approach for altering the value chain to gain these financial benefits. The approach is referred to as “reinventing the productivity within the value chain” and through this the company can gain multiple benefits, for instance they will gain new ways to innovate and unlock new economic value that most competitors have overlooked. When it comes to “reconceiving productivity in the value chain” emphasis lies in six main areas: 1) energy use and logistics, 2) resource use, 3) procurement, 4) distribution, 5) employee productivity and 6) location. (Porter & Kramer, 2011)

<b>Steps to reconceiving productivity in the value chain</b>	<b>Definition</b> (Porter & Kramer, 2011)
1. <i>Energy use and logistics</i>	a) Overlook energy usage throughout the value chain to develop better technologies. b) Review the logistics processes in order to reduce shipping procedures.
2. <i>Resource use</i>	Reviewing how your company is using resources. This can result in reduced costs and improved resource utilization.
3. <i>Procurement</i>	Improve the value chain by creating a bargaining power and pushing vendors to work sustainably, this will in turn drive down the costs which could result in lower prices.
4. <i>Distribution</i>	Finding new innovative ways to distribute your products, for instance providing online services instead of selling books, CDs, or movies.
5. <i>Employee productivity</i>	Focusing funds and time on creating benefits and well-being among employees can result in increased productivity.
6. <i>Location</i>	If a company wants to satisfy multiple markets together, they need to make sure that the location is well suited for this. Considering the increasing price of logistics and global market operations.

Table 4 - Steps to reconceiving productivity in the value chain (Porter & Kramer, 2011)

When it comes to the first, energy use and logistics, the companies are both overlooking their energy usage throughout the value chain which has resulted in better technology, recycling etc. as well as reviewing their logistics processes to reduce shipping distances, improve vehicles etc. This is also strongly connected to the second step, resources usage, by reviewing how your company is using resources multiple benefits can be gained, such as reduced costs and improved resource utilization. For the third area, procurement, the company can improve their value chain by creating a bargaining power and pushing vendors to work sustainably, this will in turn drive down their costs which could result in lower prices. When it comes to distribution, the fourth area, it is about finding new innovative ways to distribute your products, for instance providing online services instead of selling books, CDs, or movies. Through focusing funds and time on creating benefits and well-being among employees, the fifth step, the productivity tends to increase, which is the sixth approach to reinventing the value chain. The final area is that of location, considering that most of the trade today is done on a global level, many are arguing that location no longer matters. However, this is not the case firstly due to the increasing price of logistics, and secondly because of the global market operations. If a company wants to satisfy multiple markets together, they need to make sure that the location is well suited for this. (Porter & Kramer, 2011)

#### 2.5.4. PRODUCTION AND PRODUCT DEVELOPMENT

In one of the companies of which Ritala & Assimakopoulos (2013) conducted their case study, the company had adapted an open and inclusive approach towards partners in the value system by pushing key technologies towards standardization. The company also chose to share their own technologies with other players to better utilize and improve the contributory value of its partners. This open approach is key for the success of the development. (Ritala & Assimakopoulos, 2013) Further, Nidumolu et al., (2009) suggests designing sustainable products and services, where opportunities instead present themselves as applying innovative and sustainable techniques into the product development process while using and developing the packaging in a manner that is eco-friendly and compact. For this, it is necessary that the company have competencies in the form of managerial know-how on introduction of sustainable materials and the know-how of how to scale this sustainable production with suppliers. Furthermore, the company needs to have the ability to define which products and services have the most negative environmental impact. (Nidumolu et al., 2009) In addition, Porter & Kramer (2011) suggest altering the value chain and present ways by which a company can create value within the current one by altering their product offerings and to create shared value, according to table 5 below:

Steps to Create Shared Value	Definition
<i>redefining product offerings and their markets</i>	<ul style="list-style-type: none"> <li>- Analyze product benefits</li> <li>- Analyze productivity</li> <li>- Review environmental impact, employees, and resource usage.</li> <li>- Identify the societal needs and potential benefits</li> </ul> <p>→ Integrate into the firm's product offerings and market contributions.</p>
<i>reconceiving productivity in the value chain</i>	<ul style="list-style-type: none"> <li>- Identify the societal issues that might arise</li> <li>- Identify potential costs within the company</li> </ul> <p>→ Refurbish for the potential harm these externalities might have on the company and secure the value chain productivity</p>
<i>facilitating local cluster emergence</i>	<ul style="list-style-type: none"> <li>- Perform a geographic concentration of firms, suppliers etc.</li> </ul>

	<ul style="list-style-type: none"> <li>- Benefit from each other's knowledge and infrastructure</li> </ul> <p>→ Through openness and transparency between actors in the market, the company will secure its supply chain and increased incentives for improving quality and efficiency which can generate benefits regarding productivity and innovation.</p>
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Table 5 - Steps to create shared value (Porter & Kramer, 2011)

The first, redefining products offerings and their markets, involves asking oneself if the current offering is good for the customers, and for the customer's customers while analyzing the company's productivity by looking at factors such as environmental impact, employees, and resource usage. The results of these questions asked, and the internal analysis, can then be used to identify the societal needs and potential benefits which can be integrated to the firm's product offerings and market contributions. Secondly, when it comes to reconceiving productivity in the value chain, the company must identify the societal issues that might arise and cause costs within the company, seeing as most externalities have a potential to cause internal costs within the firm, such as natural disasters. What the company must later do, is to refurbish itself for the potential harm these externalities might have on the company and secure the value chain productivity (see 2.1.2.3). The third approach to ensure shared value is by facilitating local cluster emergence, which can generate benefits regarding productivity and innovation, as it involves a geographic concentration of firms, suppliers etc. that operate within the same field, to better access and benefit from each other's knowledge and infrastructure. As a result, through openness and transparency between actors in the market, the result will be a more secure supply chain and increased incentives for improving quality and efficiency. (Porter & Kramer, 2011) Bonini & Swartz (2014) further connects value creation to sustainability, stating that sustainable value creation is not only strongly correlated with good financial performance, but also one of the key drivers in creating it.

## 2.6. MANAGING VALUE SYSTEMS

The value chain, in turn, is part of a value system, which is including the value chains of those who provide input, e.g., suppliers, to the value chain of the company and the output made by the company, to the value chains of the customers or the companies working together (see Figure 8). This conclude that the linkages that a company must operate are not solely those within the corporation but also the ones between different value chains, or more specifically those within a value system. By successfully coordinating the linkages between other value chains, a company can gain competitive advantage. (Porter & Millar, 1985)

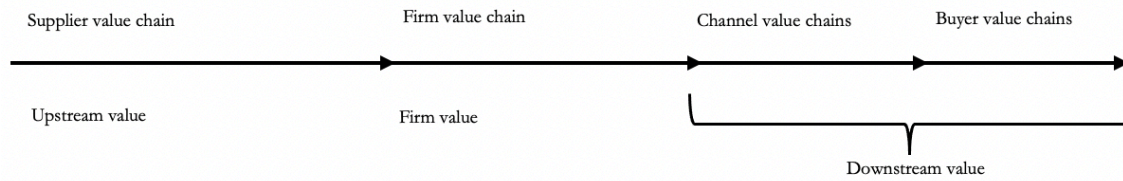


Figure 8 - The value system, adapted from Porter & Millar (1985)

One approach for working with sustainability, as suggested by Nidumolu et al. (2009), is creating next-practice platforms. Creating next-practice platforms entails questioning the reasoning behind how business is done today, through a sustainability lens. To challenge the status quo. The main goal is to build platforms, or systems, that allow customers and suppliers to manage natural resources as well as energy in a drastically different manner while the core company designs technologies that are aimed at capturing this value. For instance, reduced energy usage will result in lower cost. For this, companies need the knowledge and expertise of how the resources, both the renewable and the nonrenewable, influence the industries and its ecosystems as well as the knowledge of how to combine different business model, tools, and protocols across these industries. (Nidumolu et al., 2009) Nidumolu et al. (2009) further state that this should be the last step in the process towards working more sustainably. By working with the whole value system, a company could ensure that all parts of the company are connected. (Epstein & Rejc Buhovac, 2014)

## 2.7. THEORETICAL SUMMARY

Following the recommendations from Epstein & Rejc Buhovac (2014) the implementation of sustainability in a value chain must take place within the whole organization. When working together with suppliers and customers the company can use their value chain in what is referred to as a value system and as a result capture or create shared sustainable value. (Porter & Kramer 2011; Ritala & Assimakopoulos, 2013, Dyer et al., 2018; Bonini & Swartz, 2018) When working with the SDGs specifically, it is essential to choose a few goals that are close to the core business, that can generate profit and reduce corporate risk (Kramer et al., 2019; Chakravorti, 2017). To secure that the implementation is a viable one, resources and accountability needs to be allocated. (Kramer et al., 2019) In order to successfully implement the specified goals, multiple recommendations are made. They include collaborating with different actors, as expressed by Kramer et al. (2019), but also offering medical devices that are available for all, through a low-price strategy, or offering good healthcare to employees. The company can also focus internally by improving their input and making their output more efficient or by reducing the environmental impact of their transportations. (UN Global Compact & KPMG, 2016a; 2016b) Attempting to reduce fossil fuel usage is an additional way that corporations can make sure that their processes are more ecofriendly. Companies can be the driving force of carbon emission reduction in the industry by demanding improved information on raw material usage of their purchased components from their suppliers. (Batalhone & Clement, 2018) The external focus can be either within the value system of supplier and customers or with governments or other societal parts.

Through promoting and implementing partnerships between the value creation within corporations and the value creating within society the goal for partnership can be implemented. (UN Global Compact & KPMG, 2016a; 2016b)

The strategies for implementing sustainability differs somewhat, where Nidumolu et al. (2009) suggests: viewing compliance as an opportunity, making value chains sustainable, designing sustainable products and services, developing new business models, and creating next-practice platforms. Making value chains sustainable demands that the team have high technical knowledge and can adjust their operations to reduce emissions and raw material usage. There is also an emphasis on working with suppliers to make sure that they reduce their emission. By implementing these abilities and connections, innovation opportunities might arise (Nidumolu et al., 2009). Ritala et al. (2018) does, instead, divide the strategy of implementation into nice archetypes and divide these into three categories. Where the environmental category relates to decreasing the negative impact which the company have on the environment, which connects to reducing emission (Ritala et al., 2018) as well as reducing waste (UN Global Compact & KPMG, 2016a; 2016b) and the social include both reducing impact and serving as a role model for other actors in the market. The economic types are concerned with aligning the purpose of the company with that of society and creating cooperation between corporations, as well as between corporations and society to create mutual value. (Ritala et al., 2018; Porter & Kramer, 2011; Porter & Millar, 1985). To conclude, there are multiple ways that sustainability can be implemented in into a value chain from a strategic perspective, and to different extents. However, some attributes are shared between the different strategies such as the idea that the whole company should be affected or that collaborations with external partners is a successful strategy to generate innovations. (Ritala et al., 2018; Porter & Kramer, 2011; Porter & Millar, 1985; UN Global Compact & KPMG, 2016a; 2016b; Nidumolu et al., 2009; Batalhone & Clement, 2018; Kramer et al., 2019; Chakravorti, 2017; Ritala & Assimakopoulos, 2013, Dyer et al., 2018; Bonini & Swartz, 2018; Epstein & Rejc Buhovac, 2014).

## 2.8. THEORETICAL ANSWER TO THE RESEARCH QUESTION

Based on the theory, the research question of how a fast-growing scale-up company could manage the challenges and possibilities of strategically implementing sustainability into their value chain could be answered by the help from the theories as presented. The work should firstly aim at increasing and driving innovations in the company (Nidumolu et al., 2009) and several possibilities present themselves as a result of a successful implementation, for instance improved reputation among employees and market growth (Chakravorti, 2017; Heriksson & Weidman Grundewald, 2020; Sustainability Edge, u.d.; Sustainable Brands, 2016) A challenge, as well as a necessity to manage sustainability, also lies in ensuring governance and legal compliance in terms for demands on sustainability parameters (Chakravorti, 2015; Kramer et al., 2019; Nidumolu et al., 2009; Ritala & Assimakopoulos, 2013) In order to successfully manage the sustainability work, the company should limit the number of goals and values to focus on in order to not

lose societal support for the efforts as well as they should break down the goals to KPIs and definable actions. To successfully work with the challenges that SDG 3 and SDG 12 poses, the company could do several activities to assure that that are actively working to improve in these areas. (United Nations (a), u.d.; United Nations (b), u.d.) Another challenge could be that of communicating properly, both internally within the company, and with external parties, to create and capture shared sustainable value along the value chain. (Costa, et al., 2019; Genç, 2017; Porter & Kramer 2011; Ritala & Assimakopoulos, 2013, Dyer et al., 2018; Bonini & Swartz, 2018). A possibility, however, lies in hiring a chief of sustainability that could ensure that the sustainability aspect is considered in all parts of the company (Bonini & Swartz, 2014). It is also essential that the sustainability work takes place along the whole value chain to successfully manage sustainability (Kramer et al., 2019).

The value chain adoption done by Epstein & Rejc Buhovac (2014) (see Figure 6) could be used to ensure that sustainability is implemented along the whole value chain, and thus, also ensuring that all parts of the company is engaged in the work. (Kramer et al., 2019) There, activities such as developing awareness, use of less harmful materials, recycling etc. is presented as tasks to ensure a sustainable value chain, on a department specific level. However, there is also the possibility to include parameters from Ritala et al. (2018) nine archetypes and Kramer et. al (2019) steps to ensure shared value, on a more holistic level, in unison with the framework as presented by Epstein & Rejc Buhovac (2014). Lastly, there is a possibility to spread the know-how and skills from the company value chain to that of its value system partners, for instance suppliers, partners, and customers. (Porter & Millar, 1985)

### 3. METHODOLOGY

*The methodology is a fundamental part of the report and serves as a foundation on which the collected data relies upon. The methodology is further used to clarify uncertainties in interpretation and processing of data. When connecting the empirical data to the theory, the methodology is an essential part and together with the data, the methodology will assist in answering the research question and achieve the aim of the study (Lind, 2019). First, the research strategy will be presented, to follow is the research process, thereafter the design of the research is presented. Thereafter, the data collection is presented, firstly through presenting the process of conducting the literature review, and then the collection of the study specific data. Further, the approach for analyzing said data is presented and lastly, critique against the study approach.*

#### 3.1. RESEARCH STRATEGY

As mentioned, the practical aim for the thesis is to offer the practical tools for the company to be able to implement sustainability. To find these tools, and due to the ambiguity of the topic sustainability (Heriksson & Weidman Grundewald, 2020), as qualitative approach could be argued for, as it aims to offer a conceptual understanding of a phenomena. (Bell et al., 2019) Bell et al. (2019) also states that the qualitative approach is a more descriptive which will aid in answering the research question as it is, how to manage the challenges and possibilities of strategically implementing sustainability into the value chain, and this requires a conceptual understanding of the current situation, possible alteration as well as challenges and possibilities. One risk of using qualitative data is interpretivism. Interpretivism means that interpretations formed the results, that is, both interpretations made by interviewees regarding different phenomena, those made by authors of previous literature as well as those made by the person analyzing said data which should be taken into consideration when reading the remainder of the report. As stated, the report has also been conducted as a collaboration between the researcher and a client company. Thus, the research follows the definition of action research offered by Bell et al. (2019) *involvement with members of an organization over a matter genuine concern to them* (Bell et al. 2019 p. 379). As Bell et al. (2019) specified, action research is meant to synonymously contribute to academic theory and genuine action. Action research should also provide findings that can be applicable to other cases, for instance, other companies, and it is of essence to specify the deliverables of the research. Thus, this report will be provided to the company, in addition to a presentation meant to offer guideline and recommendations for future actions and communication. (Bell et al., 2019)

#### 3.2. RESEARCH PROCESS

Figure 9 specifies the steps that the research has taken. The figure has been adopted from Bell et al. (2019) to visualize the process which this study has followed.



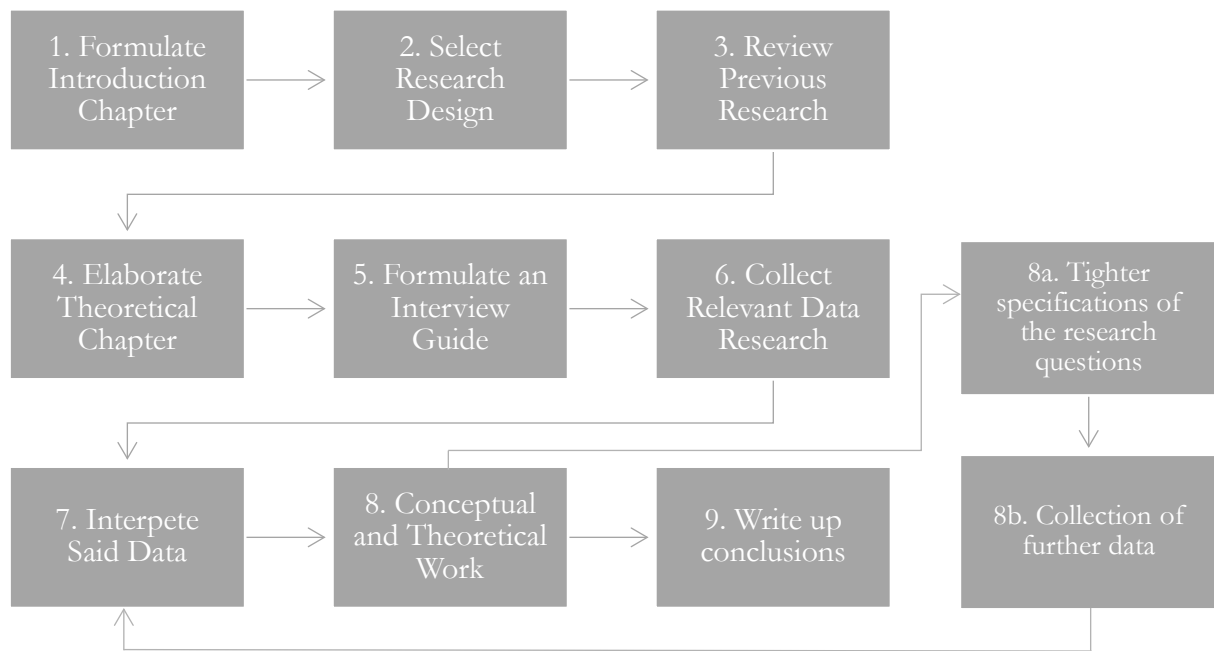


Figure 9 – The research process adapted based on Bell et al. (2019, p. 358)

### 3.2.1. FRAMES OF THE STUDY

The initial step of this study was a clear formulation of the research question in agreement with the responsible person within the company. The research question served as a foundation on which the whole process of data collection, analysis and conclusion was later based upon. In addition, it assisted the research by providing limitations and frames by which the study had to oblige. (Bell et al., 2019) The research question together with the remainder of the thesis was formulated in agreement with the company and thesis supervisors.

### 3.2.2. PROCESS PLANNING

To know what could be improved within the company, it was first essential to know 1) which processes they already have in place, 2) what can be adjusted to become more sustainable and 3) what is out of the scope of feasibility of the company in its current state.

1. Thus, the initial part was to map which processes existed within the company. This was done by an extensive review of internal documentations as well as by the interviews.

2. The second part was to determine what could be adjusted to become more sustainable, which required a literature review on strategies for sustainability implementations into the value chain. In addition, data gathering took place by conducting interviews internally within the company.

3. Recommendations for future actions was made to work more sustainably based on what was feasible within the organization as well as by what was presented by the theory.

### 3.3. RESEARCH DESIGN

As the aim of the study is to contribute to the theoretical perspective on how implementations are best made into a corporation, an interpretive research approach and a thematic analysis were selected. Theory was used to structure the study and the interview guide; thus, a deductive approach can be argued for. However, since the theory was later adapted based on the data gathered, parts of an inductive approach was also applied. The reason for choosing the combination of the two, and thus, an abductive approach grounds itself in the need for a previous understanding. In this case the previous understanding necessary is how to best implement sustainability into an organization. However, after the data collection, the theory needed to be adjusted to best suit the results from the study. Conducting the data gathering prior to the collecting the theory would not result in an as detailed interview guide as necessary for this topic. As the company does not have any sustainability strategy in place, it was further not possible to relate the interview guide to a sustainability strategy. As the goal of the study is to aid one specific company in their implementation on sustainability, a single case study could be argued for. The single case that was studied in this case, was that of the specified company and their strategic issues or approaches. As Siggelkow (2007) argues, research involving case data usually provide better argumentations regarding fundamental forces than any empirical research could do. When conducting a case study, one should gain as broad knowledge as possible, even if it is a single case being studied (Patel & Davidson, 2019), which has been done through including different perspectives of the company.

### 3.4. LITERATURE REVIEW

As the research will partly take a deductive approach, the theoretical framework was used as one of the driving forces of the research (Bell et al. 2019). Bell et al. (2019) describes the literature review as a critical examination of existing research while the theory itself, is defined as a way of explaining observed patterns of associations between phenomena. Firstly, the inclusion criteria and the phenomena being relevant, was defined as sustainable value chains, shared value, sustainability development goals and strategies to implement sustainability parameters into a corporation. It is also essential to limit the literature search by exclusion criteria and since sustainability implementations can have several meanings, it has in the case of the report been limited to managerial implementations and other sustainability implementations have been disregarded. Based on these criteria key words have been defined as *Sustainable Value Chain*, *Shared Value* and *Sustainable Business Models* to mention a few (see Table 6 for further elaboration). The collection of theoretical data was made through Gothenburg university platforms, as well as Google Scholar, in combination with recommendations from thesis supervisors and the collaboration company. The articles used were retrieved through different databases such as Elsevier, Research Gate and Wiley Online Library. Access to said databases was granted using the licenses offered by Gothenburg University or Luiss Guido Carli University. Since the topic has been receiving more focus in terms of research and publications in later years and the fact that the goals were introduced in 2015, the focus has been on articles and literature

published post 2015. With that said however, some articles and theories are significantly older. The use of theory is motivated by the need for previous knowledge in connection to the topic being explored, as well as a better understanding of different methodologies and theoretical approaches used when developing said theories. (Patel & Davidson, 2019) After the data was collected, the theory was further elaborated to include topics that were found relevant during the interviews. For instance, the topic of culture was highly touched upon during the interviews whereas it was not part of the original framework but instead elaborated afterwards as part of the abductive approach.

<b>Inclusion Criteria (develop table)</b>	<b>Search Terms</b>
<ul style="list-style-type: none"> <li>- Sustainable value chains,</li> <li>- Shared value,</li> <li>- Sustainable value</li> <li>- Sustainability development goals</li> <li>- Strategies to implement sustainability</li> <li>- Sustainable business models</li> <li>- Innovating sustainably</li> <li>- Culture</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainable value chains,</li> <li>- Value chain,</li> <li>- Shared value,</li> <li>- Sustainable value</li> <li>- Value capture</li> <li>- Value creations,</li> <li>- Sustainable business models</li> <li>- Sustainability development goals</li> <li>- Goal 3 – good health and well-being,</li> <li>- Goal 12 – responsible production and consumption.</li> </ul>

Table 6 - Inclusion Criteria and Search Terms for Literature Review

### 3.5. DATA COLLECTION

Based on the purpose being to find a strategy for implementing sustainability within the company, it was essential to align the findings of the report with the company strategy. To do so, strategic decision makers were interviewed in addition to those who might have interesting aspects or viewpoints of the same questions. Interviews were considered the best way to collect the data. Lind (2019) supports this by stating that interviews are defined as conversations with a purpose, and the person being interviewed should be assumed to have information that is relevant to the research. The purpose in this case is to gain relevant insight to the company to best formulate a strategy for their future approach to sustainability, and thus, people who might have this relevant insight were the ones being interviewed. In addition, the report used company issued documentations to gain understanding of how the company worked with sustainability prior to the study. Thus, it was further vital that these documents were reviewed with respect to the high likelihood of the company's desire to emphasize positive aspects of their prior strategy (Bell et al. 2019).

### 3.4.1. INTERVIEW SELECTION AND DISTRIBUTION

Lind (2019) is declaring that a qualitative data collection should be conducted in a fashion that provide as *rich and useable evidence as possible* (Lind, 2019, p.162). Thus, when selecting the relevant interviewees, it has been done with the motivation to do so. The selection of the interviewees was not random, it was dependent on availability and relevant knowledge to answer the research question. The interviews took place with a wide sample of respondents to provide a broader picture of the processes that are already in place as well as suggestions for improvement. Since the research question is concerning implementations in the value chain, and the outcome of the study is to align with the strategic direction of the company, the focus has been on interviewees which have a possibility to affect decision making within the company. Table 7 shows an overview of the interviewees, their gender, nationality, age, months within the company and their number of teammates. Other nationalities include Mexican, Russian, Indian, Polish, etc. The average length of the interviews was 47:22 minutes. Table 7 further specifies that the average age is 30 years. However, the distribution of age table, the age is centered between the scope of 32-40 years old with the youngest being 24 and the oldest being 50. This information aims to provide an overview and image of who the interviewees are, without compromising their anonymity.

#	Department	Gender	Nationality	Date	Lenght	Age	Months in Company	Teammates	
1	Supply Chain	Male	Swedish	2021-03-19	00:58:48	49	12	60	
2	Prod. Development	Female	Other	2021-03-23	00:54:59	26	24	5	
3	Support	Female	Swedish	2021-03-23	00:51:11	50	6	1	
4	Supply Chain	Female	Other	2021-03-24	01:10:15	29	5	3	
5	Supply Chain	Male	Swedish	2021-03-26	01:15:46	35	29	6	
6	Support	Male	Swedish	2021-03-26	01:20:10	25	5	7	
7	Prod. Development	Male	Swedish	2021-03-29	00:49:33	37	29	15	
8	Prod. Development	Male	Swedish	2021-03-29	00:50:21	44	12	10	
9	Prod. Development	Female	Swedish	2021-03-30	00:53:25	39	36	12	
10	Support	Female	Swedish	2021-03-30	00:59:33	38	36	8	
11	Support	Female	Swedish	2021-03-30	01:18:09	39	3	2	
12	Support	Female	Swedish	2021-03-30	00:49:16	44	1	4	
13	Strategic	Male	Swedish	2021-03-31	01:00:51	34	5	7	
14	Supply Chain	Male	Other	2021-04-02	00:54:57	38	6	9	
15	Supply Chain	Male	Other	2021-04-05	00:51:22	33	30	3	
16	Support	Male	Other	2021-04-05	00:56:18	24	30	10	
17	Prod. Development	Male	Swedish	2021-04-06	00:43:10	33	0	-	
18	Strategic	Male	Swedish	2021-04-07	00:44:19		3	270	
19	Strategic	Male	Other	2021-04-07	00:46:25	36	72	50	
20	Support	Female	Other	2021-04-14	00:46:39	28	6	4	
21	Supply Chain	Male	Other	2021-04-14	-		-	-	
					<i>Average</i>	<i>00:47:22</i>	<i>30</i>	<i>22,2</i>	<i>84</i>

Table 7 - Interviewee Overview Table

Table 7 includes an overview of the other parameters, for instance the maximum time in the company is 72 months (6 years) while the minimum is no months at all since one of the people being interviewed were to start within the upcoming month. The number of team members differs to a big extent as well, with the maximum of 270 and the minimum of 1, where the interviewee was alone in the team. This

information was gathered in the beginning to get a good overview of who the interviewee was and what level of knowledge as well as what level of responsibility this said person had. In addition, the length and date of the different interviews have been specified. Further, instead of posting the interviewee position within the company, they have been grouped based on department. These four main groups were used for the purpose of the analysis, out of which five were in the product development team, three in the strategic, six in the supply chain and seven in the support function team.

### 3.4.2. INTERVIEW PREPARATIONS AND DESIGN

Based on the research question, semi-structured interviews are to be preferred over unstructured or structured ones. The semi-structured interview prevents the risk of not gaining the correct knowledge while still allowing to follow up on interesting topics that might arise during the discussions. (Bell et al. 2019) Semi-structured interviews can also be used with the purpose of generating a broad picture while still allowing to review some answers on a more detailed level. The interviews had a low degree of standardization, allowing the interviewee to focus on what they deemed as relevant and of contributory value. For the report, that information is essential since it allows for different perspectives on similar questions or issues. The interview guide used was created based on the research question as well as on the theoretical chapter. However, some of the questions in the interview guide was standardized to allow a better analysis and to make it possible to compare the answers to higher extend, while some questions were respondent specific and adapted based on the role in the company on order to cover all aspects of the value chain. For instance, the questions concerning logistics or purchase might not be relevant for the legal department and vice versa but the answers were still of relevance for the report. The number of questions were extensive due to covering both the topic of sustainability within the organization today, as well as how it could be strategically implemented into the organization, to what extent the SDGs are part of the operations and how to implement sustainability in the value chain. However, not all questions were asked to all interviewees. For instance, if the questions were judged by the interviewer as answered or if the interviewees expressed that they were unfit to answer the question. See Appendix A for a specification of the departments and number of respondents per department. A few days prior to each interview (at least 48 hours), the interview guide was sent to the respondents, for them to better prepare and give more exhaustive answers to the questions. However, some of the interviewees also expressed that they did not review the questions beforehand, and as a result, they required some further explanations on specific questions. In addition, to allow more honest answers, Patel & Davidson (2019) suggest using the approach of starting the interview with more broad questions, to later move towards more detailed questions. Thus, as honest answers were vital to the report, this method was applied during the interviews. To avoid misunderstandings, direct questions were asked to confirm that the interviewer correctly understood the respondent. Since a semi-structured approach was applied, the interviewees sometimes discussed subjects other than what the question asked for. These answers were sorted out with help from the transcriptions

and later the thematic analysis (see 3.5. Data Analysis) (Bell et al. 2019). All interviews were recorded, after approval was given by the interviewee, to simplify the analysis activity. Bell et al. (2019) lifts the main advantage of recordings being that the interviewer can better focus on the interview itself rather than on taking extensive notes, which is essential when conducting qualitative research. The recordings were later transcribed within the next three days. The purpose of the transcription was to align similarities and differences between the interviews and the theory (Bell et al. 2019). Common areas touched upon in the interviews were identified and compared to each other.

### 3.4.3. INTERVIEW SETTINGS

As the interviews were conducted within the same company, this said company's values, praxis and so forth might have effects on the respondents' answers. The geographical points for the internal interviews were not limited strictly to the headquarters of the company and thus, the geographical biases have been somewhat mitigated. Out of the 21 interviews, all except one were conducted through Microsoft Teams, where the latter was a tour of the production facilities with questions included (see interviewee 21 in table 7). This interview was also not recorded, transcribed, nor followed the interview guide. Instead, extensive notes were taken, and questions were asked to better understand the products and their attributes and how to improve each step rather than on the strategic level. There are some limitations to using online interview tools, such as Microsoft Teams. For instance, not being able to judge body language or make note on the environmental setting. Some of these limitations have been diminished by using the webcam feature. Additionally, since the interest lies in the answers to the questions and not in body language or tone of voice, the lack of environmental analysis does not impact the legitimacy of the study. Due to the current restrictions in Sweden because of the ongoing pandemic, the interviews were not possible to perform offline. In addition, since the corporation is operating at a global level, the geographic location of the respondents in relation to the interviewer has been a further restriction to performing these interviews physically. However, should the situation have been different at the point of data gathering, it would have been preferable to conduct the interviews in an offline setting rather than an online one, since this might make the interviewees more comfortable (Bell et al. 2019). Further, problems that emerged during the interviews mostly technical issues such as loss of internet connection or the need to repeat an answer or a question as it was not heard in full. One of the interviewees only had the web camera on for approximately five minutes due to bad internet connection as well. In some cases, there was also a need for clarifications of questions or of wording used, either from the interviewer's end, or the interviewee's end.

### 3.4.4. INTERNAL DOCUMENTS

To some extent, internal, company issued documents were reviewed and included in the empirical data. This includes processes, working document and grants with which the company is working with. Bell et al. (2019) states that these types of documents could serve useful in case studies as they offer the researcher with useful information about the company in terms of previous managerial decisions for instance.

However, as further stated by Bell et al. (2019) there is a risk of such documents lies in their credibility and representativeness and the fact they will most likely contain limited information on the company's problems or issues. However, they also state that it could be beneficial since they are most likely pedagogic and easy for the reader to comprehend. Thus, the documents as presented in this case, aims as providing the reader with the same relevant background information as the researcher.

### 3.5. DATA ANALYSIS

The analysis will be based on the transcriptions of the interviews in combination with the literature review presented. Following each interview, interesting aspects were derived and saved as notes. In qualitative research, it is advisable to perform analysis along the whole process. (Patel & Davidson, 2019). For the final analysis, a thorough coding was performed. The coding was done in themes, so called thematic coding with the help from the software MAXQDA. The main themes were derived as goal setting, communication, and ownership, to mention a few. For the full list, including color codes used, review Appendix B. This thematic analysis process is supported by Patel & Davidson (2019), who refers to qualitative data as *soft data* which require interpretations and thorough analysis. There are also some disadvantages presented by the thematic approach, where one is the risk of putting too much emphasis on repeating topics rather than focusing on relevant findings. Therefore, it is vital to derive the themes in relation to the research question rather than by only reviewing the data. (Bell et al. 2019)

### 3.6. ETHICAL PRINCIPLES

Guba (1981) introduce four main ethical principles which must be taken into consideration when conducting a scientific study. The first one being *the internal validity* which refers to the trustfulness of the results, where several risks exist, regarding the respondents being exposed to multiple factors that might affect their truthfulness. These factors include such as environmental setting or the wish to shed better light on oneself. Therefore, to increase the trustfulness, all interviews have been conducted anonymously and the interviewees have been informed of this anonymity prior to starting the interviews. The decision to anonymize the participating interviewees is additionally motivated to increase the legitimacy as there is no personal gain for the interviewees. The second ethical principle refers to the *external validity*, or generalizability which will be extensively discussed in chapter 3.7. since it is one of the main critiques towards case studies. The third principle can, as stated by Guba (1981), be somewhat controlled with the help of consistency, and that principle is stated as *reliability of the result*. In this case some consistency is provided by the thematic analysis which is done in a reliable and somewhat systematic way (see Appendix B). However, this offers an addition to the risks since it can result one to place information into themes, where there is no theme present. The fourth and final perspective that Guba (1981) present is *objectivity*, which is to be achieved through neutrality. Neutrality can, as stated throughout the methodology chapter, never be fully achieved since the data is interpreted by a sole reviewer.

### 3.7. METHODOLOGY CRITIQUE

Patel & Davidson (2019) argue that we cannot generalize about the population based on solely one case, or at least that the degree of generalization is depended on random selection. This case, as stated before is a single case where the selection is not random. However, as supported by both Siggelkow (2007) and Flyvbjerg (2006) it is possible to generalize based on solely one case if the case itself provide viable results. Both are meeting the critique by stating that a single case can be powerful by examples such as a talking pig (Siggelkow 2007) or a black swan (Flyvbjerg 2006). Where the former is raises the concern that a single talking pig is evidence enough to prove that talking pigs exist (Siggelkow, 2007), and the latter states that one black swan is enough to conclude that black swans exist (Flyvberg, 2006). Even if the case studied here is not as outstanding as either of those, the conclusions might have been viable in terms of being able to reach the conclusions as presented by this study. As expressed by Flyvbjerg (2006), the outcomes can be a central part of the development in science as well as it can be used as an addition to other methods and in that case, generalizability would be based on exclusively one case. As the company is anonymous, there are limits to the transferability and generalizability of this study, but the results might serve as a good foundation for creating a similar study, or to use parts of the results for other companies, even though the corporate structure is not explicitly defined. Siggelkow (2007) further tackles the critique regarding the non-representative nature of case studies. According to Siggelkow (2007), critics argue that the bias sampling which commonly signifies a case study, will result in the impossibility to make assumptions about other settings. The choice of a case, or in this setting, a company, should not be made randomly, but rather be motivated by the ability to offer valuable and specific insights to the topic. These insights should be unique, and not something other companies can offer (Siggelkow, 2007). In this study, this individuality comes from a combination of being global, technologically intensive and in the scale-up phase at the same time as the company does not currently have a sustainability strategy in place. The uniqueness of the company can be beneficial since it potentially offers more interesting findings. However, careful considerations have been taken when drawing the conclusions since there is, as mentioned, a distinctiveness about the company and thus, not all kind of conclusions can be made. For instance, those referring to other companies that is outside the scope of this uniqueness. One should therefore be careful in trying to overstate phenomena that might only be evident in the specific case. (Siggelkow, 2007)

Siggelkow (2007) does, additionally, state issues with case studies which need to be considered by the researcher. The first one being the lack of selectivity and presentation of only those aspects that convey to the conceptual arguments, or on the contrary, presentation of findings that are irrelevant to the research question. With the help from the thematic analysis, it is more likely to focus solely on the findings that are relevant to the research question and thus, a natural obliteration of irrelevant arguments will take place (Gioia, 2004). Two additional issues mentioned by Siggelkow (2007) are that use of models is not a representation of the reality but rather a simplification of such and that the use of theoretical evidence when generating theory can have a risk of not being independent and as a result, not be representative of the



reality. Meaning that one is of risk of creating an internal loop, where theory only relates to other theories. Even if measures have been taken to moderate these risks mentioned by Siggelkow (2007), they cannot be mitigated fully and should therefore be taken into consideration, when reviewing the findings of this report.

## 4. EMPIRICAL DATA

*The empirical data consists of six main themes, firstly 4.1. will explain why the interviewees believe sustainability is important for the company, then in 4.2. focus will be on how to work with the goals. 4.3. states the importance of communication in the sustainability work, 4.4. the need for a clear structure and assigned ownership. Moving on, in 4.5. department specific results are presented, based on what the interviewees believed to be important focus areas. Lastly, 4.6. focus on how to proceed with the sustainability work into the global corporation.*

### 4.1. STRATEGIC IMPORTANCE

The reason behind why sustainability and working with the SDGs was strategically important to focus more on, differed between the interviewees. Some common topics were defined as to differentiate in the market, to adapt to customer demands, for the sake of the shareholders, be of relevance to current and future employees and finally for the sake of growing the business.

#### 4.1.1. MARKET GROWTH

If the company is to incorporate more sustainability aspects into the organization, interviewee 4 believes that it would result in a “markets advantage” as well as increased “value of the company in terms of how the client see” them. When asked why sustainability was important to the interviewees in the strategy department group, they placed emphasis on the importance to differentiate in the market. Interviewee 18 chose to express the reason why sustainability is of importance as wanting to “differentiate ourselves” and be a “niche player” and the it would be “a clear advantage” to have “a sustainability program” to do so. Interviewee 13 state that it could also benefit the “competitiveness”, not only in terms of “the product and the consumables” but also being able to offer the “entire package”. The interviewee further state that a successful implementation of sustainability could assure that the company is able to attract the “most attractive, cutting-edge customers”. On this topic, interviewee 8 believes that the company should “strive to be better than [...] competitors” and as a result “be top of mind when it comes to sustainability”. As expressed by interviewee 18 and 13, some customers have more specific demands when it comes to their partners integrating sustainability. Specifically public tenders and to some extent bigger pharma companies, place a high emphasis on sustainability and to improve in the offerings to them where parameters such as carbon emissions needs to be revised. This is supported by interview 18, stating that “business-to-business” partners are doing their sustainability programs “in the same way” but for academia, the sustainability programs are “not in place yet but it will come”.

Interviewee 13 thinks that if sustainability is successfully implemented into the corporation, the company can be a frontrunner in these tendering processes by having “a strong sustainability focus”. Interviewee 13 also expresses that sustainability will become an increasingly important parameter for review, as the

company grow in scale and the company “move up the value chain” and are “moving from primarily academic customers to bigger labs and bigger companies” or by entering “new segments in pharma” as a result from developing “more expensive products”. It is also becoming an increasingly important parameter for review by the customers as expressed by interviewee 13, since it is “a part of their values and beliefs on what type of product and services they want to buy” and “what companies they want to work with”. Due to the business they are in, the interviewee also think it to be increasingly important since it has “ a lot of impact on sustainability values and targets and goals from a lot of different perspective.” In addition to the public tenders, interviewee 1 believes that integrating sustainability can “open up new doors” to “large scale contracts [with] corporate customers.” Interviewee 11 further stresses the risk of being “ruled out” if the sustainability rating of the company is not high enough, by customers placing more emphasis on sustainability parameters. Interviewee 16 instead focus on the shift among decision makers within companies, where “the average 24-year-old to 36-year-old, who's a decision maker or working in a professional environment, consider sustainability quite an important aspect and those people are now the ones who are making decisions in terms of how companies work and how they, or where they, invest their resources.” Thus, if the company “have a clear sustainability agenda” and show that they “are supporting these sustainability points” the company have “potential for more commercial success.” However, interviewee 16 also states that “sustainability isn't the most important concept or value proposition that a customer puts an emphasis on. Things like cost, efficiency, time, accuracy, those still rank higher than sustainability”. The interviewees is also thinking that many of the offerings today, in the industry are “now coming up to the point where technical specifications are identical and price is identical”, and as a result sustainability could become “the deciding factor.”

Sustainability and integrating the SDGs is an essential part of being able to grow as a company as conveyed by interviewee 18, sustainability is important for “our continuous growth” and “for the long-term development of the company”. The economic growth comes from opening the possibility to green funds, said interviewee 1, who further also believes that working more sustainably will “grow sales” and that the company have a possibility to “get a branding” that will be “connected towards sustainability” which have the commercial argument of being compliant to “the toughest customer requirements”. The interviewee further states that the “customers are already asking for sustainable solutions” and as a result the company could broaden their market and “increase market shares.” Interviewee 8 says that sustainability is “interesting for the top management” if you “translate it into profit and growth” and that, the sustainability implementations “will end in profit and growth”. This is supported by interviewee 16 who believes that sustainability is “an important vehicle for growth” even if it is not the “only way”, and further the interviewee states that “that it's an avenue for growth that we haven't experienced, or explored, as much. We have a lot of potential to do it, I truly believe that a lot of our products inherently have the potential to improve sustainability”.

#### 4.1.2. EMPLOYEES

All the interviewees in the strategy department placed importance on the attractiveness of the company among employees as a motivation for working more sustainably. Interview 19 expressed it by saying that working with more sustainability will attract a “better workforce”, “better talent” and a “better pool of applicants” and believed that sustainability can be used as a tool to do so by “highlighting what we are doing” which would result in “a high impact on the applicants”. Interviewee 18 stated that sustainability work is “very important for employees” because it shows that the company “have a commitment” and “a responsibility.” Interviewee 13 say that sustainability is important, not only from a commercial perspective but also an employee branding perspective as it attracts “the best talents and the best people” and also that is one of the reasons why the interviewee was “interested to work in life science”. Interviewee 1 similarly states that, it is important to the interviewee from “a personal aspect” to “work for a better world and a climate neutral approach for the next coming generations”. Interviewee 6 also says that “personally, it's really important” since the interviewee was thinking about sustainability in “private life” and thus, want it in the “workplace as well”. As further stated by interviewee 1, “many of our employees have sustainability on their personal agenda” and a result from integrating sustainability will therefore be “more engaged employees”. This is also supported by interviewee 4, who believe that “it would be good for the employees because they're interested in the sustainability” and that “it would be additional motivation for them”. The same interviewee also believe that some employees like to work for the company because the company is “willing to do the right thing”. Interviewee 7 believes that sustainability is particularly appealing for “younger employees that will join the company in the future” since “they will consider this more than the older generation” when “choosing a supplier to buy from” or “choosing employer to work for”. However, that same interviewee also expresses that personally, the interviewee “don't care that much” and emphasize that is it only a question of marketing, where if the offer to buy is between two products that “are similar and one claims to have 50% less CO2 contribution then then the other one” the interviewee “wouldn't bother” to choose the one over the other.

#### 4.1.3. OTHER STAKEHOLDERS

As stated by interviewee 18, working with sustainability is not only a necessity to remain in an active player in the market, but it is also important to build trust among shareholders, not only to be legally compliant but also because “sustainability is also something important for shareholders” since the company will be one that “you can trust on”. This view is also supported by the interviewees in the supply chain department, for instance, interviewee 1 says “It's not only for the company as such, and the environment but also for investors reaching a new investment, investment funds.” Interviewee 1 further states that another aid to grow that business lies in having “the funds” and “money”, and that is something were the company sees “a huge potential for the green funds” and that now, the company is “not considered a sustainable company” which is an obstacle to this”. Interviewee 5 and interviewee 17 also stresses the need to adapt to governmental requirements as a reason to start working more sustainably. Interviewee 17 states that there

“will be laws and regulations to act sustainable”. The interviewee further states that sustainability will “disrupt how we think” that the company will “have to adopt to that” because of “more regulated laws”. Interviewee 5 also believes that it is easy to quickly fall behind if the company doesn’t “get on the same level as the other companies” and that the government will soon start to require sustainability strategies from companies. The interviewee further states that it will be especially important in “NASDAQ” for the “the big 500, 600, top companies in the world” and that the government will demand “much more structure, harder structures and higher requirements” and stresses the need for the company to “start measuring those things and all already now start implementing them”.

## 4.2. WORK WITH THE GOALS

Interviewee 8 states that the strategy towards sustainability nowadays is in the state of realizing the “need to be more sustainable, because the market starts to demand it” and that company “need to adapt that approach” since it will result “the chance to sell more products” but also that no actual improvements have been done. The respondents emphasize that it is important to set up clear goals by which the company can strive for, and that focus should be on the core of the business. They also state that the goals should be long-term and then they should be broken down to department level and clear individual targets for each employee. Success factors are then presented as working well with partner and research.

### 4.2.1. FOCUS ON THE CORE OF THE BUSINESS

Firstly, when it comes to setting the goals in relation to the SDGs that the company are to work with or incorporate into the organization, the interviewees believe it is essential to focus on the core business, or where the company has the most impact. As stated by interviewee 13, it is important “lifting up these concrete goals which are connected to our business” and if the goals are not connected to the core, you will have a “big divide” between the “sustainability goals” and the “connection to the products and the benefits to the customer.” Interviewee 1 further states that the focus should be on “goals that are in line with our vision, mission, way of working and our business model” and that the company should not “do anything extra outside” the scope of the”. As stated by interviewee 13, some parameters of sustainability already “obviously translates to company goals” and thus, they do not need to be changed or altered in any manner to adapt to sustainability but rather needs to be clarified that it is connected to sustainability. It is further essential to not forget what the company is already doing well when determining the future focus. Interviewee 1, for instance, expresses the goals for the future should be to continue working with “diversity” and “to deploy the code of conduct and global policy against inequalities”. Interviewee 11 further states that the sustainability development goals can be somewhat ambiguous and that “sometimes it can be a little bit hard to pin them down” and to make them relevant from the company “context”, which is supported by interviewee 17 who states that to make it easier to work with the goals, “you have to pick out some goals” since “17 goals are quite a lot”. The interviewee further states that “it is easier if we choose three or four as our focus area”. Interviewee 11 believes the goals must be pinned down further to the “two ones,

good health and responsible production” since they are “more valid” and “more related to our business”. The interviewee further states that this is the best approach to avoid “green washing”, since those goals are “actually related to our business, and therefore they make sense” and “when in doubt, delete”, meaning that if the goals are too disconnected from the business, or if it is not possible to make a reasonable business case to include them, they should be deleted from the agenda.

#### 4.2.2. LONG-TERM FOCUS

Interviewee 13 state that the focus needs to shift from being short-term, and that the company needs to “improve in the long-term planning.” Further, the interviewee states that the company needs to focus on “aligning these initiatives and have the sustainability perspective, because this is not achieved in in one quarter or half year” but that something to be driven “long term”. Interviewee 10 also believe that the focus should be more long term in terms of planning with “a little longer perspective” since now “everyone is measured by a financial year” and there is a constant focus “on the next quarter”, having a more long-term focus could contribute to “financial sustainability and understanding” Interviewee 13 further states that it is important to maintain the long-term focus and not focus purely on the short-term economic benefit. The interviewee says: “I think that would be something where we want to keep our focus on long-term” and if the company “define the first steps” they can “also be happy if we have completed some of these things.” and then referring to two aims of the company, diversity and reducing animal trials, as two factors which is already in place and can be checked of the list. Another factor which should be reviewed by the whole company is “the planning horizon” and “if we improve a little bit our planning horizon, I think it's going to get easier for us to build in sustainability perspective and everything that we do.” as expressed by interviewee 13.

##### 4.2.2.1. Plan and Structure the Growth

Interviewee 1 problematize that the there is an issue that project sometimes are set up “weeks before the audit” to “make everything look nice and shiny” but after “audit it approved” “everyone forgets about their routines”, which is supported by interviewee 14 who states that the company have a “very reactive firefighting mentality” and as problems arise there is a “need to plug that hole ASAP”. The interviewee further states the that the company need to “be proactive rather than reactive” and that there is a need to “plan the growth of the company in a uniform fashion” and to have a more structured and planning approach. The problem is lifted further by the interviewee, stating that “right now we are driven by sales growth” and as a result, there is a gap in other departments, for instance in the maintenance, because there is an “increase in instruments” to “install and service”, “while the only department expanding in terms of employees is sales”. In conclusion, the interviewee also believes that this is “absolutely predictable” and that a goal for the company would be to have “aligned goals in terms of growth of the company” and to plan beforehand since it could help a lot by “reducing stress” and to reduce bottlenecks in other departments. Interviewee 15 also witnessed the lack of planning by stating that the “sales teams got excited

and “just started selling stuff” and as a result, the logistics needed to find “a quick solution”. The interviewee also said, “the one thing that may have not played into that was our sales team out of the blue selling different products that are not involved in our typical lineup”.

However, when asked if the company was growing too fast, interviewee 13 believed that the company was growing as fast as they needed to to “handle all the all the opportunities that the company has” while at the same time stating that the company “must be self-reflective too” and to question if they did in fact “do this too quickly?” Out of the three sustainability parameters, social and economic, the interviewee also believe that all three parameters must be included for them to become a “true sustainable company.” Although, “environmental is more tangible” and thus, should be the first part to be incorporated. Since “you can measure greenhouse gases” while “the social responsibility” is less clear. The economic growth is supported by the growth in “number of employees” according to the same interviewee. However, this part is “more of a side effect” and not a focus area. Interviewee 7 also connects the growth to number of employees, stating that when the company has reached a suitable level of employees, “all of these things might come into place, but now it's not, because it's another focus of the company”, refereeing to sustainability challenges. The interviewee also thinks it is “very difficult for a quite aggressive startup mentality to think about sustainability” since what they did “one year ago” they “not doing it anymore.” Interviewee 6 believe that “you can grow your sustainability work while you're growing, but the approach must be there and the way of thinking must be there, established from the grounds before” and if the company is not to start focusing on is, they risk “lose it on the way” and thus, it is essential to start implementing a strategy for sustainability before growing further. Interviewee 9 says that it is “natural moving from an SMEs” to “an industry”, that the company does not have a sustainability strategy in place yet and that “a baby does not grow up over a day, they have to go through the teenage phase”, where the interviewee believes that the company is now, in terms of challenges.

#### 4.2.3. BREAK DOWN OF THE GOALS

Interviewee 9 emphasizes the importance of a holistic and overarching strategy by stating there needs to have “a management plan and strategy created that needs to be spread down to everyone else in the organization” where the management “put some demands on the organization to achieve the sustainability goals”. This management strategy should initially define where the company “want to be” and then “break it down” and bring “it down to the organization”. Interviewee 18 further state the importance of actions and the “need to have the overall, target or goals.” Interviewee 13 believes that translating the goals to concrete actions can be highly challenging and will require a lot of effort and work from the perspective of the company and think that is it easy to talk about at a higher level but it can be quite disconnected from what “actually happens day-to-day in the company and thus think that the company needs to be ”working hard to translate those higher aims and goals into concrete benefits for the team, for the company, for the customers.” Interviewee 19 further also states that the actions are more important than the words and that

the company can work sustainably without having to “wave a flag” saying “we are sustainable” since “actions speak louder than whatever policy” the company could have. So, rather than developing policies or external communication to look good, the focus should be on the actions and communicate these. It is mentioned by the interviewees as essential to break down the goal to something that is measurable and the best approach to integrating sustainability is to “set up some OKR” where the company “measure it” since they “need to start somewhere”, according to respondent 18. This is supported by interviewee 9 who states that “implementing [the goals] in the OKR will be key”. OKRs are objective key results and is the company’s break-down of the KPIs with clear actions for each goal, for instance, “reduce X by X%.” The OKRs can be measurable in relation to the goals which provide the holistic perspective and is therefore made more concrete. This is further supported by interview 13 who is stating the relevance to communicate “how do these sustainability goals transfer down into objective key results.” Interviewee 13 believes that breaking down the goals to smaller goals will contribute to everyone having “something that they can contribute to” and that the company, on a broader level can become “better at communicating to people not directly working with this”. For instance, “which tools are available” and how to work with them, the interviewee further stated that the company could “get better at actually having concrete tools to work with”. To best implement that OKRs, interviewee 9 also believes that it is essential to “really focus on initiatives” related to sustainability.

Something that interviewee 11 chose to emphasize is also that it is “important that we don't create a sustainability reporting monster” which could become “hard to feed” and that “the best way” would be if the company could “find this information, or the data, in already existing systems.” It is of essence, according to the interviewees, to adapt the goals to each department and focus on where the different departments can have the highest impact. As stated by interviewee 13, for instance, it is “easier for operations to have targets around waste, energy use and efficiency in materials” whereas it is “probably easier for me, in my ‘Head of Product Management’ role, to think about economic growth and sustainability in that aspect.” Interviewee 1 built on this, but rather focus on the need to “create objectives” and to break those objectives “down to business area objectives and then to team objectives”. Interviewee 10 believes that it is essential that everyone have “one or two bullet points” where it is specified “this is my focus area” and that the company have “the vision”, “the mission”, and “the focus areas”. Some interviewees believe that the operating goals should be set on a team level, where management is responsible for the overarching goals and then each department decide how to work with it. For instance, interviewee 15, stating the everyone “should have their own, starting from like their managers, [...] focus points” where they “can decide how much time they can put into it” or interviewee 9, stating that instead of “doing the planning for organization” the company should “give it to the different departments” by telling them “these are our goals” which “we need to achieve within a year”. Meanwhile other interviewees state that it is more important to ensure that the goals and ways of working is aligned and that if everyone is to set their own goals there is a risk that it “will be quite diluted” since that will result in “a mix between almost everything” as stated by interviewee 11.



#### 4.2.4. CONTINUOUS PROCESS

When working with the sustainability development goals, and goals within the company in general, the interviewees emphasize the need to view it as a continuous process. The interviewee 1 built on the need for goals and states that “sustainability should have team objectives” on how to “be a more sustainable team together” and consequently, the company will “have implemented it in our continuous improvement work”. The interviewee also thinks “everything will evolve, but if you look at the SDGs for instance, I think we have many years of improvements until we can say proudly that we have reached what we are aiming for”. Initially, when starting to work with sustainability, the level needs to be set significantly lower, as emphasized by interviewee 18, the company needs to reach a “good enough level” since the goals need to “be reachable also” and then further states that it is “good to set up some milestones, some goals” since that will result in a “continuous process” and thus, further stating that the scope of what is feasible within the company is not limited but it has to be some goals that are short term and some goals that are more long-term. The interviewee also states that it is “easier if you are starting at one smaller place”. This is supported by interviewee 17, who states that it is important to “start digging where you stand, you have to start acting where you are.” However, as interviewee 19 emphasize, the company also need to “constantly improve the way we do things.” Interviewee 13 states that it is important that the company set up processes for how to work with the goals and that is “making sure that we diligently work with our targets and goals and keep pushing and that we are not satisfied when we reached the first one but keep setting goals”.

Once the goals starts to take place and are reached, one-by-one, it is essential that the company keep setting goals in order not to lose momentum, as stated by interviewee 13 as the company “get the first steps down” they “set a goal” for instance, “this year we need to do this start” and as you “accomplish those things or many of them” there is a risk to “lose your momentum” in defining “the next step and the next step after that” and that “it is also a challenge to not just communicate one time.” Interviewee 5 supports the need for continuous improvements by stating that it is essential that even if the company is to implement ISO 14001, “that’s just papers” and thus, “not enough”, but the company rather need to “work with it and not just have it”. Interviewee 9 further connects the continuous process with the OKRs by saying that “OKRs it's not working silos” but rather “a document that is reviewed and looked over”. Interviewee 11 also believed that the company should “challenge the industry” and if they “cannot make it happen” they could just “say that [they] tried”. The interviewee states that the company should approach sustainability from “[the company] perspective”. Interviewee 19 believes that one of the successes of the company lies it them “continuously questioning: is there a better way to do this? To be to be more efficient with our, not only our time, but also getting products to our customers faster”, which is a mindset that could be applied to sustainability as well. Interviewee 1 states that the company is hoping to “implement ISO14 001 next year” as well as an “environmental policy” which would result in “continuous improvements”. This is supported by interview 6 who is stating that the company is currently performing a gap analysis to see what they “are actually missing” to be compliant to ISO 14 001 and the focus is on “trying to achieve that”. Interviewee 1

also lifts the concern that the company needs train themselves “in using a quality system”. While interviewee 5 instead states that “everyone has ISO 14 001 these days” and that “it’s not too hard to get that certificate”

#### 4.2.5. SUCCESS FACTORS

Most interviewees were clear on the that goal three, good health and well-being for all, at least externally, was something that the company is working with. Interviewee 19 expresses that the company “score very high in all levels” by having an “purpose and mission” not only in terms of “the passion that you can feel through the company, but the sense of doing something much bigger for humanity”. The interviewee further believes that the company “has a very strong social and environmental impact” since they are “making the world a better place” and that they “are empowering people” through offering them the chance to “reduce resources” and to “reduce money spent on coming up with the with the latest treatments” Interviewee 13 supports this by stating that goal three has “a very strong connection with [...] the business we're in” since the company “contribute to research into areas which directly affect the health of well-being of people” and that “it’s hard to separate from the things [the company] do”. “I think then the idea of the company, and the products we make, they are working towards well-being of everyone because they are helping the research” by for instance “building the skin parts so they can help people” states interviewee 4. The interviewee is thus, concluding “the company itself is kind of like sustainable, in this aspect of well-being of everyone”. Interviewee 9 believes that the main argument for what the company do is “definitely saving lives” and “saving money for healthcare industries”. Interviewee 18 is building on this by stating that “when it comes to the social responsibility, I think we are sustainable. I mean of course we can improve, but we think we have many of the things in place already, we are an ethical company.” Interviewee 19 said that “we're doing something bigger than most companies, or most people are doing” and that “we have all the ingredients, we have the right purpose, we have a big vision.”

##### 4.2.5.1. The Future of Medicine

Interviewee 9 also states that good health and well-being is so clearly linked to the company goal to “create the future of medicine” and interviewee 6 believes that this is “something that every employee at [the company] is trying to achieve” by “discussing these subjects every day” and “loves to discuss”. The interviewee 6 also believes that company is building “something futuristic” that “could help people, animals and every life on earth”. Interviewee 1 thinks that good health and well-being is actually in the “core” in the company “business model” and in the “vision and mission” and that it is the reason why the company “supply our collaborators with equipment” so that they can “replace organs, fight cancer, fight covid”. Interviewee 16 expands this to the company assisting the well-being for all by “improved treatments”, driving “down the cost of drug development”, assisting in the development of “more efficacious drugs” and “better testing method” being able to offer a “better potential for personalized medicine”. Interviewee 16 thus, believes that this is part of the “core mission” of the company and that they are really “working towards ensuring healthy lives and promoting well-being for all, at all ages, just through [their] technology

and through [their] product offering”. Interviewee 18 describe it in a shorter context, but as clearly as the others stating that the company is working to “save lives and create the future of medicine” and that as a result it makes sense that they should be “a sustainable company”. What is further emphasized by interviewee 16, however, is that the company should expand this from “creating the future of medicine” to focus on how to “create a sustainable future of medicine”.

#### **4.2.5.2. Reduce Animal Testing**

The sustainability work by the company will be “reinforced even more with our latest public, very public target, to reduce animal testing which is very much centered on sustainability” as interviewee 13 expresses. Interviewee believes that what the company does is “so pure in a way” since everyone at the company “wants to make a difference”. The interviewee states, that being “an animal lover”, personally it is important that the company is “reducing animal testing” and view it as a “great effort, and a great accomplishment”. Interviewee 1 says that the possibility to “avoid animal testing” “is a well-being for the rats and the rabbits” but also that if you test products on “skin based on human cells instead of on animals” the products will be more suitable towards humans which is improving well-being for humans. Interviewee 14 also supports this by stating that the partners could “increase the yield”, “decrease to cost” and “improve the lab testing methods” by using an alternative solution. The cost reduction being both in terms of social cost as “animal cruelty” but also the “cost of keeping animals, breeding them, keeping them and disposing of them”.

#### **4.2.5.3. Research**

Another example that has been lifted by interviewee 1, as an example of working towards health and well-being for all is in the company working with corneas so that you can “replace it in your eye”. Further stating that “it's like 100,000 humans every year that needs that kind of surgery” and the company is working towards reducing the “need to wait for someone to donate it”. Interviewee 14 also lifts this by stating that corneas is “a popular organ for transplantation, but apparently, it's a very difficult transplant to get.” Interviewee 1 states that the company is also working to open to “to completely new market segments”. For these initiatives, the company is also working with co-investigating and co-development in creating food and specifically focusing on more sustainable alternatives to meat for instance. Interviewee 9 believes that the company aid in saving the “animals and saving the planet by having sustainable solutions for food options. Interviewee 5 states that the products of the company also aid in cancer research, where one machine enables “cancer research and medical trials like 1000-2000 times faster” than other solutions in the market. In addition to their own research, interviewee 1 also mention that the company is supporting cancer research through a “global event” where the company “donated money to cancer research for each person who ran five kilometers.”

### 4.3. COMMUNICATION

Many interviewees stress the importance of communication, both internally and externally, in addition to the need to better incorporate cross-department collaborations.

#### 4.3.1. INTERNAL COMMUNICATION

Even though, as interviewee 19 believes that the team is well aligned and interviewee 13 thinks that there are good platforms within the company for communicating, they both believe that they “could do more communication”. Interviewee 13 further also expresses the risk of not placing enough emphasis on communication as losing track of the “sustainability goals if you don't keep pushing for the [internal] communication.” As the company is constantly growing, and changing the workforce quite rapidly, interviewee 13 raised the concern that “you think you communicate it to everybody but then you know the workforce changes or priorities change” and as a result it is “easy to lose track of it.” Interviewee 1 states that, as this process is an ongoing process and something that the company has recently started to work with, and that “if you ask the people in the organization, they don't really know” that this is important and thus, there is a need to “implement this into our processes, so we have sustainability as a part of our processes. We work according to it, it's a part of our daily discussions and then it will be easier to discuss it between different departments as well.” The interviewee stated that the “need to set up a reporting structure and clear strategy” is the main challenge as well as “to communicate, follow up, and remind.” Interviewee 13 believes that forums for communication have been implemented and resulted in simpler focus on sustainability: “various management teams” have been set up as well as “their splits of responsibilities, which didn't exist before” and thus it is “easier to keep this focus” and to communicate between departments. Meanwhile interviewee 15 states that they don't “communicate a lot” and “don't quite know how things work in other locations, other than the way we set up ourselves to work”. Interviewee 6 believes that there is an issue in “getting information from below upwards” but that there are no issues “getting information from top down”. This might be the reason why interview 13 states that the company have a “very clear target towards working more sustainably”, who is working more strategically, while interviewee 4 states that the company “don't really have like written strategies or like goals or any instructions how to act towards the sustainability.” Interviewee 11 further stated that as soon as sustainability is implemented in the company some employees will say “I've been waiting for this” while others will say “I always thought that this was in place”. Interviewee 15 believes that if the company does “things across the board, nobody's left out in the blue either”

##### **4.3.1.1. Ensure Buy-In in the Sustainability Process**

The interviewees state that it is essential that everyone is onboard of the journey towards working more sustainably. As stated by interviewee 19, to start with, “you need to get people on board, they need to see the need, they need to understand why that's even important or why they should be thinking about it. So,

including people, that's important". Interviewee 2 implies that awareness is the first step in working with sustainability by stating that "first of, I would like to get more exposed to the sustainability, or the practices perhaps. That would be the first thing, and then increase the awareness of it within the team". Interviewee also 18 said "the most important is that everybody is conscious about what we are doing, in order to be to become a sustainable company." Interviewee 13 also viewed it as a challenge to make sure that the goals or the work is easy to grasp by all "I think one challenges is maybe an information and communication challenge, to really connect the sustainability initiatives and overall goal into something that people can relate to like how it is good for the employees, how is it good for customers, how is it good for our results." Interviewee 1 emphasizes that sustainability should be a constant part of all communication, in all parts of the company, for instance, "if you have a company presentation you have to have a slide about sustainability" and that it should be "included in all training material and all marketing material. It should be visible everywhere and then you can't avoid it, we have to talk about it." This is further supported by interviewee 6, who states that "the sustainability question is something that we need to discuss a lot" and "push it in to people, and get them aware of how we want it" and that this is where the company is "at right now", "trying to discuss it, trying to bring it up in the different teams" to "make everybody aware of the goal that we must achieve sustainability, this is like our main task". To ensure employee-buy-in, interviewee 10 believes that "everyone needs to understand - what's in it for me", interviewee built on this by stating that everyone needs to specify how they contribute to the sustainability agenda, and that "for people it might be social sustainability" while for others it might be to produce this "more sustainable", and it is important to get everyone involved. It is also important to make the employees part of the communication, as stated by interviewee 18; "I think most people will either want to participate passively or actively but be participants." Interviewee 15 believes that one of the main challenges is "getting everybody on board to do things" since "people may want to do a routine, but then they feel like it's pointless because nobody else follows suit. [...] I've seen other teams give up or maybe lose interest because they're like 'well nobody's going to bother'."

#### *Monetary Incentives*

Interviewees 4 and 11 said that it might be helpful to set up some monetary incentives to increase the sustainability work among employees. However, the suggested two different approaches, interviewee 4 stated that it could be in the form that whoever comes "up with the best sustainable idea gets a prize" or a "contest like the best idea of the month" whereas interviewee 11 said that an option might be that "you're not able to get your bonus if you don't have some kind of sustainability target related to your work function" or "job description".

#### **4.3.1.2. Culture**

Many of the interviewees believe that the company's biggest asset is in fact the culture. Or, as expressed by interviewee 19 "what we're doing is bigger than what any other company is running out there." Interviewee

13 think that this culture is not just contributing to them being strong “in launching new products and cutting-edge technology but also” in being “a very attractive company to work with”. Interviewee 6 also emphasize that hard work is part of the culture and based on that, the interviewee further states that the company “will be the best practice within sustainability”. Interviewee 10 also believe that that corporate culture is strong stating that it would be possible to “wake almost anyone up in their sleep” at the company and ask them what the “core values” of the company is. The interviewee further state that sustainability could be added on to those values. Interviewee 13 also believe it to be essential to place demands internally on each other, for instance production being able to stop a product from being produced if it is not sustainable enough, to “ensure somehow that things are not going to be developed and launched without having [the sustainability] aspect” to create a culture around sustainability. Interviewee also 1 state that sustainability should be “part of our DNA” and thus, part of the corporate culture. As a result, it is not so much about “maybe training, but it's also about understanding why we are doing it, where can you implemented in your processes, and then follow up. How do we work with it? Or do we improve it? So, it's more of setting standard and following up on that standard.” Interviewee 2 supports this by stating that not “everybody needs to be involved” in the sustainability work, and that it rather needs to be “set in the culture of the organization” so that the company is “working with it, without knowing that you are working with it”. The interviewee also states that a sustainability mindset among employees “overall improves the culture” and as a result it probably “goes down to private life” which the interviewee state as something positive. Interviewee 3 also state that sustainability is that “you need to live” and that “it should be natural for you” but also problematize that it “will take a while”.

#### **4.3.1.3. Educate Employees**

Interviewee 18 states that there is a “need to educate our employees, because they are ambassadors as well, when they're meeting customers” and “if anything, is just educating [...] whether it's in internal education, external education, whether it's investors, or whether it's a partner, to understand what we're doing at the bigger scale” to avoid the risk of having a too narrow perspective. Interviewee 13 states the need for training as well when it comes to sustainability requirements “I would need to be trained also to expect those requirements.” Interviewee 4 built on this, stating that the employees need to be taught “to work different ways” to make sure that they can easily adapt should changes take place. Interviewee 1 stated that it would be beneficial to “have some kind of online courses, where we can learn more” and that there is a need to have “online webinars where we discuss [sustainability] and introduce it. Interviewee 3 also think this is important, by stating that it is important “not just like a policy or written down on a paper, and you get these trainings to understand what sustainability goals are and how to work, and how to act” particularly for “the social and economic” sustainability development goals since “they are not that easy to take in”. After awareness has been created it is also essential to provide the support to work more sustainably, and interviewee 2 believes that a good approach for this would be to set up “workshops”. Several of the interviewees also believe that this education could be set up using the current digital platform for

competence development, where online courses are posted, [the company] Academy. When asked if there are any aspects of sustainability in this platform currently, interviewee 10, who is also responsible for the Academy, stated that the Academy currently contains “it-trainings”, “onboarding-trainings”, “policy trainings”, “laboratory safety trainings”, “managers trainings” and “leadership trainings” among others. However, interviewee 4 was more uncertain, stating “I don't know if there is anything about sustainability there”. Interviewee 4 also chose to emphasize that it is important to constantly be reminded of these trainings, for instance that “once a year you get some sort of updates” as well as the essence of using “practical examples” of “how to comply” and “how to use the goals”. Interviewee 2 believes one challenge to be “where to source information” and that is better to “train the people within the company” rather than to hire “outside consultants”. Interviewee 1, however, believes that external knowledge can be utilized in order to better integrate sustainability to the organization, suggestions placed include: “external consultants”, “hire people with that kind of skills”, “external courses”, “webinars” or “networks”, for instance.

#### 4.3.2. INTERNAL COLLABORATION

In addition to the internal communication, the interviewees believe that company needs to improve the cross-department collaborations. As of now, most interviewees are working little or not at all with cross-department collaboration when it comes to sustainability aspects. There is also an issue raised that some departments have developed strategies for working more sustainably, while others are not incorporating the sustainability aspect at all in their daily way of working. This is an issue that has been raised by interviewee 18 saying that “if I am working in my business areas in a certain way, it must be compliant also with the rest of the of the company as well. I think that's very important to have a consensus”. One interviewee from the product development team witnessed that the interviewee was only in contact with two other departments on a continuous basis, and that was another part of the product development department and the marketing department. Interviewee 5 stated “today we have each department for itself” and that there are “not so much join functions yet”, for instance, states the interviewee “we can work a lot with these kind of things in purchase, but we don't share it with the guys in HR, for example”. However, at the same time also stating that the different departments have a “pretty good know-how” and good “process is in place”. Interviewee 13 further problematize this by saying “the cross functional side of things is something we need to keep working on, and do that diligently, because it is not so easy to bring together departments with a different focus, it's not so easy to teach engineers how salespeople think and the opposite way around. The same with people working in operations. It's easy for us to set a goal and have a sustainability perspective on that goal, and to connect that goal to value, but if we don't work together efficiently as we develop these products and sell them to our customers, I think that can get lost along the way.” Interviewee 16 also believe that the general “the cross-departmental communication can be strengthened across every aspect, not just sustainability” and that the focus should be on “increasing the transparency, so people see what's happening within each department.” As the company has been growing

a lot, interviewee 13 expressed the “classic growing pain” for the company as having “to put more effort into this cross functional work” since it is constantly increasing in size. The interviewee, however, also believe that they are “doing some good improvements, but I think we have a bit left to go as well and that's connected to how successful were going to be within sustainability. Because sustainability is not something you achieve in sales, or in marketing, or in operations, it's something where you need to have good alignment between these sides” and thus, stating that the cross-departmental collaborations are essential for the success of the sustainability goals and implementations.

For interviewee 19 the focus for cross-department collaboration between R&D and production is the most essential since “that can reduce a lot of loops of trial and errors.” It is also essential that the communication is two-parted on “how things should be constructed and how things should be designed” since, as a result, the departments would be “wasting less materials, less parts” as well as it would “reduce time as well as minimize the iterations.” Interviewee 13 built on this, emphasizing the “need to build in collaboration early on” as well as stating that the need to “work together to make sure this is delivered in a good way” and that there are many “different aspects connected to cross functional collaboration.” Interviewee 1 further thinks that the internal process can be viewed upon at its own value chain, stating that “the actual work is to look into each process, you should have a start and an end point. At the start point you are the internal customer, and you have an internal supplier supplying something to you, you take over, you do some value adding and then you leave it to your internal customer” which is a mindset that can contribute to better cross-department collaboration since “there is an expectation of what you are supposed to hand over in that stage.” This will result in “better communication, better understanding of each for other expectations, and then we can boost up and have a really efficient process after some iterations there.” This work has already been initiated by “internal audits starting up and management reviews about the whole system to see how it looks like, and how it is progressing”. Interviewee 6 also states that the company is “setting up groups to handle this collaboration as a bridge, like gathered with different leaders from the departments” to improve the cross-department collaborations. The interviewees also witnessed that there is a lack of a mutual communication platform, some stating that Microsoft SharePoint was preferred while some preferred Microsoft Teams or email, for instance.

#### 4.3.3. EXTERNAL COMMUNICATION AND COLLABORATION

Interviewee 19 believe the main challenge when it comes to the external communication is actually doing it and providing the examples externally, since, as expressed, the company is “already doing it” and “it's a matter of better communication and exemplifying things. Not simplifying, just exemplifying. That's something that we can do better, for sure.” Interviewee 19 specifically thinks that the communication should be more focused on “how sustainability is connected to the work that we do as a company on the end result, the outcome that our products have and how that's connected to, and highlight one aspect of, sustainability.” One thing that can improve in terms of how the company works with sustainability is to



strengthen the external collaboration or, as interviewee 1 expresses it, a “closer cooperation within our value chain, and supply chain as well.” Interviewee 13 also said that another factor that play a major role in how fast the sustainability initiatives will take place is “external stakeholders in this, it is speed of things, between customer orders and market demands.”

#### **4.3.3.1. Customers**

As stated by interviewee 13, it is important to focus on breaking down the concrete benefits “from an overall sustainability into actually definable parts where there is concrete customer value.” For instance, how is energy savings, waste reduction, etc. going to benefit the customer and provide additional value. This should be the emphasis when it comes to the external communication. Interviewee 1 believes this is one of the arguments for choosing to work with the SDGs in comparison to other sustainability strategies, since “the sustainability development goals is a good communication platform for the company and external stakeholders” since “it's kind of easy to understand” since even if “they are very broad”, “they have subgroups”. The interviewee then stated that the company “can define some of these subgroups” “to explain how we work according to this sustainable development goal.” As stated by the respondent from the marketing department “our strategy is to position our efforts in a way that positively influences our end user.” Interviewee 13 thinks it is important to “have an integrated communication where you can really see that these sustainability goals are translated into these customer benefits which has both, a business impact and a sustainability impact.” By translating the goals into concrete customer benefits, the company will also be more likely to avoid having a sustainability report which is solely “a piece of paper [without any] integration or connection with what's actually happening in the business.” Thus, it is important, as stated by interviewee 13, that even though “you start at the lofty level, you bring it down to the actual customer benefits, the actual product advantages that we've built because of a sustainability focus, and how that brings more business and opportunities. I think that's the way to go.” Interviewee 13 believe that sustainability is “one of the things that our customers are looking for also because it's a part of their values and beliefs on what type of product and services they want to buy, what companies they want to work with.”

Interviewee 16 believes “that more and more people are valuing sustainability, because it also translates into some of those other things like cost and efficiency.” One example of this, as stated by interviewee 14, is that the instruments offered by the company allows the user to use less material and is thus, “increasing the yield” for customers. This is further supported by interviewee 16, who states that “the product that we're creating have inherently a technology that uses less” and that the company is already “improving the way resources are allocated in labs and in terms of workflows and how they can reuse things and the efficiencies that they're providing.” Interviewee 5, however states a disadvantage from the company perspective in this, since the company “revenue is coming from consumption” and that “in the long run” it is “like 50/50” since they “want to help them to not use so much” but are “making money on when they are using much”.

Currently, as mentioned by the interviewee, the company is working with products that “can help company reuse consumables” as a substitute to “a mass product or consumable” even though they make more money on the latter. Interviewee 2 said that it “would be quite awesome”, from a sustainability perspective, if the company could “have additional influence, not just by looking how we work, but how do we enable our customers to work, by having a larger impact for the entire industry”. Interviewee 16 believes that the company is already affecting the industry to some extent by “supporting peoples, other peoples, our end users, or customers sustainability agendas” and that the reason for doing so is to “improve the overall environment”.

#### **4.3.3.2. Marketing**

Interviewee 18 believes that it is “a matter of marketing and communication” and stressed the importance of keeping the communication transparent. The current strategy, in terms of sustainability, is “to make people aware of the potential that the products have to improve their footprints, resource allocation and their efficiency across their workflow” as expressed by interviewee 16. Interviewee 19 expresses the need for “communication in different ways” since “people respond to it differently”, using examples such as “movie”, “text”, “pictures” and believes that this is something that the company “can do better, we were already doing a lot of things [when it comes to sustainability]. It's just a matter of communicating them in different ways so that people can be receptive of the message”. Interviewee 4 believes that the external interest for the company and its organization could increase among “institutes, or universities, or research labs” and as a result the company could for instance get increased “likes on LinkedIn” and increased “popularity” and “bigger interests” which could result in the interest of biggest clients. Interviewee 16 states that the current strategy in terms of marketing is done through “the various channels that we use as a marketing organization, social media, email, video” and that it “really highlight the potential that our products have” but that in order for that to be done more effectively, there is a need for “a little bit more of a clarity on what our products can actually do” and the company also need to “quantify the impact that they can have in terms of sustainability”. The interviewee also believe that the marketing department have the potential to “be that voice externally” and help to drive awareness “from our external audience’s perspective” which the respondent also believes could “motivate internal change”. One advantage of this, as stated by the interviewee, is that marketing has the “ability to do things that aren't associated directly to say like a dollar number” and “look a little further ahead” and instead “interact with our customers on a different level and have no kind of strings attached to it” which gives the department a “unique potential” for “engaging with them on things like sustainability and helping drive awareness”.

#### **4.3.3.3. Investors**

Interviewee 11, who is responsible for investor relations, believes that it is essential to include sustainability when speaking with “investors and that kind of target groups”. The best approach would be to build on the current governance structure and “pour down sustainability into that platform, or context” which would

simplify the work the company will be able to “reuse that structure”. Interviewee 8 also believes that as the company increase their communication with investors in terms of sustainability, this will result in increased interested on their end. When communicating with investors, as well as other external parties, interviewee 11 believe that the company need to look further in “MSCI and other reporting index” to “see how they can align to what we would like to achieve”. In terms of the rating in MSCI, the interviewee also stated that there is a potential to “achieve AA or maybe AAA, which is the highest rating” based on a discussion with the bank. This was motivated by the business which the company is in and that it is “regulated” and related to “life science”.

The current rating of B in the MSCI rating is motivated by:

- Having a governance structure that is on like that of industry peers and competitors. There is however a potential issue in aligning accounting and financial practices to the interest of shareholders.
- An alarm is raised due to the absence of a comprehensive anti-corruption policy as well as external audits and training on compiling to ethical issues.
- Product quality is maintained, and quality management initiatives appear stronger than peers
- Positive aspects are identified as board practices, accounting practices and ownership structure.
- The operations are dependent on highly skilled employees, however, there is limited evidence of employee development incentives. A high risk of increased turnover of employees and associated cost of rehiring. In addition to loss of human capital and intellectual capital.

#### **4.3.3.4. Grants**

The company is working with multiple grants, together with the health care industry, to aid in the development of a better future in medicine. For the company to work with some of these grants, they must include parameters of sustainability. As interviewee 9 specifies the company “have grants from the European Union where we work as partners and to achieve a goal. It's very often product related, solution or technology related. So, there is an endpoint where we always focus on creating a solution, for example, to improve the health care for elderly people, which is of course a sustainability aspect”. One of the grants, for example, include “the environmental protection will be pursued through a fully aware selection of materials and relative manufacturing processes” and during the work with this said grant “the use of dedicated tools will be used to guide the manufacturing activities since the beginning of the project and to assess their environmental impact to integrate the overall data.” One of the materials used in the same grant is described as reviewing “the use of renewable resources that are safe for plant and animal life, as well as production methods that are safe for the workers and methods that minimize waste streams by limiting the number of synthetic steps and reaction intermediates will be proposed.” Interviewee 9 state that “in those grants we team up as a team of experts in different areas, where we combine our expertise and knowledge”

which the interviewee further believes to be sustainable in itself, since "if every partner would try to find it a solution on its own, we would need to invest in getting the knowledge, getting the people to do it" and instead "everyone is responsible for their part, it's a team effort to get to a goal." Further, the interviewee states that the grants in themselves are aimed at providing "something meaningful for the society" and that they are simply not funded if they are not innovative enough. In addition, interviewee 13 stresses that most of the customers of the company are also funded by grants and since those are normally issued by public sectors, they tend to place a higher emphasis on sustainability parameters.

#### 4.4. OWNERSHIP AND STRUCTURE OF THE SUSTAINABILITY PROCESSES

The interviewees differ in terms of what is believed to be the best approach for process ownership for sustainability. However, many of them believed that it essential to have multiple different angles connected. For instance, both top management, a focus group, and a sustainability manager. Firstly, it is of essence to make sure it is prioritized and on everyone's agenda. Afterwards, some believe that the work should be done with a focus group, some with a sustainability manager and some with a combination of both. What most interviewees agree on however is the need for a clear ownership structure.

##### 4.4.1. TOP MANAGEMENT

It is mention by the interviewees as essential that the management team is aligned regarding sustainability. Many of the respondents believed that the management support was there, and that if they were to initiate new ways to work more sustainably, the top management was supportive. Those working within operations, and even outside operation, particularly stated the Global Operations Manager, interviewee 1, was a key individual in the initiation of the sustainability work thus far. For instance, interviewee 4 states that the Global Operations Manager "was the first one who started talking about this louder... So, there is support in this". The Global Operations Manager, interviewee 1, stated that some initiatives such as recycling and diversity, has been supported by top management from the start and is still there. However, the interviewee further states the need to include sustainability and to "always discuss sustainability when you discuss something, always consider sustainability in every discussion" and then including top management meetings as well as other meetings. Historically, there has been a strong focus on speed, that sustainability has been "a little bit underprioritized because we have been looking to the growth and acquiring companies" as stated by interviewee 18. Interviewee 13 think that the company "can do [sustainability implementations]" but that is "always becomes a question of priorities and when you start." The interviewee further believes there to be a strong economic incentive to "make sure we have a strategy that makes sense as a whole I think we need to have equally strong legs on the parameters of environmental, social and economic sustainability." Interviewee 13 also emphasize that the company need to "work diligently with having [sustainability] as a part of our strategy" and "having all the management team align and make sure that we always have a perspective [of sustainability]." As stated by the interviewee 18, the strategic actions are to be taken by the interviewee's department, when it comes to sustainability alterations "Those initiatives will be presented to

me, and then we need to take a decision in which direction we're going to take the actions. So, this is an ongoing process.” The interviewee further states that it is to be the responsibility of “the general manager of each of the companies to make sure that we have [a sustainability strategy] in place.”

#### 4.4.2. ALLOCATE RESOURCES

The time issue contributes to other factors being overlooked as well, for instance, interviewee 13 says “when you're growing really fast, there's no time or ways to stop and think about communication and really push that through.” Interviewee 4 lifted the concern that since everyone is “swamped in work” issues keep being pushed forward in time: “next week, next week”. Interviewee 6 also witness this to be an issue in terms of the change request process since “it takes a lot more time than it should”. Interviewee 7 believed that the company could “solve any problem; I mean it's there's no limits. But time is certainly limited”. “Sustainability has been overlooked to some extent due to the lack of time”, as stated by interviewee 13. Interviewee 11 also connects to this, by stating that in terms of sustainability work not much have “changed from 2018 to 2019/2020” which is “99% due to lack of time”. Interviewee 12 also believe time to be one of the main challenges for implementing sustainability since there is a need for “time to do it” and the company is operating at a “very, very fast speed” and now “don't have the time”. Interviewee 9 states that time is not an issue per se, but rather that “time is just time and that is something we just need to find within [the company]”. Interviewee 14 explains that they are “not working with sustainability at all” in the interviewees department since the goal “is to grow the team” to “get our head above the water level”. As interviewee 18 states regarding sustainability implementations: “some things take longer time to correct, that's the issue.” Interviewee 1 was more specific in terms of a time limit to the sustainability initiatives, stating that “to look into the complete value chain, I would say that will take [...] three years.” Although, the concern was also raised of the time and required focus on the question and if there is “a lot of other things to do and we are growing quickly [...] it will take maybe five years”. Therefor both interviewee 18 and interviewee 1, together with other interviewees, believe that it is essential to start investing time into the sustainability initiatives. Interviewee 5 also believes that it is essential to start working with sustainability as early as possible since it becomes “a too big step up to come there later” since the company is constantly increasing in size, and it can be challenging. Interviewee 18 believes that the reason why the company has not set up any sustainability processes in place thus far, is because they have been “growing so fast”. This is supported by interviewee 13 who states that “opportunities to build in sustainability aspects in some things we didn't consider just because we didn't have the time” Interviewee 2 mean that it is “the problems in a growth firm; processes are constantly in change; trying to keep up with the scale or the growth that you are going through”; and to have “time to align it” and as a result there is a lot of waste along the value chain.

#### 4.4.3. THE “SUSTAINABILITY MANAGER”

The interviewees emphasized the importance of process owners, and that there is a need for ownership, for the work regarding sustainability to be consistent. Interviewee 18 believes that this report will serve as a good initiation of the sustainability work to the company and state that the work that is being done needs to be compiled and “come together with a good draft, with some specific actions” that can be managed internally. As stated by interview 18 “it needs to be to be everyone's responsibility, of course, but I think we need to have a person, a dedicated resource. [...] Otherwise, we're not going to manage this policy. Someone needs to own it.” This is further supported by interviewee 1 who states that everyone should be responsible for reporting their efforts to some sort of sustainability manager, but still emphasize the need for “a lot of buy in from the team members and their managers” and by interviewee 19 who states the need to “have the leader, some form of responsible person with a good communication plan.” Interviewee 1 built on this, stating that “the company or the group needs to have a response person for sustainability to bring, implement all this in a good way in the group, to really see that it's a part of every process, it's a part of every person's know-how, and daily work as well” The interviewee uses examples from other parts of the organization where processes have been set up, and states that the same can be done in terms of sustainability, but there is a need for a “process owner for each process. That process owner must be trained and made sure of that, he or she is the responsible person for the process and for everyone following the process, and if the process is not followed, we need more training and we might need a change in the process for it to be more correlating to the daily work we do. We also need to accept internal deviations, where we say: I was expecting this from you, but it seems like your process is not covering that so please add this to the process” A sustainability manager or at least a person responsible for the sustainability process will ensure consistency and a drive which the process would otherwise lack, as stated by interviewee 8. The same interviewee exemplifies this with an initiative that the company made where employees could participate in a run where profits would go to cancer research as a nice initiative, but states that it “was like one day opportunity and then after that we haven't really heard anything about it, and no one is continuing that work” and states that there is a risk that the same will happen to the sustainability work were it will “disappear” since it is not “someone who is not driving it, because they have other more important things to do”. Interviewee 3 also believed that it is essential to have a assigned manager that “could be responsible for that, to assist or all other managers or responsible persons to do this. I think it will be hard otherwise actually, for someone to take on that assignment as well, or the work”. Having a dedicated resource for the sustainability work would also take care of the “biggest hurdle” which is expressed by interviewee 15 as “having time for it”. Interviewee 9 supports this by stating “I think the skills to do our daily work are all in place, the only thing to... that would be missing, that is directly linked to the sustainability goal is really having someone who's assigned and has the time to create the processes and implement it”

Interviewee 9 further emphasize that the sustainability manager should not be “actively doing the work but aligning it and coordinating it” and rather “look at their processes and ongoing workflows and suggest

improvements and create milestones that are aligned with the bigger picture". The interviewee also expresses that "it's difficult to really go into detail, in how sustainability is implemented in every department, every team, unless you have maybe someone who's working with the teams". Interviewee 10 believes that the sustainability manager should be a person "who love structure", not in a way that you must have structure, but rather that "you are able to create structure and love having things in kind of... a little bit of a mess and making something great out of it". This sustainability manager also needs to be "very transparent and also highlighting what's already happening, highlighting what we already doing" as stated by interviewee 19. The interviewee also stresses the importance of not getting stuck in detail and working as an ambassador for the company. Interviewee 11 further believes that it is important that this sustainability manager has "the overall perspective" and is able to connect the "different pieces" that are available within the company. Attributes that are mentioned as important by interviewee 13, in this work, is both being knowledgeable in how different aspects of sustainability is interconnected as well as being able to provide a more holistic view and "see how working with, for example, quality can benefit sustainability, or working with product launches [can benefit] by building in a sustainability perspective." Interviewee 5 state that the sustainability manager can "hold everything in one place" since the interviewee would not contact other departments to "ask them how they work with sustainability just because [he is] curious" nor thinks that others will. Both interviewee 8 and 14 stated that "it's a full-time job" and 14 stated that "there needs to be a single person, at least a single person, responsible for it". This person should be responsible for keeping "an eye out for changes in manufacturing", to "look at what's happening with the company" and "what's happening with the industry, and so on" as well as planning new initiatives. Interviewee 15 believes that a challenge could be "general knowledge on how to do certain things like that" which is supported by interviewee 4 who states that "there is a big hope, that if there would be some good ideas, we would go this way, but I think that the brilliant ideas [in terms of sustainability] we might be missing now". The interviewee, however, also states that the most important skill of the sustainability manager is "to motivate and to set the ways or clear the path" for sustainability.

#### 4.4.4. THE SUSTAINABILITY FOCUS GROUP

Interviewee 13 believes it is good to have a group which is dedicated to working with sustainability to ensure that is done on a continuous basis and with different perspectives. Or as stated by the interviewee "to have a group that is actually continuously looking at [sustainability] from different perspectives." Interviewee 4 also thinks there "should be a group [...] that work towards the goals and kind of finding the way of going more sustainable. Interviewee 5 states that it would be good to implement "a steering committee, a group" with "great people from different departments who understand how [the processes] works" for instance, the interviewee states "I don't really know how logistic works, I can't really have particularly meaningful input on that besides try to avoid small shipments, right? I'm sure they have better ideas." The interviewee further believes that the best approach is to "based on that, put together a list of things, score it on the impact versus effort and take it from the top". Interviewee 8 think the group needs to consist of "some

drivers” and “maybe one driver from each kind of department”, this is supported by interviewee 16 who states that “ideally every department should have representation”. The group should work together “towards whatever our sustainability agenda is”. Interviewee 9 also states that the company have “a few team members who are very, very interested in sustainability on a personal level”. Interviewee 11 believes that the focus group should be divided based on “different focus areas” with “one designated person for each focus” to ensure that it is fulfilled. Together the responsible people for the focus areas would form a “sustainability board” where “the ones being responsible for each focus area will meet and greet”-

#### **4.4.4.1. Green Initiative**

A good start to the focus group is the green initiative which is “a group of people, that has started to set up some initiatives” that are associated with making the products of the company more sustainable, as mentioned by interviewee 18. Interviewee 4 state that company are trying to “have some kind of initiative in the company to create a group of people who will be green team or something that could work towards finding some solutions that would be environmental friendly” but the interviewee is unaware that the initiative has started and is “just waiting for it to be created, because there were some people that were interested they wanted to be involved but I didn't see them yet coming out with some actual things to do”. Interviewee 13 describes the initiative as “a statement from the company side that we think this is important” and the interviewee further stated that “it has also had a good response from the marketplace”. However, the project has only recently been initiated and not launched yet. As emphasized by interviewee 11, “the excel sheet that you supported me with, that we collected from our friends in the green initiatives [we] will make this foundation for our sustainability agenda, and we need to set targets”. The interviewee also clarifies that the initiative is “more like a product initiative” which is good since it raises “awareness within the organization”. Interviewee 2 believe it is important that the initiative follows the industry standard and the industry “measurable characteristics or measurement”. Interviewee 8 believes the initiative to be “kind of a greenwashing” since it is only reviewing products from one perspective, stating for instance “this one is kind of green because it has no consumables” and even though it solves only one thing. The interviewee therefore believes is important to clarify why and how it is more sustainable.

### **4.5. VALUE CHAIN ACTIVITIES**

As interviewee 13 has stated, it is important to have different focus areas depending on what department or what part of the value chain you are working within. Since if the goals are too far from what the employees are working with, it would be harder to understand the connection to why it is important.

#### **4.5.1. FIRM INFRASTRUCTURE**

Areas that should be placed focus on from a firm infrastructure perspective has been defined by the interviewees as processes and policies, legal compliance, governance structure and travels.



#### **4.5.1.1. Processes and Policies**

Interviewee 18 further states that one of the main challenges as a start-up or growing company is regarding policies and processes. The interviewee further states that it “it’s very key and we’re working quite a lot with that” but that there are “some issues that we maybe haven’t looked at in a proper way.” Interviewee 13 thinks that processes are in place in some parts of the organization but could be improved in others. Interviewee 13, says that in addition to everyone, or all sides, working on this, the company also “have to have processes” and that the top-level goals set by top management later “filters down into concrete goals for the [different] parts of the organization.” These goals can be easier to set for some departments than others. In addition to setting individual goals and to creating engagement on all levels of the company, interviewee 18 emphasize then need to constantly lift the issue of sustainability by stating the need to “discuss [sustainability] every time we’re meeting.” Interviewee 1 believes that additional processes must be set up. The interviewee says, “it’s important that we have the right kind of policies and that we also deploy and implement the policy, so they are understood by each team member.” Even though there is a need for further policies and processes, interviewee 1 also states that the company “have a general policy, where a lot it is actually sustainability. It is about diversity; it is about gender equality; it is about fair salary. To everyone having the same possibility to development, individual development, and promotions, [...] a whistleblower functionality, anti-harassment. I think it’s very well connected to a sustainable workplace” The need for processes is broken down by interviewee 9 who says that the first step is to assign someone to “to create the processes” while emphasizing the need for “detailed processes” which is “linked to certain actions that every department has to take”. The interviewee further states that the processes should originate from “bigger policy that is then broken down to separate processes” since the processes will probably look “different but with the same end goal” since the interviewee states that the company cannot have “one general process and say this is the way everyone should work because” since the work “is different in the different teams”. Interviewee 5 think they have good processes in place, but that there is a lack of general policies. This is supported by interviewee 4 who states that “all of the processes could be improved” since the company does not “really have a chosen path of doing things”. The interviewee further describes the current process as trying different approaches and “hoping to find the best solution”. Interviewee 7 also emphasize that if it is not necessary to consider sustainability parameters in the development process, as a requirement, they will not consider it by stating “there is so many things to do, so if there is not a defined need for it, we won’t spend time with it”.

#### **4.5.1.2. Legal Compliance**

Interviewee 5 lifts the issue of government requirement as a base level and believe that the company should review how it complies to the minimum as set up by these laws. Specifically, this responsibility “is for the board and for the management team to set up – this guide”. In terms of legal policies, interviewee 3 have set goals to “develop some policies” and “for the legal department to have a full picture of all policies” that the company have. The representative from the financial department also witness that “new standards and

regulations” is an essential part in that area with “a lot of standards and regulations to fulfill”. For instance, “sustainability standards”, “the tax regulations”, “accounting standards”, or “the stock markets regulations”. The interviewee further states “the sustainability report that is now a requirement” as a part of the “big companies’ annual report and yearly reporting to the authorities”. Which is expressed as a major thing, and “seeing how that work and the [content] of those sustainability reports has developed over a few years” The respondent think that sustainability is becoming an increasingly important aspect and that authorities nowadays “include sustainability in the regulations that are up there, especially on EU level.”

#### **4.5.1.3. Governance Structure**

Interviewee 16 believes that it is important to have communication “top-down: the leadership has to agree on what sustainability is” before it is handed over to “an individual person who is driving the initiative, or an individual department which clearly has authority over the overall process”. Interviewee 11 also thinks that for some initiatives it is sufficient to “involve the executive management team, from a group level” while some tasks must “be approved by the board of directors” but it is important to set up proper “policies and governing structure” for this.

#### **4.5.1.4. Travels**

Interviewee 14 believes that the main environmental impact can be made by reducing travels. Particularly, having to fly out staff for maintenance as an example. Where for instance, a technician located on the West Coast in the U.S. must fly to the East Coast for a maintenance job, would result in high environmental impact and thus, it might be better to hire an additional service technician for instance. However, the interviewee also believe that the same concept could be applied to the remainder of the organization and particularly focus on “clever planning and avoidance of last-minute bookings is something that definitely needs to be a part of it” and for instance, “being able to look at several people in different locations and say well it would make more sense for you to go, because you're closer” as an example. The travel policy could also be extended to “include that the car needs to have a minimal miles per gallon (MPG)” and the interviewee also think that it “doesn't matter if the dealership is going to give you a Hummer for free, don't take it”. When is expressed by interviewees as positive in terms of the environmental impact of traveling is the central locations of the company, at least in Sweden, where it is possible for many to “travel with the public transport or with bicycles to work”, as exemplified by interviewee 7.

### **4.5.2. HUMAN RESOURCE MANAGEMENT**

While the primary functions, such a production “are involved all the time, there's a lot of more touch points” the supporting function” are sort of involved when the support is needed”, as interviewee 13 chose to express it. The interviewee built on this by stating that they “might go a year without having a need for any type of recruitment, but suddenly I do and then [the sustainability mindset] needs to be there”. The

same interviewee states that requirements for diversity needs to be placed by the HR department, for them to make sure that the ones responsible for new requirements “have a plan around on diversity, if we talk about HR and sustainability”

#### **4.5.2.1. On-boarding**

One example of an issue could be as mentioned by interviewee 18 is the “recruitment process, the way we're doing things and organizing and putting structure in place.” The interviewee states that these processes take place. This view is supported by interviewee 13, who states that “before when [the company] was smaller, it was very familiar company where everybody knew everybody and we took care of each other on a more personal level, but now we're so big so we can't take care of all of us by just having this personal connection So, we need some support also.” The interviewee also states that “we haven't had very structured processes or strategies around this before” and that now “there's a lot more structure and [...] there are also a lot more forums” The interviewee further believes that the focus should be on ensuring that collaboration is working properly as well as making sure that new employees are onboarded in a good manner “to teach them how everything works and to bring in you know the right managers in the right positions.” Interviewee 9 say that these processes are already in place by stating that the company “definitely have lifecycle policies for every employee” which include “detailed processes of how to perform everything” starting from “the day you think about employing a resource until the final day when you onboard an employee”. The interviewee also states that in the role as a manager, one does not “feel confused of how to do what, with anything that has to do with my employee lifecycle” which is described as “a huge step”, “a major improvement” and a “contribution in the right direction” since those processes where not in place “one and a half, two, years ago”. Interviewee 10 state that this is something that has been implemented “during 2020” and that, in addition to onboarding processes, it also includes how to work with “development, improvements or growing, taking next steps or off-boarding” and “everything should be sustainable”. Interviewee 6 believes that the onboarding process could be extended to include more parameters of sustainability and that a sustainability could be “one of the programs that you need to do before you begin”.

#### **4.5.2.2. Movement of Employees**

One social parameter which has been raised by interviewee 13, among others, as a success factor for the company, is the ability to move between departments and even countries. Or as the interviewee chooses to express it: “I think [company name] is a very generous employer in terms of flexibility, [...] and allowing people to pursue their goals.” In particular, the interviewee praises the company for “having a lot of tools in place for personal development” and enabling “promotions which are not always connected to where the core competence of the person is.” Interviewee 12 believe it is important to promote “your own employees, giving them possibility to grow within the company”. Interviewee 4 exemplifies this by referring to themselves, “I think I'm a good example because I just started, I'm new, and I already changed my

position”. The interviewee extends it to other people as well by stating that “other people” move “a bit upper, in this kind of chain” and that “everyone has equal chance”, even though the concern regarding gender equality in higher positions is being lifted as the company having “more men in the higher positions” where the interviewee is the only woman in a management team of seven members. However, the interviewee does not believe the reason for this to be that others have not had the opportunity, it is rather a question of “chance”.

#### **4.5.2.3. Internal Good Health and Well-Being**

Many of the employees initially connected “Goal 3 – Good Health and Well-Being for All” to the internal perspective of having a good health plan or well-being at the workplace for instance. Were some concerns were lifted, which the interviewees believed that the company could improve. It was, expressed by several, that this was something which as improving within the company and a lot of focus had been placed on. Interviewee 8 believes that the company could improve on a HR level, “to see people” which is specified has for department to assist the company to “develop people and making everyone feel equal and a part of our company. Everyone is appreciated, and everyone have this shared the same chance to improve within the company” and that “everyone is treated equal” since it will result in increased performance. The interviewee also states that the company is “are trying as good as we can within our different areas” and that efforts are being put into “listening to our employees that they want healthcare benefits”, for example. The interviewee believes that Goal 3, good health, and well-being, is well incorporated from the internal perspective due to everyone having “the possibility to sign insurance or healthcare” and that good health within the organization “is something that we that we take seriously here as well.” This view is supported by interviewee 9 who is “getting inspiration from a HR” and is encouraging the team to “take vacation, use their vacation days, work healthy, stay healthy, be happy at work”. Interviewee 5 also think it is important to emphasize that “the company can’t do everything for you” and that “you need to take care of yourself, you need to work out, you need to eat pretty healthy, you need maybe stop drink” and that is it “also the mindset for the person”. To encourage internal well-being, interviewee 8 states the importance of having “a lot of activities to come together” and due to most people working from home and further states that “maybe now it's more even more important than ever, making people come together.” The HR department have a whistleblower policy where employees can submit “information about conflicts or situations”. Interviewee 10 believes that the whistleblower policy is helping to make sure that the employees have somewhere to turn since they can “contact HR anonymously”. However, interviewee 11 think that it is an issue that this is handled internally and should be outsourced to make sure that the company is not “overlooking” the issues.

#### *Safety*

To ensure safety in production, the company is working with a standard for “systematic work environment management” as per issued by the Swedish Work Environment Authority. Where parameters include to

ensure that tasks are allocated in a manner that prevent risk at work to the highest possible extent. Other safety aspects include having enough employees as well as for the employees to have sufficient knowledge to finish the task (The Swedish Work Environment Authority, 2001). Interviewee 6 also states that the company is trying to “have a safe environment as much as possible, through these instructions and templates” and they are “trying to do safety rounds every week, trying to make things as safe as possible”, both in production and in the offices. This is also stated in the standard, saying that the employer regularly should review and assess the risks of the working conditions (The Swedish Work Environment Authority, 2001).

#### **4.5.2.4. Diversity**

Interviewee 13 stated that one of the areas in which HR holds the main responsibility is when it comes to “hiring diversity and bringing in people from different aspects.” Interviewee 13 thinks that the company is already strong in some areas for instance, “in terms of being a global company with a workforce from many cultures” and having “a lot of diversity from the start at [the company]”. However, the interviewee also mentions this to be a challenge since it is a “merging of cultures, [...] many nationalities and cultural backgrounds in the company” and that working for the company requires the “need to be able to work with these differences also to extract all the positive that that brings with it.” Interviewee 1 clearly said “we have our global policy, diversity and equality” as success parameters within the company in terms of sustainability. Interviewee 5 emphasis the diversity by stating, ““We don't just accept difference, we celebrate it, we support it and we strive for a benefit of our employees” and the same goes for interviewee 10 who states that the company have “very, very strong diversity” and that it doesn’t “matter if you're cleaning the floors or if you are professor giving education to our customers, or if you have 35 years of leadership experience, or if you're newly graduated, if you're black, if you're a woman, if you are homosexual, if you are Hindu, Muslim, or Christian.” As interviewee 3 recently joined the company, the interviewee was impressed by the diversity when joining because “it is so diverse”, “both from a cultural to gender diversity”. Interviewee 6 also emphasize diversity in terms of personalities and opinions by stating “I love different opinions and personalities, mainly I feel like this is something that really gets us going as a company: the difference of opinions.” Interviewee 4 states that the company is successful in encouraging diversity since the company language is English rather than the local languages of the different offices and further saying that it is “quite advanced”. Interviewee 13 believes that it is also necessary to gain “support from HR in terms of allowing me to recruit people and steering those decisions” to ensure that the social parameters of sustainability are maintained. Further, the interviewee stresses the importance to maintain diversity “none of this can be achieved without sustainable workforce where you have things like diverse teams with different backgrounds and a culture that allows us to keep growing.” One way to ensure diversity and equality is the “nondiscrimination policies” which is exemplified by interviewee 6. Another risk, which is mentioned by interviewee 13, is that it might be easy to take the aspect of diversity into perspective when hiring since there is a risk to “go on running on the side and we'll just forget about this because it's just too

tough to recruit somebody from China instead of taking somebody from Gothenburg.” This, however, is also stated by the interviewee, as something that would harm the company in the long run.

#### 4.5.3. SALES

As expressed by the interviewee 13, for the people in “sales it's more connected to: what's the [company name] point and how do I sell this product based on the sustainability aspect.” It is also essential, says the interviewee, to focus on how the “[sustainability] customer requirements difference from our other customers, and sort of make that concrete.” As the interviewee 13 is also operating in the sales area and believes it to be the interviewee’s individual responsibility, together with the colleagues in that team, “in terms of sustainability initiatives, to secure that our offer is attractive in that area”. Interviewee 1 also believes that it is important to have “product management and business development team looking into new opportunities and new markets” and to have “have key account managers that really understand the value of sustainable solutions towards our big accounts”, especially in terms of the SDG 3.

##### **4.5.3.1. Service Agreements**

A new introduction within the company is that of a service agreement, where the company “sell an instrument to a customer with probably also subscription of consumables and service contract for you know one year or several years, so that we actually have some safety also in the business model” which according to interviewee 13 is motivated by “our shift from being very, very instrument focused to be more instrument, consumables and service focused.” The interviewees further believe that “if we get this pie chart right, with a third in each area, I think we can build a much more sustainable business model.” In addition to the previous mention aspect of increased incentives to improve quality due to this, the interviewee it a possibility for financial benefits since the company will “get the customer to pay for the service agreement, it will make the whole chain flow in a better way.” More in detail the service agreements are designed to “have some different levels. The idea for the top level is that we do take care of everything, including something that my new instrument in case something happens to their [product].” Some details of the service agreement are still being figured out, for instance, “the length of time” since “it depends on a little bit how the customer wants to purchase our products.” For now, they “still have a lot of flexibility and we look at it either on a one year by year basis and then we just prolong it if nothing happens, or in some cases we have customers who want to have a three-year service already included at the time of purchase. So, I think we allow ourselves some flexibility in that aspect, in the time aspect.” Now, the company are working with one-year warranty, in addition to the service agreements. The warranty and support can be extended on the customer’s request. Interviewee 19 says “it's something that they have a choice, for how long do they want to have the warranty.”

### **4.5.3.2. Pricing**

According to the interviewee 18 “the price [of the product] is based on the on the added value that we're bringing to the customers. We never look too a cost-based strategy, it's more what the value proposition is going to be and based on the needs of the of the customers, and to be able to calculate also how much is that worth in terms of added value”, making it possible to collaborate with wider range of customers. Interviewee 11 believes that it might be possible to raise the price level “if you're perceived as a sustainable company”. Raising prices is, however, expressed as tough or unlikely, by other interviewees, and implementing sustainability should rather be a strategy to increase sales and expand the customer base. Interviewee 1 doesn't think that the company can put “an extra price tag on the product that just because it's green” but rather that the company can grow in terms of revenue by expanding the market. Interviewee 14 supports this by stating that most companies and customers care about their “cost” and if the company were to be “priced higher than the equivalent, will not be well received at all” independently if they are working sustainably or not. In addition, the interviewee states that the “personal view is: I think it's hard to increase price. New market segments; yes, a bigger market share; yes, higher prices; doubt that”.

### **4.5.4. LOGISTICS**

The logistics processes, as it is today, does not include any sustainability or environmental parameters into consideration per definition. Interviewee 1 states that the logistics process should be reviewed and when “looking at the value chain, logistics to customers, to have that in in a very sustainable and green way”. Suggestions to improve this, include to place demands on freight forwarders, utilize packaging and co-shipping as well as to review the means of transportation.

#### **4.5.4.1. Place Demands on Freight Forwarders**

Today, no demands, in terms of sustainability is being placed on the freight forwarders. For instance, interviewee 15 was asked if sustainability was an aspect taken into consideration when starting to work with a new freight forwarder, or if the interviewee had any insight into how the sustainability work was done in the current partners currently, and the response to both questions was no. interviewee 4 also emphasize this by stating that the company is not reviewing “how sustainable people work” if they are using “electric cars instead of diesel trucks”, for instance. The only parameters that were emphasizes by interviewee 15, as well as being viewed as the most important by interviewee 4, when screening new logistics partners was “cost” and “time”. Interviewee 4 believes this to be an issue, since it is not a “very sustainable way” and the interviewee thinks that the company “should look a little bit closer into what we're spending money on, to kind of be able to support other processes like sustainable projects or something in the future”. Interviewee 4 further stated that the company is using “4-5” different freight forwarders and but that it is easy to shift between forwarders since the company does not operate under any strict regulations and does not need to ensure the transports since they have a separate insurance company. Interviewee 18 believes it to be easy

to get the information on CO2 emissions from logistics companies but that it “needs to be a process for how we measure the carbon dioxide” and that the company needs to make sure that for instance “the big shipments to the other part of the ocean, to US or to Asia”, are done in a more sustainable manner. interviewee 4 believes that the company could investigate what the forwarders are using and review how “sustainable they are” and if they're “caring about the environment”.

#### **4.5.4.2. Packaging**

Another factor to review is the way “of packaging the products” and the “consumables that they are using” - the logistics department need “to look over what we are using and how do we recycle certain products”, as stated by interviewee 18. However, when interviewing respondent 4 as well as 15, it was brought to attention that to some extent packaging is being re-use, for instance when a material arrived in a packaging from a supplier, and that packaging can be re-used to pack a component for an outbound shipment, it is being reused. As described by interviewee 15 as “a good way” that the department is working to reduce, and reuse is that they “don't purchase a lot of packing material. Simply because we order a lot of things and they come with a lot of packing material” and that they “utilize it for customers’ orders”. An issue that was raised in terms for packing was that of “sending empty boxes” since it is packed using a “frame foam”, which was expressed by interviewee 14. Meaning that when a customer needs to return a product for maintenance, the company must ship an empty box without any product for the customer to use for shipping back the product. A suggested improvement would be to use “flat packed makeshift packaging for this purpose” and emphasis was also placed on it to be recyclable.

#### **4.5.4.3. Co-shipping**

Due to the high pace of the company, shipments leave as soon as they are ready, which leave little room for bundle shipments which could save both costs and environment. Which interviewee 1 supports by stating that since they are “growing, [they] usually have single shipments to single customers” but they are still “trying to co-ship parts units if it's possible to reduce the cost and the effect on the climate.” One suggestion to do improve the sustainability of the logistics chain, is made by interviewee 1 and that is to focus on co-shipments by collecting “everything to one shipment for instance and maybe have a sustainability transport solution to our customers or to a warehouse” Even if interviewee 15 states that some co-shipping is being done, at least between the different company locations, interviewee 14 states that “for fact service parts go back and forth in small batches when they're needed, because that's the nature of service”. Interviewee 14 thinks that the company needs to focus “planning better” and “shipping parts in one big box once a month, for example” instead of “shipping 20 different little boxes” and as a result there would not only be environmental benefits but “cost savings” since “shipping large volume stuff is always cheaper”. This aspect is further emphasized by interviewee 4 who stated, “it's not only additional cost but for environment is it's not so very good, if we have like triple shipments instead of just one time.”



#### 4.5.4.4. Means of Transportation

The main decider for the means of transport is the cost and transit times. Currently air shipments are being used to a high extent since most products are shipped as soon as they are finalized rather than as a planned bundle shipment. Interviewee 4 states that the urgency of the customer demand is making it harder to compromise on the delivery time and as a result, the option of adding “additional 4 weeks of transport [...] cannot work”. However, interviewee 4 also state that to some extent “we're keeping the storage for our clients” where they have “machines that were sold, but we didn't ship them yet because clients aren't ready”. Another issue stated by the interviewee is that “freight by sea costs more than shipping by air.” One suggestion to reduce environmental impact is to use more LCL shipments for Cross-Atlantic shipments rather than FCL and to utilize better planning. The improved planning would, according to interviewee 4 lead to minimized number of “air transports” and “not use express deliveries”. This is further supported by interviewee 14 who states that they try to “avoid the situations where we need to express ship anything or anybody for that matter, I think that's probably as much as I can do, given my responsibilities”. An issue that is lifted by interviewee 4 is that it the mean of transportation is “decided by the forwarders that we use” and that if the company for instance, “are shipping something to France” the interviewees “don't really know” weather the transport “goes with the car or if it goes with the flight” and the interviewees also stated that they “never thought about it to be honest”. However, the interviewee also stated that when “we can, we are trying to ship with trucks” instead of air for instance and that for some company sites, they are work with “local transport companies”. For some sites, that are close in geographical distance, the company sometimes pick up material themselves instead of using a transportation provider. For this, the company have now “standardized [their] routines, where everybody needs to place an order even internally to get something. So, even if they need something they place an order, but they come pick it up” as stated by interviewee 15.

#### 4.5.5. PURCHASING

From the perspective of the strategic department, more emphasis must be placed on sustainability parameters. For instance, interviewee 19 expresses it as important to work “with the right suppliers [...], they can be quite wasteful sometimes” and interviewee 18 stressed the importance for processes to make sure that suppliers “complies with sustainability” as well as a process on the company end, for reviewing new suppliers so that “we make sure to qualify in terms of sustainability.” Interviewee 19 further stresses that the company needs to work “closely with suppliers to understand the waste [...] and improving the quality constantly, so that we don't have this massive waste at the end.”

#### 4.5.5.1. Plan Purchases

As emphasized by the interviewees and as stated in 4.3. there is an increased need for internal communication and collaboration, what is further emphasized is, for that connection to start in purchasing. Interviewee 5, who is working in the purchasing department states that they are not talking “to the R&D for something that it not related to a project” and instead of being a part of the planning beforehand “purchasing, will get involved with the projects because they need us to buy things for them” and that the process now is that “the R&D team do the specifications” and set “their requirements”. The interviewee believes that “in the long run [they] need to have [sustainability] implemented from start in the R&D and then the whole chain needs to follow it”. The interviewee further emphasizes the need for planning by stating that as the company “certificate every product”, for instance UL (Underwriters Laboratories), EMC (Electromagnetic Compatibility) or ROHS (Restriction of Certain Hazardous Substances) for “electrical components”, they “cannot change the components” to “a better one”. Thus, as the improvement processes is hindered by these certificates, it is essential for purchasing to be a part of the decision making, already in the product development phase. One way for purchasing to plan better together with product development would be to work with standardization, as suggested by interviewee 14, if “purchasing tries to make a list of standard parts that would go into the instruments rather than people reinventing the wheel every time”. Interviewee 5 also think that this could be improved within the company and state that they want to find “some kind of synergies in products” both between company product in Sweden, as well as with the global operations. The interviewee also emphasizes the need for planning by stating that for introducing new products, there is a Bill of Material (BOM) processes set up and “90% of the BOM is customized” meaning that it is “special made for the product” and due to this, there is a “need to plan”, a “need to have a good forecast”, and a “need to always follow up with the vendors”.

Interviewee 4 is witnessing an issue of the current lack of planning: the company having ordered a part that “couldn't fit” with the remainder of the machine, which resulted in both customer complaints and excess stock, which currently is just sitting and will most likely end up being wasted. Working more actively with planning together with increased communication and collaboration would help to reduce “mistakes or changes from the supplier”. The interviewee also emphasizes the importance to “get the first time right” in order to not have send items “back and forth” as important aspect in terms of environmental impact. Interviewee 2 further believes timing, and specifically having a “continuous supply”, to be an important factor to consider in terms of purchasing since “our material flow is not very on time, which creates a lot of fluctuations in production” and this also result in a lot of “waste in the value chain at this point of time”. This waste mostly comes from the need to “push for more resources when material becomes available” which could result in excess stock or production being more prone to “make mistakes” since they might be in a rush due to late supply of material and a set ready date which would result in “more scrap” and “more express deliveries, which creates more costs and might not be so environmentally friendly”. Interviewee 14 believes it to be important to “not purchasing anything we don't need” since it results in

“saving on costs” while interviewee 1 states that if the company is to “batch orders things [they could] have less transport from the suppliers. This, is however, something that the company is trying to do to some extent, according to interviewee 1 at least for “shelf products with longer lead times.” Interviewee 5 also states that the company now have “secured one year ahead” in terms of necessary components which makes them “safe” against market fluctuations in terms of availability. What could be an issue with doing so is as stated by interviewee 7 that the “technology is outdated before the product is worn out, because the research is so fast” which could cause excess stock of components that are not being utilized.

#### **4.5.5.2. Local Suppliers**

Efforts done so far, that can be considered sustainable, according to the interviewees, is the fact that the company has been working with “local suppliers, that means that the transportation distance for shipping is very short with most of [the] critical suppliers [being] within 2 hours’ drive from [the] production”, as stated by interviewee 1. This is further expressed by interviewee 5, who is stating that the company is working to a high extent with local supply, with “90% local vendors and suppliers” and therefore are reducing the impact on the environment at least in their inbound shipments. Another reason for using local supply, is the laws that the suppliers obey to due to their country of operations since these laws put limitations on exploiting human rights and so forth. The interviewee also states that since “the whole chain is hard to track” they took a “decision strategically to go with local suppliers as long as [they] can”. In Sweden, the company is also “requiring [suppliers] to have ISO14000”. Further, interviewee 5 believes that local supply is beneficial since it is sustainable in terms of “going there and say hey” and “to work things out fast”. Also stating that it is “transport friendly” since “they come here in one hour or so with the products, instead of driving them or flying there from China”, for instance. To ensure that the suppliers have additional incentives to ensure sustainable transportation, the company is operating with free shipping contracts with most suppliers, since this result in the supplies wanting “to get this much as possible into that shipment” instead of just driving “it out today” if it is just “one small metal part” for instance. However, both interviewees 1 and 5 think this local supply will be hard to maintain as the company increases in size. Interviewee 5 stated that, they “will have local connection as long as [they] can”, while also stating that another benefit which might way higher is if the supplier is able to “deliver to all our companies” since then, the company would purchase more and could place higher demands on the suppliers since “today all [their] other companies are pretty small” and as a result they “don't get any leverage”. These demands could be both financial and non-financial as stated by the interviewee.

#### **4.5.5.3. Global Suppliers**

When operating globally, there are multiple risks to take into consideration. Interviewee 18 mentions one of these risks to be when sourcing for instance from Asia, that that there might be a higher risk of the use of child labor, which is not compliant with the company policy. To the highest possible extent, the company

is using local suppliers, but interviewee 5 states that “some of the product is impossible to do in get in Sweden or in Europe” and the company need to source from Asia.

#### **4.5.5.5. Place Higher Demands on Suppliers**

Interviewee 9 state that sustainability is part of the review process in terms of new suppliers and conclude that it is their “daily work to look over suppliers”. While interviewee 4 instead states that “the purchasing department” must work to ensure that the suppliers are “sustainable and provide better products, like with long life kind of product”. Interviewee 8 supports this by stating that the company need to “start cleaning in our own closet” and if the company starts to work more consciously with sustainability, they will most likely “find better suppliers”. Interviewee 5 also states that “as a purchaser” the interviewee can “pick eco-friendly products or vendors”, ask the suppliers “to ship by sea instead of flying” or that they “put up much higher requirements than just checking for ISO and those code conducts”. The interviewee also states that if the company is to set up “a good way of working” internally, it is easy “to put it over to the vendor and requiring these kinds of fulfillments for them”. The interviewee also states that the company needs to ensure that their demands are met to a higher extent, since even though the supplier might not oblige to the demands, for instance that of ISO, the company still can purchase from them. Interviewee 2 believes that a parameter that could be improved, in terms of sustainability is in “how our suppliers deliver items” and that there could be “a lot of improvement in the packaging and how much waste we create with that”. The waste mostly comes from the fact that most parts “come in plastic packaging”. The interviewee further states that even though it can be hard to “put the requirements on your suppliers” “it's possible to some extent, because most of the custom mechanical parts come wrapped in paper”. That, however, also generate a lot of paper waste, thus, the interviewee believes that it would “be better to invest in re-usable packaging” to avoid having to “ship back and forth between suppliers” and since they are working mostly with custom made part and are aware of the “sizes and the geometrical limitations” of the products it would be feasible. Interviewee 21 states however, that the packing from the local suppliers is being re-used to some extent, but for the long-distance ones, it doesn't make sense.

#### **4.5.5.6. Supplier Agreements<sup>1</sup>**

When entering a collaboration with the company, there are numerous agreements which the suppliers must oblige to, listed below.

##### *Code of conduct*

Interviewee 5 states that the code of conduct is “just a checklist” that the suppliers must have and commit to. Topics of the code of conduct include “trust and credibility”, “respect for the individual”, “open an

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<sup>1</sup> Based on company issued documents

honest communication”, “upholding the law”, “avoid conflicts of interest” and “accurate reporting of results and metrics” to mention some.

### *Child Labor Policy*

The company states in their child labor policy that they “acknowledges the fact that child labor occurs in many countries” but that they “do not accept child labor and works actively against it”. The company further state that they “respects different cultures and values in countries” where they operate but does “not compromise on the basic requirements regarding the Rights of the Child”. The policy is established to make the company’s “position clear to suppliers and their co-workers, as well as any other parties” and “the requirements in this code of conduct are mandatory to all suppliers and their sub-contractors”.

### *Environmental Policy*

In the environmental policy, the company state that they are “committed to leading the industry in minimizing the impact of its activities on the environment”. Where key point in the strategy towards this include to:

- “Minimize waste by evaluating operations and ensuring they are as efficient as possible.
- Minimize toxic emissions through the selection and use of its fleet and the source of its power requirement.
- Actively promote recycling both internally and amongst its customers and suppliers.
- Source and promote a product range to minimize the environmental impact of both production and distribution.
- Meet or exceed all the environmental legislation that relates to the Company.”

### *New Vendor General Policy*

The new vendor general policy is aimed at ensuring that the suppliers provide the “right products and services; with the right quality, the right price, minimum environmental impact and in the right form that meets the legal safety requirements” and to ensure “that outsourced processes, are controlled and monitored (for quality) and controlled for impact (environment)”. The policy further states that approved suppliers should be evaluated through a survey on yearly basis. The responsible person for the interaction with the suppliers is according, the “employees of the company who have the most interaction with the supplier”.

Table for internal assessment of suppliers, follows the following steps:

1. Supplier
2. Quality product or service

3. Delivery precision and date
4. Service level
5. Finance
6. PLC (product life cycle) management
7. Special notes
8. Needs action
9. Date and approval

The supplier is judged in these nine steps and “an appraisal is then done for all the criteria” and “if the status of the law is low” the supplier is contacted “to find out the conditions for future cooperation” and if the supplier is no longer accepted “this vendor is blocked”.

#### *New Vendor Questionnaire*

As a review of new vendors, they are asked if they are working with both ISO9001 and ISO14001 certificates, if they have any procedures to ensure quality, if the vendors place demands on their suppliers to implement a life cycle analysis of their products and to what extent they are working to ensure safe procedures. All new vendors must fill this out. Interviewee 17 thinks it is important to ask supplier for a “life cycle analysis of a material” since “you can evaluate” the product on “certain levels of sustainability” and “set demands”.

#### **4.5.5.7. Review and Audit Suppliers**

An improvement factor, as mentioned interviewee 1, is to have “a closer cooperation with our strategic suppliers” which would result in the supplier “promoting our sustainability initiatives” and being able to “work together with strategic supplier in our product development and get their input about a better sustainable solution for the product.” The company has “a strategy” that tells them to focus on sustainability and will as a result “have it as a discussion point every time [they] meet [their] suppliers” to “push the objectives towards the suppliers and [make sure that] they are sustainable” and that they involved “early in the product development stage.” When asked how this collaboration was working currently, the interviewee stated that they “might not have the best collaboration, long term collaboration, but it's more depending on us because we have a lack of resources and we have been growing so fast. I think now we are boosting up our purchasing team, which means that we will have time to work with these improvements’ actions, so it's mainly on us. I can’t say that we can blame the suppliers.” Interviewee 9 believes that there should be more due diligence made on suppliers and that it is important to have “a more intelligent selection of suppliers and not always trying to go with the first best, but actually looking for the one with the most sustainable solution”. Interviewee 1 states that the company have had issues conducting “any audits at the suppliers” due to Covid-19, since there have been restrictions on “travelling and we have not done any digital ones either”. However, the interviewee also states that they have “visited some Swedish suppliers”.

Interviewee 3 also think it is important to review that the suppliers uphold what has been agreed upon, “for example, if what agreed on no child labor and would visit manufacturing site for example and see that they use that. That would be a termination reason”.

#### 4.5.6. PRODUCTION AND PRODUCT DEVELOPMENT

It is emphasized by interviewee 13 that production is the primary activity mostly connected with sustainability improvements. Interviewee 13 believes it is the responsibility of operation to “build in a clear sustainability [company name] point into our products”. The interviewee further believes that the production should be able to enforce sustainability parameters to the product development process as well, making sure that these parameters are taken into consideration at an early stage, and to be able to stop a product from being launched should the right parameters not be in place. What is essential is to make sure that there is a mandate in doing this, or as expressed by the interviewee, “if the head of operations refuses to produce something, then it's not going to come out.” As expressed by the interviewee “we need to have a very structured product development and product launch process involving operations as a representative very, very early and throughout the process of you know from the product idea.” The interviewee further stresses the importance of creating a thinking among the engineers when it comes to designing new product and making sure that they are doing “it in a way which makes them efficient to produce and energy efficient”, for instance, as well as establish an understanding among them of how the products are “going to be connected to our goal”. Interviewee 1 supports this by stating that “sustainability should be a part of the new product development process.”

##### 4.5.6.1. Design for Sustainability

Interviewee 1 states that the current focus of the product design is to build in more “renewable components” and have a “more recycling focus” and that it is important to have “sustainability already built into the design”. This is something that interviewee believes to be lacking currently “in our NPD process, new product development process, we are lacking it implemented”. For which, interviewee 1 states that it is important to “know what is out there, what kind of replacement materials are possible to use”. The best to get this knowledge, the interviewee believes is to “participate in different sustainability forums to benchmark with other designers or other companies, what kind of sustainable solutions are there in the value chain - what is the best practice”. The interviewee also believes a good start is by the new employee joining the design team as a “sustainability lead”. Interviewee 4 also emphasize that a person, or “a manufacturing engineer”, “who is intimately aware of different techniques and their drawbacks” that can “review their designs”, would be highly beneficial to become more sustainable. This said person, or sustainability lead, to be on-boarded into the company, is one of the interviewees, and this person, in turn, states that to successfully implement the SDGs into the company, “from a design perspective, we have to have to have them, to address them in our design work, to always have them with us at some point and to have them as a checklist”. Several of the interviewees believe that focus should be on the “whole product

life cycle” as exemplified by interviewee 2. The interviewee would like to “really challenge [sustainability] from a design perspective and looking into the product life cycle” since the interviewee believes that the company “could reap most benefits from there” but also expressed the need for “practical input” on how to do that. Interviewee 7 also emphasize that having a “longer outlook” in terms of what “elements of sustainability” will be important “in a couple of years, and to design the offer of our products and services to facilitate that”. Interviewee 8 think that the life cycle analysis (LCA) is an important activity in order to improve the sustainability of the product. Where aspects such as “reusing and repairing our machines”, use of “renewed products” or “recycled products, “quality” and “upgradability” are some aspects that should be taken into consideration.

#### **4.5.6.2. Design for Assembly**

Interviewee 19 states that the company is working more and more with designing for assembly. Foremost by developing manuals and maintaining an open system which the customers can easily adjust. However, the interviewee further believes that it is something “we're going to get better at” since it is something that the company started working on recently. Interviewee 1 states that a “better and more simple design” and a “design for assembly” could support the company “in having less rejects less energy consumption” or in having a more “straightforward way of assembling the product” that is “less operator dependent”, for instance. To some extent the customers can upgrade their systems by purchasing “new, add on components” which interviewee 7 “believe is kind of sustainable”. For instance, states the interviewee; maybe the customer starts with some a more basic product and later “understand that [they] need something extra, and [they] can buy another tool to for another task”. However, interviewee 5 believes that today “everything is assembled in a pretty advanced way so you cannot really re-assembly it in a good way”. One parameter which would improve the sustainability of the product would be “making our products easier to repair” as interviewee 19 motivates by stating that, as result, “they can live for long, in terms of consumption.” However, today the company is “quite open to the customer, if they want to do their repair themselves, we have been able to support them and you know help them with parts, things like that” and does not limit the warranty of the customer wish to repair the products themselves, which interviewee 19 believes to be an environmental advantage, since it limits the amount of travel having to be done by the company’s repair team. However, as stated by the same interviewee, “not everyone is open to that” but there is still an opportunity, since the interviewee believes the “as long as the customer is receptive to that, I don't see a reason why we shouldn't do more of that.” The interviewee also believe it is essential to maintain these open systems, which is making it possible for the customers to do their own adjustments. Interviewee 14 think that is also important to “design for manufacturing” and “serviceability” to make sure that the products are easy to manufacture and repair, and the interviewee expresses that the best approach for this is through standardization and enabling “subassembly” where each system or part is “easily replaceable” since then, the customers could do their own repairs and thus the company could save both



“time” and “cost”. “Generally speaking,” the focus should be on “rebuilt rather than replacements”, according to the interviewee.

#### **4.5.6.3. Quality**

Many of the interviewees stresses the importance of quality. Interviewee 19 stresses the importance of working with “high quality materials, so that we don't have to be buying or having to replace them often.” The interviewee compares it to “being a chef: if you don't have the right ingredients there's not much you can do about it, or you're going to waste a lot of food”, which is supported by interviewee 13 who states, “quality is something that will bite you afterwards if you send out things which are poor quality, it will come back.” Quality will also reduce the waste and thus interviewee 13 further believed that quality “is in our interest and we're all working with designing efficient products, both from a user perspective and from materials perspective to actually construct them in a way which is using as little material as possible, which also has an impact on our cost.” Interviewee 1 also states there is a “cost of poor quality” Interviewee 13 also believe that the process in terms of quality has improved, and that products, today are “thoroughly tested before we send them away” and that quality is sort of build into the products by considering “the longevity of the things we produce” and that if the company “construct something which has an expected lifetime of you know five years, it's a lot better than if we construct something we expect to last three years” and “if we are capable of building a printer that lasts for six years, we're not going to make one at last three years so that we can sell two”, implying that quality and sustainability work is often in synergy.

The interviewee further built on this by stating “if you build in quality to your products that contributes to sustainability in the sense that you build something which would last, instead of making something that ends up breaking which will end up costing you for service” and the stating the risk of being tempted “to build things more robust or stronger and more wasteful in one way” when you have quality challenged, but then it is important to “take a step back and look at it. I think quality does reinforce sustainability.” This is supported by interviewee 14 who states the importance of increasing “the time span of the instrument” or interviewee 1 stating the need to “push towards higher quality and not only a good-looking product”. Increased quality in synergy with increased sustainability will also have positive customer implications, for instance, if a customer is requesting “a product that makes low noise [...], that's a connection with energy consumption and quality, because the product which is low energy consumption, high-quality doesn't make noise in the same way.” Interviewee 1 expresses another synergy between quality and sustainability to be in quality reducing the “number of returns from customers” resulting in “two transports less”. In addition to the machines or main products the company produces, focus is also on the consumables, where the company is working with making sure what they “provide is of high quality and that the customers are using exactly what they need, and not more” which will result in a “a much better control and [reduced need to] throw things away unnecessarily” on the customer end, compared to “purchasing consumables from a small outfit somewhere” as stated by interviewee 13. Interviewees 2 and 9 also state the importance

of quality in the company's own purchases, where interviewee 2 emphasize the need to ensure that they "minimize this scrap" and that the "parts can survive without maintenance"

More in detail, the product improvement process, has been lacking, and some interviewees even expressed "that there is no such thing in place", while interviewee 19 believed that it had significantly improved and "today [the company] have a pretty good process of gathering data from the field, both from customers as well as from tech support." For instance, we have a "Field application specialist, [who is] doing an excellent job with funneling feedback from different stakeholders, or different parts, and bringing that back to the product development team", as expressed by the interviewee. Interviewee 1 also believes that the company have a "very good database" for mapping quality complaints where the company can pull for instance the "top five issues" and go back to see if changes are necessary for instance with "the manufacturing or production instructions and manuals", "product change requests" or "the design of components". The interviewee further states that if the company is to "get rid of the top five issues" it would "create more sustainable supply chain". However, it is also expressed as "hard to make improvements on every single thing but what's important, is to select the things that we can work on and then following up on those things" by interviewee 19. The company is also working "with production technicians and other staff within operations or production, to get feedback early on" Interviewee 2 believes that the product improvement process could be utilized to improve sustainability within the company since it connects to making more "efficient" processes and have "higher quality" since "the main aim of that team would be to improve the product". The interviewee also believes it is best to start working with sustainability in terms of new products first and then extend it to the current portfolio "if they are worth it", but in the long run, all products should be "green, if possible".

#### **4.5.6.4. Use of materials**

Interviewee 19 believes that the product development department are being wasteful as it is, but still, that it is "nothing that we need to improve, is just a matter of time before those things get done". As interviewee 13 states, "where it makes sense, we do have reusable components" even if the company do "have several types of consumables; we have some which are reusable and some which are single use" and interviewee 7 also states that it is not possible in all cases to work with reusable materials due to customer specifications. Materials that are viewed as good by interviewee 7, 13, 19 and 21 for instance, in terms of sustainability, is metal and aluminum, which could be used to a higher extent in both production and product development. Interviewee 7 explains that this is "effective from our raw material standpoint, but also recycling perspective". Interviewee 21 also explains that "to some extent the parts of the product are made from recycled aluminum" but what is hindering it to be used for all metal components "is a question of appearances; the recycled aluminum, or metal, does not meet the standards regarding appearance requests". Interviewee 14 also state that the company should replace some parts of the sub-assembly where adhesive is being uses as it either does not come of when you need it to or "or it comes off by itself because

it dried out". The interviewee believes that the adhesive, together with the use of double-sided tape, could be replaced by using "simpler screws". Interviewee 4 also lifts the issue of stickers coming of the machines for instance, which for some "clients, especially in Asia" is reason for returning the product, since they "like everything to look perfect", resulting in unnecessary shipments.

What could be utilized in the production department regarding use of materials is a reduction of "waste and energy use" as well as "efficiency in materials" as suggested by interviewee 13. Which is supported by interviewee 2 that states that the company could "minimize scrapping of parts". When it comes to use of materials, also the labs must be reviewed, interviewee 18 lifts the examples of "using the plastic tips [for instance, and] it has to be a thinking behind it." On the other hand, interviewee 19 believes that "even if we're spending a lot of resources or buying and consuming a lot, it's really for the for the better good. [Since] we're not spending a lot or consuming a lot for the sake of it or because we're wasteful, we are consuming because we need to get to our goal and our goal is to save lives, save patients, minimize animals, reduce animals, ultimately replace the use of animals". Interviewee 1 is further stating that production is not high on energy consumption and thus, not much can be gained from cost savings regarding energy, but the focus should rather be to "have a renewable energy agreement with the electricity providers" and to "measure" these renewables. Interviewees 3 also emphasize the need for offices to focus on utilizing technologies rather than paper to be something that the company "should work more on". The growth of the company has also resulted in excess consumption since "there is a need from the grow perspective to be able to source fast, and to source multiple items" and "sometimes you don't really have the time to order just one of them to try it, you need to order a bunch of them, and try what works", as express by interviewee 19.

#### **4.5.6.5. Recycling**

As expressed by interviewee 1 "recycling is already in place, and we can measure that" and "get rid of it in the right way". Interviewee 14 also states that the company is using "scraped metal or injection molded plastic" which is "easily recyclable" but also that the company is "not recycling our own parts which we should probably be implementing". Interviewee 6 also believe that this process could be improved by stating that the company could "implement a little bit more of scrap way of thinking and handling" and even if the company have "the standardized scrap things right now" the handling process could get "more spread out" and "handle paper, for example". Interviewee 15 further mentions the lack of a recycle process in the U.S. facility by stating that they currently have "two huge pallets full of cardboards" that they "need to find a solution" for, since it is better used for "recycling than throwing away and that they "don't have a recycling bin" there. Since they have a lack of time, states the interviewee they must have the company pushing to "do so", including "being less wasteful" and "recycling" on the "so". The interviewee is also stating to be unaware of the recycling processes at other locations and thinks that the company could be more involved in "each of its locations"

#### **4.5.6.6. Return Process**

One parameter which was specified as an area which could be improved was the return process. Interviewee 18 believes that some standard processes can be put in place and that the company “can improve that, because I don't think we have a kind of standard, in place. I think all our companies are doing in different ways, so I think we need to come up with something creative.” Further, the interviewee states that lessons can be learned from the retail industry since they are “really good at that” and even if the industry is highly different, some lessons can be learned, and some processes can be set up. One part of the return process has been set up as returning products which as later sold as a refurbished unit to a lower price, to new customers, after one customer are no longer in need of said product. As expressed by interviewee 21, the company “recently shipped our first refurbished product and the response so far has been great.” Despite this, interviewee 19 believes that the company can work to a higher extent with “recycling of parts, we're not working much on that.” When asked about initiatives the company was working with, such as refurbished units or the green initiative, some interviewees were unaware of the processes. One interviewee stated “there is no such thing” when asked if the company used refurbished units. Meanwhile interviewee 1 and 21 states that these initiatives have already been initiated. Interviewee 1 states that the reason for this initiative is to “prolong the lifetime” and that it will be appreciated by the market since some customers have “a limited budget” but still “want to have a more sustainable research” and thus, for the company to be able to offer a lower price “a refurbished one would be the best solution”. Interviewee 5 also believe that offering of the refurbished units will to some extent reduce the problem of helping “the customer, or the user, to recycle and reuse” the products. Since the company does not want the customers to “throw away the machine” if they are no longer in need of it.

### **4.6. THE GLOBAL CORPORATION**

The company is part of a corporation which is expanding in size on a continuous basis. Out of the interviewees, multiple of the respondents felt that it is essential to include the sustainability strategy into the other parts of the corporation, and to the other brands as well. However, there are some challenges associated with this. Firstly, it is essential to include sustainability as a review parameter when performing the due diligence of new M&As. Secondly, the strategy formulated for the company can serve as an influence for the remainder of the companies, as well as there can be lessons learned from these said companies which can be implemented into the company.

#### **4.6.1. PART OF THE DUE DILIGENCE OF NEW M&AS**

As a part of the due diligence processes of potential M&As, the company reviews on some social parameters of sustainability nowadays. For instance, making sure that the potential companies to join their cooperation have a “no child labor-policy” in place or making sure that they are not exploiting human rights in other countries through their operations. This process can easily be adapted to include other aspects of

sustainability as well. Interviewee 18 further stated that acquiring a new company is “a little bit like getting married, you need to see that you share the same values. That you have a mutual understanding. Because otherwise it will not work.” If the values of the company, is to include more parameters of sustainability, so should the due diligence process. The process for reviewing these social sustainability parameters start with making sure that the company in question have the so-called hygiene factors. Or as stated by interviewee 18 “When we are acquiring a company, we are looking for a number of things and one of the most important issues of course is to see if the company's compliance with all the aspects that we believe are important in order to be a sustainable company.” Should these factors not be in place, the second step would be to see if it is possible to correct them and how long time it would take to adjust them. If the factors either are in place or can easily be corrected, the process of merging or acquiring the company proceeds. Otherwise, should the factors not be achievable, “it will not be worth to acquiring a company” as stated by interviewee 18. This view is further supported by interviewee 4 who states that the company is trying to “buy companies that go this direction, so we want to work with other people that already are sustainable, or work towards being sustainable” and interviewee 3 who states that it is an important part of the due diligence process where the company review the company of interest and if they are “fulfilling our goals of sustainability and ideas”. In the role of managing M&As, interviewee 18 stresses that the reason for acquiring companies to be “because of the people, is not because of products. The products they have is the result [of having] good people.” The company does not want to “put the flag of the new company and they destroy the culture” since “it takes so long time to develop and to create culture in the company and it's so easy to destroy it.

#### 4.6.2. BE THE INSPIRATION FOR THE OTHER COMPANIES IN THE CORPORATION

The goal of initiating the sustainability work into the company, is to later inspire the rest of the corporation and to “set up the best practices and then make a kind of process. Then take it to the other companies, like we're doing with many other things” as stated by interviewee 18. Interviewee 6 states that “the other companies don't have this approach, just yet” but also further that there is “hope that the other companies can apply the same way of thinking”. Interviewee 11 wishes that the company can “show that each and everything that |they] do within [their] sustainability agenda is actually linked together in a smart way and at that it can be scalable so that if |they] acquire companies” they could easily be included in this agenda. The company does not “collaborate so much” with the other companies in the corporation, as stated by interviewee 5. They are however “talking to each other” and operate as “like a network”. This is supported by interviewee 4 who states that they are not working with other department as such, but “share some information” about the best approach for logistics procedures. Interviewee 6 lifts this concern by stating that the company needs to have a “good way of communicating all of this”. Interviewee 19 also think it is important to focus on educating the other companies, “outside of Sweden, or outside of Europe, [...] when it comes to environment behavior and good manners towards the environment. Collecting this and just start educating our colleagues around the world, I think that will be quite impactful given that, we already

have the experience or the example of great countries and how citizens can make an impact at their homes, not just at the office.” The best approach to do this, is expressed by the interviewee as “working more at the global level, we have offices in why it is now 16 cities around the world, so I think that would be one way of working with environmental sustainability”. Interviewee 11 also lifts a concern that “sustainability tradition differs a little bit between how we perceive it from the Nordic perspective and how you perceive it from, maybe the European perspective, or US perspective” and further states that “it's much more on the agenda here”. Interviewee 18 think that inspiring the other companies of the corporation can be easily achieved due to the corporate structure since it is easy to “integrate the companies we acquire.” Interviewee 18 believes that integrating sustainability to all parts of the cooperation would have been easier if they “acquire the companies and bring them together so that [they] have one big company” because then everybody would need “to comply to the same processes” but the interviewee also believes that “those kinds of companies become quite bureaucratic. They lose their speed, and they lose agility. I used to call them dinosaur companies, with big body and small brain.”

## 5. ANALYSIS

*The themes covered in the analysis is strategic importance, how to work with the goals and how to communicate as well as how to structure the work and how each part of the value chain should proceed to ensure sustainability as well as how the value system of the corporation should look.*

### 5.1. STRATEGIC IMPORTANCE

The main topics to whereas sustainability was important, as derived from the interviews were customers, profit and growth, investors, and employees. Based on the theory, the focus, as Nidumolu et al. (2009) states it, is using sustainability as a driver for innovation. Further, the governmental requirements are stated as an important reason to start working more sustainably by Kramer et al., (2019), Nidumolu (2009), Chakravorti (2015) and Ritala & Assimakopoulos (2013) and the interviewees in unison. To some extent there is an overlap between theory and the collected data since the innovation aspect entails improved quality and increased revenues (Nidumolu et al., 2009) which could be connected to increasing the “value of the company in terms of how the client see you” as expressed by interviewee 4. What Nidumolu et al. (2009) mention to be one of the motivations behind working more sustainably is also reduced input, which would result in a cost reduction on the company end. Based on the interviewees, the cost is still the most important decision point amongst their customers, thus, reducing input of raw material on the company end might be enabling increased revenues through being able to either increase margins or reduce price and as a result, sell increased quantities. There is also an overlap between theory and the data collected in terms of value creation. As the theory state that value is measured in how much customers are willing to pay for the company’s offering and the importance of differentiating in the market (Porter & Millar, 1985) and this is also stated by the interviewees as a benefit of integrating sustainability, together with increased competitiveness. Some also mention the possibility to capture the value of new customers, since they are yet to compete in those markets. Nidumolu et al., (2009) also state that sustainability is one of the key drivers for competitive advantage in the future, where only companies that are successful in the implementation of sustainability will achieve this advantage, which also connects back to what interviewee 11 stated about the company risking losing out on market advantages should they not start implementing it.

Out of the benefits of working with sustainability stated amongst the interviewees, most were included to be benefits in the theory as well, however, in theory compliance is mentioned as a step to start working more sustainably (Nidumolu et al., 2009), while the interviewees see it as a primary must, due to investors and the stock market demanding sustainability. What is stated by the interviewees however, and not mentioned by the theory is the importance placed by the decision maker within the company, for instance interviewee 16 emphasizing that younger people, or at least “the average 24-year-old” to “36-year-old”, tend to place higher emphasis on sustainability parameters. Bonini and Swartz (2014) also supports the

interviewees that state that sustainability contributes to growth, by stating that sustainability creates profits as well as business opportunities and that working with sustainability is highly connected to values of growth. They, however, also state that sustainability is a contributor to flexibility within an organization which is not mentioned by either of the interviewees. Chakravorti (2015) also emphasize that sustainability innovations are aimed at providing benefits for other stakeholders in addition to the company, which is not touched upon by the interviewees. Even though neither flexibility nor other stakeholders are mentioned by the interviewees per se, it might be connected to the common theme among them, which is the importance for the employees. The flexibility is a result from better perception of the company and the increased attractiveness, which would allow for higher pool of applicant to choose from during recruitments and better retention rate of employees, for instance. Employees are also to be viewed as another stakeholder for the company, and thus sustainability implementations should be aimed at improving for them likewise. This is supported by theory as well, by stating that attractiveness as an employer is a motivation for integrating sustainability where employees tend to accept lower reimbursement as a result. Chakravorti (2015) states that external investments are an obstacle to sustainability due to the lack of direct profit from sustainability, whereas the interviewees state that implementing sustainability will open for new investments and growth of capital and investments since it builds trust and opens the company to green bond opportunities. Bonini & Swartz (2014) support this by stating that even though the financial benefits from sustainability investments might be hard to measure, the improvements could result in improved reputation. Nidumolu et al., (2009) also state that most companies view sustainability investments as a luxury investment rather than a key for progress. However, as stated by interviewee 5, sustainability will most likely be a requirement rather than an option in the future and thus, it is best to start implementing sustainability into the business model to avoid the risk of losing market shares and the risk of not being governmentally compliant.

## 5.2. WORK WITH THE GOALS

Bonini & Swartz's (2014) approach to capturing the value of sustainability is to "identify the values that matters the most", which can be connected to the strategy that Kramer, et. al (2019) suggests in "choosing fewer and more specific goals", "focusing on the most promising business opportunity" and "focusing on the core business" but also what has been stated by the interviewees; the need to focus on the core business, or where the company has the most impact. Chakravorti (2017) state a first step to be a "segmentation of the SDGs" which was done during the pre-study, together with the company. The second step, as presented by Chakravorti (2017), is figuring out the fit for the company, and "which goals are connected with the company or the company's activities in the value chain", where this study aims to assist. Here, both Chakravorti (2017) and the interviewees place emphasis on not focusing on all the goals. Chakravorti (2017) state that it would be a waste of resources as well as it would risk detaching the investments from the corporate strategy and making all the SDGs seem unrelated to the business. The interviewees focus rather on the risk of losing transparency against customers since it would create a "big divide" between the goals



and what is happening within the company. Interviewee 13 also state the risk of being perceived as working with green washing in case the focus is not on the core. The last step that Chakravorti (2017) suggest, “making the business case” is where the company should place emphasis going forward, and that entails finding the relevant commercial argument for why and how they are working with each goal. There it is of essence to focus on the values that matters the most and set goals related to this. This is also stated by the interviewees, stating that the goals should be in “line with our vision, mission and way of working and our business model”. Here interviewee 11 believes that the two goals of this thesis is the ones that are valid and related to the business.

The interviewees share the view of sustainability being something to push as part of a long-term strategy since now the focus in on short-term profits, based on quarterly basis and this needs to change. As the interviewees stated, it is first essential to set up holistic and overarching strategy in relation to the goals. Costa et al. (2019) is stating that continuous improvements requires both technical and social practices to be consistently implemented and integrated to encourage a continuous improvement culture that is working sustainably. Interviewee 14 also state that there is a need to work “proactive rather than reactive” and there is a need to plan the growth and have a more structured and planned approach which would result in “reduced stress” as well as bottlenecks within the company. Aligning the goals and planning within the company would therefor result in less waste and thus, increase the sustainable value-offering of the company. As expressed by both Evans et al. (2017) and the interviewees, the focus in terms of the goals should be on all three aspects of the triple helix: economic, social, and environmental sustainability. Bonini and Swartz (2014) emphasize, in their approach to capturing value, that it is important to set goals in relation to the values that the company want to work with. These goals should be clear, specific, ambitious, and measurable. This is stated by the interviewees to some extent as well, for instance by interviewee 11 stating that it is important not to create “a sustainability reporting monster”.

The clearness of the goals, as Bonini and Swartz (2014) emphasize, should come from top management defining the strategy for the company and translating the goals to concrete benefits for the team. Breaking down the goals to departments or even individuals by making them more specific. This is another alignment between Bonini and Swartz (2014) and the interviewees. The interviewees further emphasize that the goals should be focused on where the different departments can have the highest impact. The interviewees differ somewhat in terms who should be responsible for setting the specific targets, where some believe it should be set by the individual teams meanwhile some state that it should be broken down to objectives by the management team already. What the interviewees state in terms of the ambitiousness, relates highly to that of the employees and the company goals where everyone is always striving to learn more and to improve. This ambitiousness has resulted in success in parameters related to creating the future of medicine, reduced animal trials and being a key contributor to research. Thus, as supported by Kramer et al. (2019), Goal 3 of “Good Health and Well-Being”, is a sensible focus area for the company, since it is a goal that the company is successful working with and have goals related to. Kramer et al. (2019) also states the essence of integrity

and seriousness in working with these goals which the interviewees mention to be the core of the company, and thus not an issue.

As Bonini and Swartz (2014) further emphasized, it is vital for the goals to be measurable, and they state a step of their approach towards capturing the value from sustainability as creating accountability through the introduction of KPIs (Key Performance Indicators) and the assignment of them to their respective responsible departments. The company approach, according to the interviewee, to ensure this measurability, should come from breaking down the goals to OKRs instead. The OKRs is the company equivalent of KPIs and provides a tool that could be used for measuring the goals and to make them more concrete. Chakravorti (2017) is also stating that the integration should be done at a feasible level which is supported by interviewee 11 reports the essence to try and utilize existing systems and not “create a sustainability reporting monster” since that would make the work more difficult. When working with the sustainability development goals, and goals within the company in general, the interviewees also emphasize the need to view it as a continuous process. This is supported by Bonini and Swartz (2014) who also emphasize the need to follow up on the KPIs, or in the company case, the OKRs and by interviewee 19 stating that the company needs to “constantly improve”. Kramer et al. (2019) also states the importance of addressing inconsistencies, which interviewee 11 believe is important as well, as it increases transparency. The interviewee thinks it is important to challenge the industry, but if it the company is to fail in the implementation, they need to address the issues and they could say that they “tried”.

### 5.3. COMMUNICATION

As mentioned by Chakravorti (2017), those who have been successful in implementing sustainability and the SDGs has done so by highly integrating it to the business and successfully narrate the initiatives to both the employees and externally to the market. This narrative ability is further stated as essential by the interviewees.

#### 5.3.1. INTERNAL COMMUNICATION AND COLLABORATION

The interviewees stress the need for improvement in terms of internal collaborations, where the constant growth presents itself as a challenge in terms for thinking that one thing is successfully communicated while it might be missed by new employees for instance. The interviewees also believe that it should be included in all training materials to reduce this risk. Furthermore, there is a need for continuous communication internally in relation to the sustainability work. Chakravorti (2015) further state this as one of the challenges in relation to sustainability integrations, the ability to communicate the impact. The three main themes discussed by the interviewees in relation to internal communication regarding sustainability is derived as “ensuring buy-in in the sustainability process”, “utilizing the company culture” as well as “educating employees”. The interviewees believe that the best way to communicate sustainability internally and to ensure buy-in, is by implementing it to the processes and make sure it is part of the daily discussions. It is

also lifted as a problem that people are unaware of what is going on in other departments, and thus, are unable to learn from each other in terms of suggestions on how to improve. As stated by Ritala et al., (2018) inclusive value creation entails the sharing of resources, knowledge, and wealth creation both vertically and horizontally in the organization which is where the focus should be for the company as well. Two of the interviewees suggested the use of monetary incentives for people to see the need to contribute to the agenda.

Other interviewees instead believe that one of the biggest strengths of the company was its culture. This culture could be utilized, however, to a bigger extent to ensure sustainable practices. Epstein & Rejc Buhovac (2014) supports the essence of utilizing the corporate culture to a higher extent, by stating that sustainability must take place along the whole value chain and be fully integrated in the corporate culture for it to have effects on the day-to-day business. Costa et al (2019) also state that sustainability would result in cultural revolution as the individuals become a fundamental resource for the company if communicated properly within and outside the organization. The interviewees believed that since the company is hard working and passionate about what they are doing they could add sustainability to their core values, DNA, or culture and as a result “be the best practice within sustainability”. Which connected to the third step of culture as sustainability as suggest by Soini & Dessein (2016). This step is aimed at transforming society towards a more sustainable condition and view development as a cultural process (Soini & Dessein, 2016). A foundation for having sustainability as part of culture is the people are aware of how to include sustainability into their way of working, as additionally stated by the interviewees. Genç (2017) further stated that its it important for the communication tools to be suitable for the recipient and that the communication is simple, direct, and precise. Suggestions for how to communicate, as proposed by the interviewees, include online courses, external educators, and workshops. Most interviewee were centered around using the current educational platform which the company is working with, since it already includes some aspects of sustainability. Interviewee 1, in addition, believes that external knowledge can be utilized to better integrate sustainability to the organization, suggestions placed include: “external consultants”, “hire people with that kind of skills”, “external courses”, “webinars” or “networks”, for instance. The question was also raised to whether the company had the right skills for this internally or if there is a need for external recruitment.

The derived definition for shared sustainable value creation as presented in the theoretical framework was “innovating offerings to the market and increasing the productivity through alliances and collaboration with actors in the company value chain in a sustainable matter resulting in increased financial performance” (Porter & Kramer 2011; Ritala & Assimakopoulos, 2013, Dyer et al., 2018; Bonini & Swartz, 2018) which entails cross-department, or cross-value-chain, collaborations. This is further highly emphasized also by the interviewees as something that is currently lacking within the company, as well as it is something that is essential moving forward. Porter & Millar (1985) further state that the activities in the value chain are codependent activities and that the linkage between activities comes from trade-offs between the activities.

Therefore the company needs to focus on creating exchange between the different activities within the firm. As the interviewees state, some parts of the company, or value chain, has a pretty good know-how and good processes in place, but they are not being shared across departments today. Interviewee 1 is also connecting the internal processes to that of a value chain, stating that each process should be viewed upon as having to provide value to an internal customer, and that if this perspective is to be implicated in all processes internally, the interviewee believe it could improve the cross-department collaborations. Another contributor to improvements that is already being initiated, as stated by the interviewees, is internal audits and management groups. What is, however, further emphasized, is a need for a mutual platform for communication, to increase transparency between departments. Today multiple different tools are being used to collaborate and communicate internally. To a high extent, which tools are being used for communication is dependent on the department, which further contribute to the difficulty of cross-department collaboration. It is thus, essential to set up a mutual means of communication as a first step.

### 5.3.3. EXTERNAL COMMUNICATION

Value capture entails partnership in realizing and capturing value from different partners and utilizing it for creating customer value (Bowman & Ambrosini, 2000; Dyer et al., 2018). As emphasized by the interviewees, in terms of customer communication, it is essential to focus on the value that the company is offering and how the sustainability solutions contribute to that value. The interviewees also state that the SDGs is a good tool for communicating these efforts to the customers, since the goals are well-known. As the interviewees further state, the company wants to use their own efforts to influence the market and its customers to work more sustainably as well. One way by which the company is doing so already is through offering efficient solutions that offers the customers the possibility to use less. This could be connected to the archetype that Ritala et al. (2018) is suggesting as part of the social sustainability innovation type, encouraging sufficiency as well as to the suggestions offered by UN Global Compact & WBCSD (2015b) encouraging businesses to inspire customer to become more sustainable in their consumption by using innovative solutions and reducing the impact of their own products. However, as stated by the interviewees, the company survive mostly on the customers consuming and thus, it is not possible to utilize this part to its full extent. In terms of marketing the focus should be, as stated by Nidumolu et al. (2009) to gain societal support for the sustainability to avoid green washing. To gain this support, the interviewees state that it is essential to focus on what the products offer to the customers and what they do in terms of sustainability. It is also of essence to use different platforms to reach customer, since people respond differently to different marketing tools. Interviewee 16 also emphasize that marketing could be an external voice and help drive sustainability more long term, since they are not associated with short term profits to the same extent. The external communication with investors is particularly aimed at raising interest. The best approach for this, as stated by the interviewees, is to ensure high rating in different reporting indexes which would most likely be the result of a successful sustainability implementation. A benefit is presented in the MSCI report

in terms of having a good governance structure, the interviewees also believe that the company can built sustainability into this to utilize the benefits it provides.

Dyer et al. (2018) define value creation as the value created in “an alliance that is above and beyond the value created in competing arms-length market relationships” (Dyer et al., 2018, p. 3141) which is where the interviewee believe substantial difference could be made as well. Interviewee 1, for instance, choose to focus on the supply chain and difference that could be made there. This is supported by Porter & Millar (1985) who state that successful management of value systems could result in competitive advantages. Thus, by working more closely with external partners, the company could reap the advantages of value creation. Ritala & Assimakopoulos (2013) also adds to this by stating that as corporations work together to generate innovative solutions the result would be better and more stable value creating tools, such as contracts. Ritala & Assimakopoulos (2013) also state that an open an inclusive approach towards partners is key for successful development. On way that the company is working with creating shared value is through their grants. The company is working with multiple grants, together with the health care industry, to aid in the development of a better future in medicine. This connects to the recommendations offered by UN Global Compact & KPMG (2016a) in term of how to work with SDG 3. Both through “knowledge, practices and attitudes in communities in collaboration with governments” and by sharing “expertise with governments to strengthen health systems”. On the SDG Compass for goal three issued by UN Global compact & WBCSD (2015a) it is also included that companies should invest in health in the business operations and to leverage these operation investments to support health care delivery by public and international organizations when working with this goal. The company is working with the European union as a partner to achieve a goal, for instance improving the health of elderly people. According to Kramer et al. (2019) all forms of organization must work towards partnership in reaching the goals, which supports the argumentation for working with these grants. In addition, the grants include sustainability aspects in terms of placing demands on its partners by ensuring the environmental protection in the manufacturing processes, using renewable resources, and operating in a manner that ensures safety for plants and animals. In addition, the company need to ensure safety in its production methods and work actively to reduce waste in its processes. The interviewees further state the other partners are being included from different areas, which could further be connected to what Porter & Millar (1985) is stating in regards to value systems, where in this case, they connections between different value chains contribute rather to societal value than to customer value, thus ensuring shared sustainable value creation: “innovating offerings to the market and increasing the productivity through alliances and collaboration with actors in the company value chain in a sustainable matter resulting in increased financial performance”.

## 5.4. OWNERSHIP AND STRUCTURE FOR THE SUSTAINABILITY PROCESSES

In terms of the best approach for structuring the process ownership of sustainability, both theory and the interviewees believe that it is essential to ensure managerial support, have a designated person responsible and to ensure the knowledge is offered from different perspectives in a focus group.

### 5.4.1. TOP MANAGEMENT

Chakravorti (2017) argues that the successfulness of sustainability implementations is dependent on the decision making inside the corporation. Indicating that the decision to become more sustainable must come from the top of the organization to be effectively implemented. This is also mentioned to be essential, by the interviewees. They further believe that this support was already in place which some people in top management being key individual for these processes. The interviewees further state that the focus has been strictly on growth thus far in the company, and this should be expanded to prioritize sustainability as well. Interviewee 18 also stated that demand has already been placed from top management to the general managers, to initiate the processes of including sustainability. What is further emphasized by Bonini & Swartz (2014) is the importance to review the progress on the sustainability goals on every board meeting. What is emphasized by Kramer et al. (2019) is the essence for top management to allocate resources for the sustainability implementations and particularly that these resources must be dedicated. Although their focus is on financial as well as human resources, the interviewees are mostly concerned with a single resource as an obstacle, time. The interviewees all agree on the fact that the time constraint is a threshold for implementing sustainability. Thus, the interviewees believe it is essential to start investing time into these initiatives. Kramer et al. (2019) state that without dedicated resources, no innovations will take place and the company risk losing trust towards stakeholders.

### 5.4.2. THE “SUSTAINABILITY MANAGER”

To ensure that the proper time is allocated towards the task of implementing sustainability, many of the interviewees suggest hiring or appointing a sustainability manager. They suggest that this person has a more managerial role as in, ensuring that all parts of the company is operating in sustainable manner while focusing on the bigger picture. They further suggest that the role should be a full-time position, to manage the policy and own the process to guarantee consistency in the work. Although the work should be done by all, the sustainability manager should be responsible for ensuring the work and communicating the efforts internally and externally. The manager also needs to follow up on these initiatives internally and set up trainings when necessary. The interviewees also suggest for the person to be a connection point that could assist other managers and the individual teams in their initiatives. In addition to having great communication abilities, the interviewees state that the person must be able to create structure and set up processes in relation to sustainability. If ownership of the sustainability process is not properly set up, there is a risk of the initiatives failing or being forgotten. Thus, one of the most essential attributes of the manager

is expressed as being able to motivate and connect the different part of the organization. The introduction of a sustainability manager is also supported by Bonini & Swartz (2014) to ensure value creation. Although they focus mainly on the motivational and influential skills they offer, where they rather can affect the decision makers to include sustainability as a factor to consider as well as they can ensure that the implementations make sense to all parties within the company.

#### 5.4.3. THE SUSTAINABILITY FOCUS GROUP

Chakravorti (2017) states the importance of integrating the whole organization in the implementations and Ritala & Assimakopoulos (2013) states that it is essential to involve various stakeholders from different positions of the value chain in the development process early on. One way to do so, as presented by the interviewees would be through a sustainability focus group, to ensure different perspectives and ensure consistency in the work. The interviewees state a reason for including different stakeholders within the company to be that they know how the processes work in their individual department. The interviewees also state that the best option would be if all department has representation, but also that the focus should be around the employees that has a particular passion for sustainability themselves. The focus group should further be responsible for making priorities on what to focus on within the company initially, as well as to continue that work. Nidumolu et al. (2009) also state the importance of managerial know-how on introduction of sustainable materials and how to scale this with suppliers to define which products and services have the most negative environmental impact. Thus, it is of importance to include someone with this experience into the focus group as well. This person or persons could most likely be collected from the focus group that has already been set up, internally, the so-called green initiative. Since the main goal for this group has been to make the products more sustainable and environmentally friendly products. Nidumolu et al. (2009) states that this approach assists in reducing green washing as it is more likely to ensure societal support while the interviewees believe that the green initiative, as is, is green washing since it doesn't review all aspects. Thus, further clarification behind the motivation of the "green products" is necessary, which according to interviewee 2 is best done through following the industry standard and setting up "measurable characteristics or measurement".

#### 5.5. VALUE CHAIN ANALYSIS

As interviewee 13 has stated, it is important to have different focus areas depending on what department or what part of the value chain you are working within. Since if the goals are too far from what the employees are working with, it would be harder to understand the connection to why it is important. Epstein & Rejc Buhovac (2014) state that it is important for both the primary and the supporting activities of the value chain to partake in the sustainability work, but also that it is important to assess the impact sustainability have on each department. Based on the framework developed by Epstein & Rejc Buhovac (2014) and the finding from the specific departments, figure 10 has been summarized. The figure has been adjusted to conclude the findings from the report, which are to follow in chapters 5.5.1-5.5.6. In conclusion

## Support activities

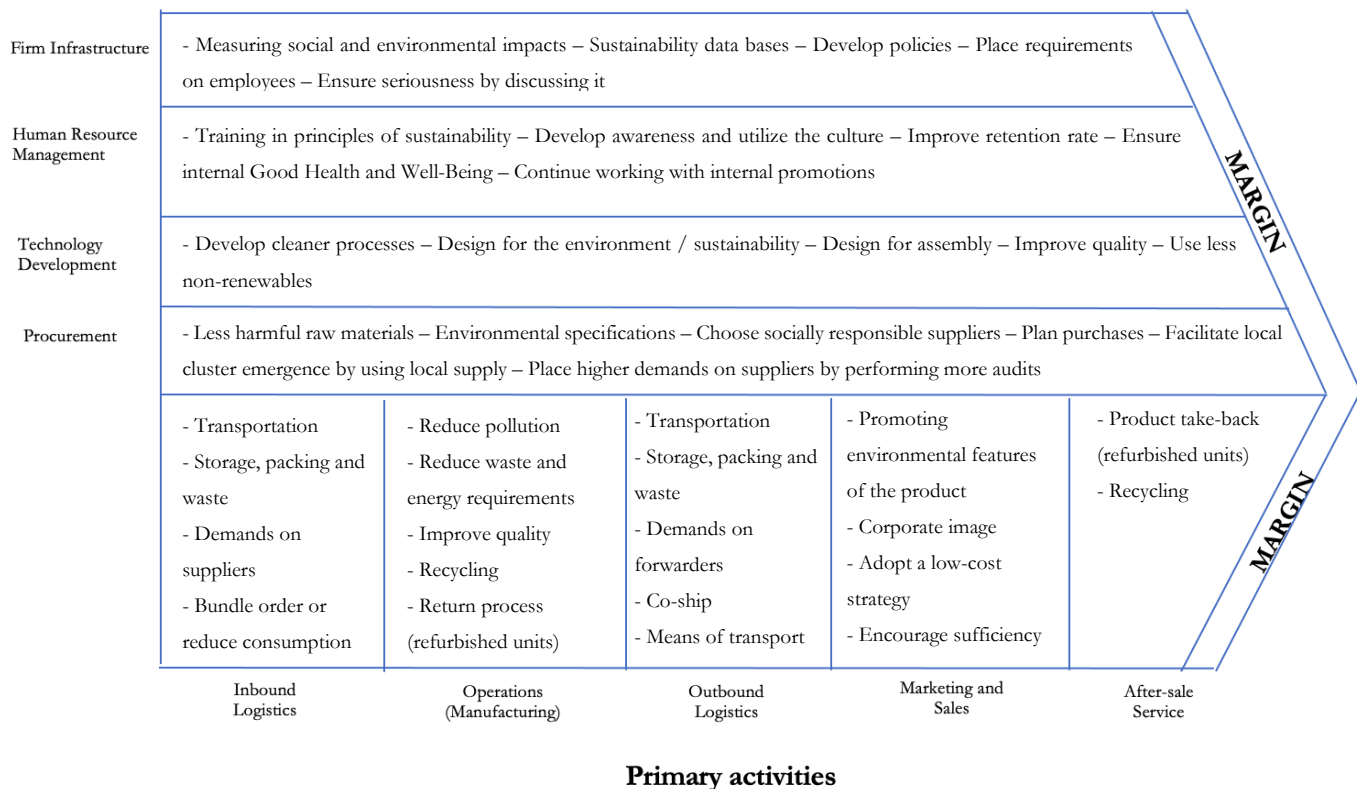


Figure 10 - Author's adaption of Epstein & Rejc Bubovac (2014) framework for sustainable value chains

it could be used to summarize the actions necessary for the company to integrate sustainability, in terms of the SDGs, into their value chain.

### 5.5.1. FIRM INFRASTRUCTURE

The MSCI rating indicated that positive aspects of the company were board practices, accounting practices and ownership structure. However, what the interviewees stated as a necessary improvement factor were policies and processes. The interviewees stated that some departments were better than other at working with these but also that there is a need for consensus and that all departments as well as top management must improve. There is also a need for processes specifically related to sustainability and how the company is to work with it. Bonini & Swartz (2014) further connects value creation in sustainability to innovations which could improve processes and emphasize top management support in this. Thus, by focusing on sustainable value creation, the company could improve its processes. One interviewee, however, also stated that some general policies are set up that are well connected to sustainability. Considering that this was not lifted by more than one interviewee and one interviewee also stated that there are “no general policies” in place, there could again be a lack of internal communication concerning these policies. As the goal for the company is to integrate sustainability, it is also essential to define a need for it in the processes among other departments, since, as stated by interviewee 7, it will not be prioritized by all unless it is a requirement. Nidumolu et al. (2009) also state that the first approach to working more sustainably is ensuring compliance



or viewing it as an opportunity. They further state a challenge to be in ensuring compliance with norms and where the opportunity lie in complying to these norms. The opportunity of being compliant to these norms, however, lie in being able to pioneer experiments of sustainable technologies, materials, and processes. This, however, is stated by the interviewees as the base level. Ritala & Assimakopoulos (2013) supports this by further stating that openness to different legal procedures and collaboration principles is essential to be sustainable. The interviewees state that the work regarding legal procedures has been initiated. The representative from the financial department also witness that “new standards and regulations” is an essential part in that area. What is stated by the interviewees is also the reduce in environmental impact that results from reducing travels and choosing a more environmental means of transport. Porter & Kramer (2011) focus on the essence of location, mostly in connection to logistics and shipments and emphasize the need for a suitable location for the company operations. This is stated as a benefit of the company, by interviewee 7. Due to the central location of the company, many of the employees can reduce their own environmental impact by using more environmentally friendly transportation to get to work.

#### 5.5.2. HUMAN RESOURCE MANAGEMENT

The interviewees believe that even though the connections to HR are inconstant, there is a need for them to ensure sustainability in everything that they do. The interviewees also state the increased need for HR processes due to the increase in number of employees. A contribution in the right direction is the onboarding process, since it aims at analyzing the life cycle of the employee to ensure that the employee is taken care of from beginning to end. Interviewee 6 also stated that sustainability should be included as a part of that process. The MSCI rating state areas of improvement to be the retention rate of the employees and state the risk of losing human capital as a result of not ensuring employee development incentives. This, however, is contradicted by the interviewees, who state that the employees of the company are offered high possibilities of improvement through either changing roles or getting promoted. Another aspect that has been mentioned as a success factor by the interviewees is the extent to which the company has worked with and is working with diversity and equality which Evans et al. (2017) connects to the social value forms of sustainable value. This therefore supports the interviewees stating the fact that the company has been successful in the social aspects of sustainability. What some of the interviewees, however, state to be improvement areas is that of the internal good health and well-being. UN Global Compact & WBCSD (2015a) as well as Porter & Kramer (2011) state that as a result from providing access to health services, safe working conditions as well as improved benefits among employees, companies can guarantee higher productivity in addition to higher well-being among staff members. What is stated as some suggestion to ensuring this, by the interviewees it to have more activities for the employees, or to outsource the whistleblower function. UN Global Compact & KPMG (2016a) state that it is important for companies to develop a risk mitigation strategy for disasters and provide good working conditions and offer healthcare services and insurance for employees. This could be connected to company working actively with safety

through applying the standard for “systematic work environment management” as per issued by the Swedish Work Environment Authority as well as the safety rounds as mentioned by the interviewee 6.

### 5.5.3. SALES

Ritala et al. (2018) present one of the 9 archetypes to be to deliver functionality rather than ownership. This is something that the interviewees expresses that they are working with, through offering their products through a service agreement to some customers, rather than selling the product. They state benefits from this to be that the company is more inclined to create higher quality products as well as it offers up the possibility for a more sustainable business model. Kramer et al. (2019) further state that to work with sustainability goal three, the integration of the goal needs to be done through integrating both products and services which further support this initiative. This could also be connected to the archetype of sufficiency as presented by Ritala et al. (2018) since it connects to reduced consumption. This, mainly through the customers being able to return the product once it is no longer being used. This product could then later be sold or serviced out as “refurbished unit”. Additionally, the aspect of providing services rather than selling products, connects to the fourth step of the strategy suggested by Nidumolu et al. (2009), developing new business models, where business find a new way to compete in the market by altering the way that that deliver and capture value. Thus, to be more sustainable, there could be future focus in this area. The SDG Industry Matrix (2016b) suggest adapting a low-cost pricing structure for the production and sale of medical devices. Which is not directly confirmed by the interviewees, however, they state that the focus is rather on the added value for the customers than on a cost. They are also emphasizing that price alternations are not the goal of implementing sustainability, and therefore the prices will most likely now be altered as the implementations take place and the current pricing structure can be expected to proceed.

### 5.5.4. LOGISTICS

The interviewees see potential in improving sustainability in the logistics processes. One way to so is stated as placing demands on their partners, for them to ensure that they are working sustainably on their end. Currently, the forwarders are being reviewed on cost and time, this reviewing process could be expanded to include CO2 emission, vehicles being use for the transport as well as the distance for the shipping, as suggested by Porter & Kramer (2011) as part of reconceiving productivity in the value chain. If the forwarders are not operating in a sustainable manner, it is easy for the company to switch providers and as stated by the interviewees, there are no obstacles in doing so. According to UN Global Compact & KPMG (2016a) there is an opportunity to work with SDG 12 by making sure that the transportations to and from the company are made in a sustainable manner. They state one example being to shift the means of transportation from airfreight to sea freight or in improving the efficiency of the transports. The interviewees state that, currently air shipments are being used to a high extent since most products are shipped as soon as they are finalized rather than as a planned bundle shipment. Since the company, however, are keeping stock for some customers, there might be potential to reduce the number of urgent

shipments as well as the number of units kept in stock, if supply and demand were planned in a more uniform way. As cost has also been the main determination factor during choice of transportation, the motivation behind choosing air freight is also that. By shifting the determination factor to sustainability instead, the company could use LCL shipments, truck shipment, FCL shipments when possible, or other, more sustainable options. The forwarders are also the ones responsible for deciding the means of transportation, as stated by the interviewees, which poses an issue since the company has none, or little control to whereas they are made in a sustainable way or not. Another outcome of increased planning would be to reduce the number of express shipments and increase co-shipping. By ensuring better collaboration with logistic suppliers, the company could increase the quality of the shipments as well, and as a result, also decrease the number of outbound shipments, since they would have to handle less returns from customers (Nidumolu et al., 2009). An area in which the company has been successful, regarding logistics, include the improved resource utilization by re-using the packaging. This is also stated as a good approach for reconceiving productivity in the value chain by Porter & Kramer (2011). They further state that a benefit of this is reduced costs (Porter & Kramer, 2011). This also connects to the waste utilization as stated as good approach for companies to reduce their negative impact on the environment according to UN Global Compact & WBCSD (2015b). What could be improved regarding packing is that of sending empty boxes to customers for them to ship back the product for maintenance. This could be done by altering the type of packaging to being flat packed rather than molded. Interviewee 15 also mention, as a positive aspect, that geographically close locations pick up their own materials instead of using a transportation provider.

#### 5.5.5. PURCHASING

Batalhona & Clement (2018) are stating the need to review the raw material usage of the purchased components from suppliers. This is supported by the interviewees whom, are also emphasizing the need to review the purchasing processes and the suppliers. UN Global Compact & KPMG (2016b) further state that to successfully work with SDG 12, the company need to focus on more efficient and reduced use of materials, both in terms of ingoing and outgoing products. Which could be connected to the increased need for planning purchases together with the product development department, as stated by the interviewees. They further motivate the need for standardization in the products to be able to better leverage suppliers, reduce shipments and improve the adaptability of the products. This is supported by Porter & Kramer (2011) who sees improvement possibilities in the value chain by creating increased bargaining power with suppliers and thus being able to push them to work more sustainably as well as drive down cost and lower prices. The high degree of customized parts also makes this more difficult. Working more actively with planning together with increased communication and collaboration would help to reduce mistakes or changes from the supplier as well. The interviewees also state the waste, because of not planning the supplier to a better extent as a big disadvantage. Another suggestion for improvement that is connected to planning is that of batch ordering, which most interviewees believe to be an advantage. However, in order to ensure that the technology is not outdated, this needs to be done at shorter time frame and not too far ahead in

time. Porter & Kramer, (2011) emphasize the benefits of local clusters, a geographic concentration of firms that operate within the same field, as better access and benefit from each other's knowledge and infrastructure, increased openness, and transparency between actors in the market. As result the company will also have a more secure supply chain and increased incentives for improving quality and efficiency among suppliers. This is a benefit that present itself in the company as well since they use mostly local suppliers and have the benefit of quick supply when necessary since they are close in geographical distance. In addition to the benefits mentioned by Porter & Kramer (2011), the interviewees also state that benefits from working locally is: social benefits as well as the transport being more sustainable since they are working with free shipping. Long-term however, there is a difficulty in maintaining the local supply since there is also a benefit in having some suppliers for all locations and then the geographic location should rather be adapted to fit the whole organization as well as it offers more leverage to place demands on the suppliers. The supply should be focused on either ensuring the suppliers are working with sustainable subcontractors by increased reviews, or by choosing supplier that are not operating outside the sustainability frames of the company.

The interviewees further state that the company could improve in their reviewing of supplier and place higher demands on the suppliers. These demands should not only be on the products themselves, but also the way they are being shipped or packaged. A suggestion here is to invest in re-usable packaging. Even though, this is done to some extent, the interviewees state that this process could improve. The MSCI rating was motivated partially by the absence of a comprehensive anti-corruption policy as well as external audits and training on compiling to ethical issues. What is stated by the interviewees, however, is that many policies and processes are set up to ensure that suppliers are working towards more sustainable procedures, however they are only reviewed on a yearly basis using a "survey" and external audits are not maintained to the same extent due to covid. Which could result in the suppliers have no or reduced incentives to improve their operations in terms of sustainability. The interviewees therefor believe more due diligence should be made on the supplier and that they should be reviewed on more sustainability parameters. Nidumolu et al., (2009) further list a challenge in terms of efficiency as ensuring that suppliers reduce their emissions. However, if they are to successfully do so, they could manage to develop alternative ways of sourcing materials and components for their processes in an innovative way. Additionally, this, could decrease the number of returns to suppliers and their waste.

#### 5.5.6. PRODUCTION AND PRODUCT DEVELOPMENT

Nidumolu et al. (2009) states that one of the main challenges in integrating sustainability in the value chain is to increase efficiency in the value chain, by high technical knowledge, the ability to successfully alter the operations in a manner that reduces emission and raw material usage. Some distinct ways by which this can be done, as stated by UN Global Compact & WBCSD (2015b), is through making energy use more efficient, using recycled raw materials and redesigning their products in a way that parts can be replaced individually

rather than having customers replace the whole products. Waste reduction and waste utilization are further expressed as ways by which a company can reduce their negative impact on the environment. This is stated by the interviewees who both emphasize the need to design for sustainability and the need to design for assembly. The focus of the interviewees is to build in more renewables and recycled materials to ensure that sustainability is part of the NPD process. It is further emphasized by the interviewees, as well as by UN Global Compact & KPMG (2016a), to focus on the life cycle of the products. Further, the interviewees state that focus should also be on the reparability of the products and making sure that they are easy to assemble and repair by the customers as this would result in less energy consumption and a less operator dependent process as well as a longer lifecycle of the products. By enabling a design for assembly, it is also easier for the customers to upgrade their systems. The interviewees state that the best approach for this, lies in standardization and enabling subassembly.

What the MSCI rating concluded was that the quality management initiatives appear stronger than peers, which corresponds to the essence most interviewees place on quality. Quality is stated, by the interviewees, as important both from a customer application perspective and from a material perspective. The quality focus is connected to the sustainability aspects by the interviewees as well, through stating that as the quality improves, so does the life span which contributes to less consumption by the customers. The interviewees also connect the synergies between customer demands of quality and sustainability. For instance, by stating the need for lower noise and reduced energy usage to be sustainability associated. The different aspects as mentioned by the interviewees is also connected to the environmentally oriented archetypes as introduced by (Ritala et al., 2018), which is divided into: maximize material and energy efficiency, which is about optimization within the use of resources, closing resource loops that is connected to reuse of materials and products and substitute with renewables and natural processes which concerns business innovations in the processes (Ritala et al., 2018). As well as the environmental value focus as introduced by Evans et al., (2017), that aims to solve problems related to environmental challenges while generating economic and social value. Some of interviewees however, also state that the product improvement processes could be enhanced, while others state that it is already good. The focus, according to the interviewees, should be on the “top five issues” to ensure sustainability since it would result in more efficient processes and increased quality.

The interviewees state that reusables are being used to a high extent but are limited by customer demands, either technical aspects or visible. Many of the interviewees also state that the company could use more metal or aluminum since it is effective from our raw material and recycling perspective. The need to remove adhesives and replace it with screws, is also suggested as an improvement. The efficiency in material usage is further stated by several interviewees, both in product development, production and in the labs. Both theory and the interviewees express the suggestion to better utilize technology as essential. For instance, the interviewee suggests using technology as a substitute for paper usage. While the UN Global Compact & KPMG (2016b) suggest technology as a substitute to traditional manufacturing by instead implementing

efficient production tools. However, as the production today is manual, it doesn't result in substantial emissions from production. Interviewee 1 is further stating that production is not high on energy consumption and thus, not much can be gained from cost savings regarding energy, but the focus should rather be to "have a renewable energy agreement with the electricity providers" and to "measure" these renewables. Which could be connected to the first approach for altering the value chain as suggested by Porter & Millar (2011) in terms of reviewing the energy usage of the company to reap financial benefits as well as to improve sustainably. Which then is not a main task for the company, however, a focus should be on a renewable energy provider. UN Global Compact & KPMG (2016a) state that companies can adapt their products to ensure reuse at the end of the product life cycle as well as making sure that it is recyclable and energy efficient and thus, adapt to circularity. The interviewees state that recycling procedures are well set-up in some locations while in others they are completely lacking. What should also be done to a higher extent is to recycle the own parts of the company. One parameter which was specified as an area which could be improved was the return process since it is currently lacking a standard. However, one part that is mentioned as success factor is that of the refurbished units, which could be connected to the archetype of sufficiency as presented by Ritala et al. (2018) since it connects to reduced consumption. This, through the customers being able to return the product once it is no longer being used and this product then later being sold or serviced out as "refurbished unit".

## 5.6. THE GLOBAL CORPORATION

Chakravorti (2017) emphasize that the whole organization needs to be involved in the sustainability work for it to reap the financial benefits and market advantages that it entails. Thus, the focus should be as stated by the interviewees, to transfer the sustainability agenda also to the other subsidiaries of the company. The focus should however, also here, be on improving the cross-subsidiaries collaborations, as indicated by the interviewees and which can be connected to the theory and the potential to create "shared sustainable value creation" where the value chain and value creation can be extended to the value system of the whole corporation. This could also be connected to what Ritala et al. (2018) is referring to as developing sustainable scale up solutions, which the interviewees state is one of the goals of the integration. To first implement it into the company and then scale it to the other parts of the organization as well.

## 6. CONCLUSIONS

*The conclusion chapter consists of three main parts. Initially, there is an answer to the research question. Thereafter, a discussion and some recommendations are concluded. And lastly, there is a discussion on the limitations of this study together with recommendations for future research.*

### 6.1. ANSWER TO THE RESEARCH QUESTION

The topic of how to implement sustainability into a corporate structure could be somewhat ambiguous and hard for companies to grasp (Heriksson & Weidman Grundewald, 2020) and there is currently not extensive research on how this is best done (Geissdoerfer & Evans, 2018). The company, with which this study takes place, are, as a result of this ambiguousness, in need of tools on how to integrate sustainability into their organization. Thus, resulting in the research question “How could a fast-growing scale-up company manage the challenges and possibilities of strategically implementing sustainability into their value chain?” The pre-specified focus, together with the company, has been on the SDG 3 - Good Health and Well-Being and SDG 12 - Responsible Production and Consumption, as they are highly related to the company. For a fast-growing scale-up company to manage the challenges and possibilities of strategically implementing sustainability into their value chain multiple focus point has been derived in the analysis. The possibilities for the company to implement the SDGs, present themselves in having an ambitious and driven corporate culture, where the company has the chance to connect sustainability to said culture. The company is also highly successful in working with SDG 3, through their grants, and working with the government to improve health and well-being for all. However, there is a possibility to expand that goal to work more internally, with increasing employee well-being. Further, there is a possibility to improve the work along the value chain, in term of working with SDG 12, responsible production and consumption. Here, numerous possibilities on how to improve are discussed. The main challenges lie in risk of losing transparency, not placing the efforts on a feasible level, losing the seriousness of the job by not allocating resources or risk of not gaining support for the efforts due to lack of communication. To ensure that the transparency is not lost, the company should focus on the mentioned SDGs or goals since they are mostly connected to their core business, and to be transparent of the efforts in working towards these goals. To ensure that the goals are placed on a feasible level, the goals should be broken down depending on department with clear OKRs for each employee to actively work with. To not lose the seriousness of the job, one suggestion is to hire or appoint a dedicated person to drive the process of sustainability internally with the help from a focus group, with representations from all departments. This person how it to be responsible for driving the process, should also be responsible for the communication of the efforts. The communication must be improved both internally and externally.

Based on the value chain perspective, what the company could do, is specified in figure 11. What the firm infrastructure could do to operate on a broader scale is to set goal and ensure that they are followed up

with measurable tools. The human resource department has, thus far, been successful in setting up tools and processes to improve the employee life cycle, however, there is a possibility to extend these for them to include sustainability to a higher extent, to ensure that all employees are aware of both efforts being made and how to work actively with the goals. The sales department could strategically implement sustainability into their function by promoting more sustainability to the customers, either through encouraging sufficiency or promoting the more environmentally friendly features of the products and to communicate the sustainability corporate image towards customers. The company could also maintain their pricing structure since it is set based on the value offered to the customer rather than cost based which aids in their efforts working successfully with SDG3. The main possibilities from environmental improvements lie in logistics and procurement departments since they have not been reviewed in a sustainable way, thus far. For instance, sustainability could strategically be implemented by working with suppliers and logistics provider to a higher extent, and placing demand on their sustainability efforts, in turn. Further, the logistic

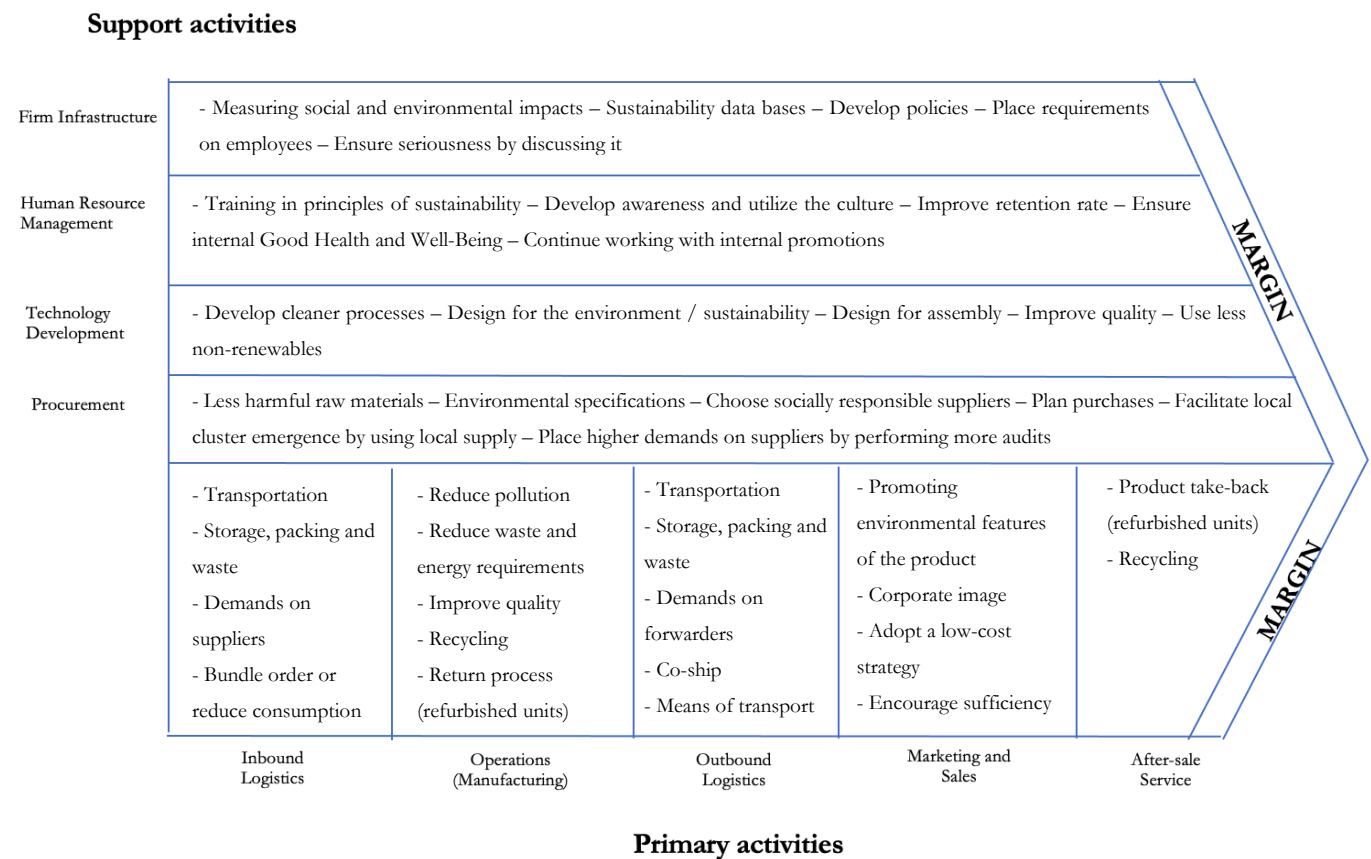


Figure 11 - Author's adaption of Epstein & Rejc Buhovac (2014) framework for sustainable value chains

team could also utilize their re-use of packaging to a higher extent and the purchasing could work together with the product development team to include more sustainable materials into the products. The product development could in turn, alter the design for it to include sustainability, either in terms of more eco-friendly material or improving the ability to assemble or repair products. The production department, also face that challenge of reducing their environmental impact, which could be managed by reducing pollution,



waste and energy consumption meanwhile increasing the recycling as well as the quality. Together with after sales, the company could also use their new initiative of the refurbished units to a higher extent.

## 6.2. DISCUSSION AND RECOMMENDATIONS

The discussion and recommendations are based on the analysis and on the research question *“How could a fast-growing scale-up company manage the challenges and possibilities of strategically implementing sustainability into their value chain?”*

### 6.2.1. EXPAND THE CULTURE TO INCLUDE SUSTAINABILITY

Most of the interviewees are focused on a narrower perspective in terms of importance and see mainly the commercial benefits. However, as stated by theory a higher extent is that sustainability is a driver of innovation and the focus on societal benefits. The company could assimilate their benefits from their corporate culture with the societal passion from the employees to a higher extent by focusing more on the benefits for society rather than on the benefits in terms of increased sales and growth of customer base. Otherwise, they risk losing out in the long run as it is becoming increasingly important for multiple stakeholders. The focus should also be on educating the employees, as they are ambassadors for the company and could aid in affecting company partners to work more sustainably.

### 6.2.2. WORKING WITH THE SUSTAINABILITY DEVELOPMENT GOALS

The goals as per selected in the pre-study are well supported by both theory and the interviewees, stating the essence to focus on the core of the company, and the interviewees who believe that the selected goals are well aligned with the business. Based on the SDGs it can be argued for that the company is already successful in one of them, Goal 3 – Good Health and Well-Being. At least based on the external perspective. However, theory also emphasize the internal perspective where the interviewees mention some areas for improvement, for instance improved health care benefits or reduced time constraints. It can be concluded that the company is, however, highly successful in working with this goal externally since they are working with partners as well as governments to improve the health and well-being for the general population. In terms of good working conditions, they also have set up procedures to ensure safety and are working actively to reduce risk for hazards in its operations. As stated by the interviewees the company is also basing the pricing on “added value” which indicate a successful pricing structure in terms of “low-cost, high-volume” which is suggested by theory. In terms of how to implement Goal 12 – Responsible Production and Consumption, the opinions differ in terms of how the company is encouraging consumption. Some state that the company is not encouraging the customers to buy more than needed and some state that the

*Figure 12 - Author's adaption of Epstein & Rejc Bubovac (2014) framework for sustainable value chains*

company is selling as much as they can. However, most are agreeing that the company is enabling their customers to use less, and thus, are reducing unnecessary consumption. Therefor it is concluded that the

company is successfully working with this but need to ensure that everyone has the same perspective on the efforts. Further, the company can become better at placing demands on their partners, both in the logistics and purchasing processes. In purchasing they have a good beginning in terms of documentation. However, they need to ensure control by performing more audits and making sure that these demands on suppliers are upheld. There are some successful parts in how the company is managing re-use, reduce and recycling of materials, however, as emphasized by many, these processes need to be reviewed to a higher extent to transparently state that the company is working with this. Other ways for improving on this goal is concluded to be circularity and assimilability adaptations, internal carbon pricing and quality improvements. The interviewees believed that since the company is hard working and passionate about what they are doing they could add sustainability to their core values, DNA, or culture and as a result “be the best practice within sustainability”, which is best done by transforming society, and not only the company itself, towards more sustainable solutions.

### 6.2.3. STRUCTURE WITHOUT THE EXPENSE OF THE GROWTH AND SPEED

Many of the respondents emphasize the lack of structure within the company, both in terms of processes and the fact that production generate unnecessary waste. They further, place essence on setting up these structures. For instance, an issue mentioned by interviewee 4 regarding material that was faulty purchased and then had to be thrown out, or the issue specified by interviewee 19 regarding the product development team wanting to try a part and then end up ordering excess stock that just result in waste. It is therefore of essence that the company place focus on planning, from the start. The lack of structure is resulting in a lot of waste in terms of lost time and double work. An additional conclusion is that the growth needs to be planned to a higher extent since the focus on growth has been on the expense of employee well-being where time and lack of attention on individual employees have been lifted as concerns. As the company is proud of its efficiency, growth and flexibility, the structures must be set up without the risk of compromising these aspects. The goals in relations to how the company is to work with sustainability and the SDGs should be long term, holistic and ambitious. However, they should be worked on as a continuous process with short term actionable goals to be able to work more structured and reduce the stress. The goals should be adapted to the departments and be measurable in terms of OKRs where it is also essential for the company to address inconsistencies. This to better gain societal support for the incentives and thus, avoid the risk of being perceived as green washing.

### 6.2.5. FOCUS ON IMPROVING THE COMMUNICATION

Some interviewees are not aware of initiatives being taken within the company. For instance, some state that there is no strategy towards sustainability, while it is one of the strategic focus areas of the company in the future and was, according to others, communicated on a company level. There is also the example of the green initiative, where some respondents were stating that the project has been successful so far, some didn't know that it started and the ones partaking in the initiative said it was in the scale-up phase with a

clear plan, while nothing had been implemented. Since there is also a lack of proper internal communication structure, lessons cannot be taught from each other. As one interviewee expressed during our interview, they were unaware of some of the internal documents that was set up which could have saved weeks of work. Other interviewees emphasize that there is no clear platform for sharing information, and every department has their preferred way of communicating. All of this is resulting in missed opportunities, unawareness of what is being done as well as the same work being done multiple times. It is therefore clear that there is a lack of clear communication as well as a lack of a mutual viewpoint within the company and as emphasized, how well this is to improve will determine how well the company is to implement sustainability and should therefore be a focus point for the company. Initially, the pathway for internal communication should be clarified and consistent throughout the organization, then it should be clarified that all are responsible for communicating what they are doing. By doing so, that company could also benefit from processes that are already in place and learn from each other. The company could also improve by working more actively with company partners, such as suppliers, customers or freight forwarders, or societal functions, such as government and institutes. The latter is where the current successes lie within the company, and therefore this focus is essential to maintain. Further, it should be expanded to company partners as well. By placing more emphasis on the external communication regarding sustainability, this could be improved. By doing so, they would be able to innovative offerings to the market and increase the productivity in a sustainable matter resulting in increased financial performance.

#### 6.2.5. HIRE A SUSTAINABILITY MANAGER AND SET UP A FOCUS GROUP

The first step, ensuring top management support, appears to already be present in the company. What could be done however, based on the case company is to include a sustainability manager in their way of working with sustainability. This said person could be part of the management team and operate more holistically within the company. Further, the inclusion of a new role, would ensure that resources in terms of time it placed the work, and thus, ensuring that the work gains enough attention. Necessary skills for the sustainability manger include planning and structure rather than the technical knowledge. This knowledge, should instead, come from a focus group, focused on working with implementations from the individual departments, and making sure that all parts of the organization have representation as well as to ensure that implementations are applicable to all parts of the company.

#### 6.2.6. ENSURE THAT ALL DEPARTMENT HAVE SUSTAINABILITY ON THEIR AGENDA

It is important that all departments are involved in the path towards working more sustainably within the company, independently if the department is a primary or supporting activity. The focus areas, should however, be different, depending on where in the value chain the department is working. The figure above concludes the recommendation made for each department, or part of the value chain (see figure 10 or 11). The firm infrastructure should for instance work with more policies and place demands on employees, to ensure that the work is being done. Whereas the procurement department should focus on the materials

being used and how to reduce the impact of the inbound logistics. The sales and after-sales department should work towards more environmental features. If the company is to be successful in implementing sustainability, they would also be able to transfer this work to the full value system for the corporation and, in turn, their partners. What could be done now, however, is to ensure that the collaboration with other companies inside the corporation is done in the same manner as with the companies outside the corporation, and that these collaborations are made in a sustainable way.

### 6.3. LIMITATIONS AND FUTURE RESEARCH

The methodology of the thesis possesses some distinct limitations. First, due to the use of solely one company, or case., the thesis is occupying the risk of not being applicable to any other cases. Secondly, as a contributor to this risk, the company has also chosen to be anonymous which has resulted in some information being excluded from the data to ensure this anonymity. In addition to the company name being replaced, technical specifications or terms that could imply the business field has been replaced or excluded. Nevertheless, the results might be found relevant on a more general spectra and independent of the company situation for some aspects. This, however, should be studied further. Thirdly, as emphasized in the delimitations (1.4.), the focus for the study is on the managerial perspective as opposed to the ecological or technical. However, recommendations have also been made to further investigate the technical or aspects of the products. These recommendations, however, are made on a broader scale as oppose to product specific. Fourthly, some of the findings could be limited due to using the term sustainability, since some of the interviewees might not directly connect their suggestions of improvement to sustainability even though there might be overlaps. Though, for these interviewees additional guidance was offered in terms of addition explanations of definitions or in some case, suggestions were offered. This, however, poses as a fifth limitations, as this might result in leading or affected answers. To reduce this risk, the suggestions or explanations were kept to a minimum and done in a way as broad as possible. Sixth, another limitation is in that of using solely company generated information for the data collection, since this data might be tending to focus on the positive aspects of the company rather than improvement areas. A final limitation is that of data analysis since a thematic coding approach has been used. The thematic code poses a few limitations, 1) the data is adapted to fit into the themes, 2) one might see themes where there are none and 3) since themes are derived from a big scope of data, it might not be representative for the data in is full sense. Nevertheless, by having the research question in mind during coding as well as during analysis, these limitations does not risk imposing on the quality of the findings to the same extend.

Independently of these limitations presented, the results reveal several interesting patterns regarding to what extent a company in the scale-up phase could implement sustainability into their value chain. Which could serve as a foundation for future researchers to build on. For instance, research could be made on how to best communicate sustainability internally and externally or what effects implementing a sustainability manager might have on a corporation. It would also be of interest to compare the findings of

this case study, to other contexts, either other companies in the scale-up phase and MedTech industry, or those who operate in other business contexts, such as for instance companies operating at a different scale or in another industry. Furthermore, focus of future research could also be on other aspects of sustainability, or other sustainability development goals. The theoretical applications of this thesis could be in using the findings and to compare them to the findings of future studies on the topic. As stated in the introduction, there are theoretical gaps in terms of case studies on how corporations are to best implement sustainability into their organizations (Geissdoerfer & Evans, 2018; Evans et al., 2017) and thus, this study can be used to close that gap and to contribute to future researchers doing the same. Future researchers should, with the help from action research, aim at synonymously contributing to both academic theory and genuine action.

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## 8. APPENDIXES

*Appendixes include A) the full interview guide and B) the thematic coding.*

### 8.1. APPENDIX A - INTERVIEW GUIDE

**Research Question:** To what extent could sustainability be implemented into a value chain from a strategic perspective in a fast-growing scale-up company?

#### USEFUL DEFINITIONS

**Sustainability** = An implication of change and innovation or adjustment of the business in accordance with its surrounding or supporting environment. Can be divided into three parameters, with different focus areas:

1. **Environmental** - E.g., renewables, emissions, waste reduction.
2. **Social** – E.g., equality, diversity, labor standards etc.
3. **Economical** – E.g., profit, return on investments, business stability

**Value Chain** = a distinction of activities, both supporting and primary, that are necessary to perform the business and result in a value offer to the customer.

- **Primary activities** = activities involved in the physical creation of the product e.g., production
- **Supporting activities** = activities that provide the inputs and infrastructure that allow the primary activities to take place e.g., HR, procurement etc.

**Green washing** = activities by a company or an organization that are intended to make people think that it is concerned about the environment, even if its real business actually harms the environment.

#### Sustainability Development Goals

All of the goals are:



More information can be found here: <https://www.un.org/development/desa/disabilities/about-us/sustainable-development-goals-sdgs-and-disability.html>

The focus for the report is going to be **Goal 3** - Good Health and Well-being (Read more here: <https://sdgs.un.org/goals/goal3>) & **Goal 12** – Responsible production and consumption. (Read more here: <https://sdgs.un.org/goals/goal12>).

## GENERAL QUESTIONS

**Name:**

**Nationality:**

**Age:**

**Gender:**

**Years within the company:**

**Role and area of responsibility:**

**Number of team members:**

## GENERAL QUESTIONS ABOUT SUSTAINABILITY

1. How important is sustainability to you and to the company?
2. How do you think implementing sustainability can impact on the company and how is it of strategic importance?

## STRATEGIES TO IMPLEMENT SUSTAINABILITY

3. What is the current strategy towards sustainability?
4. Where do you think the focus area of the company is? And where should it be? (environmental / social / economical)
5. How would you set goals in relation to sustainability?
6. What are the challenges to integrating sustainability in the company? Short term / Long term
7. What are the possibilities to integrating sustainability in the company? Short term / Long term
8. To what extent do you feel that your/top management support sustainability implementations?

## VALUE CHAIN

9. When looking at the company value chain, what processes are already good and what can be improved from a sustainability perspective?
10. How can the primary activities guide, develop and support the company in the sustainability work?
11. How can the supporting activities guide, develop and support the company in the sustainability work?
12. How are you working with other parts of the value chain with questions regarding sustainability?
13. How can the company infrastructure look in terms of sustainability?

## SUSTAINABILITY DEVELOPMENT GOALS

14. How do you think the company should work with the sustainability development goals?
15. How do you feel that the company is working towards health and well-being for all?
  - a. What would you say is the commercial argument for the business to work with health and well-being for all?
  - b. What would you say is the societal benefit offered by the company by working with health and well-being for all?
16. How do you feel that the company is working towards responsible production and consumption?
  - a. What would you say is the commercial argument for the business to work towards responsible production and consumption?
  - b. What would you say is the societal benefit offered by the company by working towards responsible production and consumption?
17. “Substantially reduce waste generation through prevention, reduction, recycling, and reuse.”- How does this process look in your department? How can it be improved?
18. What would you say are key processes that needs to be in place in order to implement the SDGs into your department and daily way of working?
19. What would you say are key skills that needs to be in place in order to implement the SDGs into your department and daily way of working?
20. How do you feel that you are offered the possibilities to explore new skills and develop your current ones? The team’s skills?

## DEPARTMENT QUESTIONS

### QUESTIONS FOR HR – 2 respondents

1. How does the recruitment procedures look?
2. To what extent are you trying to improve the working conditions, health and well-being for employees?
3. How are you working to ensure gender equality and diversity?
4. How are people within the company encouraged to improve their knowledge/skills?
5. How can you best spread knowledge and develop a culture around sustainability within the company?

### QUESTIONS FOR PRODUCTION – 3 respondents

1. How does the product improvement process look?
2. How does the process for recycling, re-use and reduction of material usage look?
3. How do you think the future production process will look?
4. How are you working to improve the working conditions for employees in terms of good health and well-being?
5. What types of improvement are you currently working on in terms of sustainability?

### QUESTIONS OF PRODUCT DEVELOPMENT – 6 respondents

1. What are parameters you think is important to evaluate the environmental impact of different products / processes?
2. To what extent are you trying to implement sustainable aspects into new products etc.?
3. How does the product improvement process look?
4. How does the process for recycling, re-use and reduction of material usage look?
5. How could you design for sustainability?
6. How do you think that the company can work to increase the value of sustainability with suppliers?

### QUESTIONS FOR PURCHASING – 1 respondent

1. How does the current screening process look for new vendors/suppliers when it comes to their sustainability work? Difference between products / services?
2. What sustainability aspects are taken into consideration when screening for a new products?
3. How does your screening process for suppliers look? How does the procedure look for when code of conduct is not met?
4. How does your strategy look for trying to find more sustainably efficient alternatives to current purchases?
5. How does your process for recycling, re-use and reduction of material usage look?
6. How do you think that the company can work to increase the value of sustainability with suppliers?

### QUESTIONS FOR LOGISTICS – 2 respondents

1. How does the current screening of new logistics service providers look in terms of sustainability?
2. How does your process for recycling, re-use and reduction of material usage look?
3. To what extent are you working with logistics partners to reduce their environmental impact?
4. How does the procedure for storage/transport/disposal/packaging look?

### QUESTIONS FOR SALES – 2 respondents

1. How does the current pricing process look for the products?
2. How does the current return process look?
3. To what extent do you feel that the customers place an emphasis on sustainability?
4. How can we promote the SDGs to the customers in order for them to see the increased value in our products?

5. How are you currently working with customers to obtain feedback on parameters in regard to sustainability?

**QUESTIONS FOR LEGAL COMPLIANCE - 2 respondents**

1. How are you currently working with meeting standards and regulations?
2. How do you think it will change in the future?

**QUESTIONS FOR MARKETING / COMMUNICATION - 5 respondents**

1. How does the sustainability reporting procedure look currently?
2. How does the strategy for marketing look in regard to sustainability parameters?
3. How are you currently working with customers to obtain feedback on parameters in regard to sustainability?
4. How do you think the company should approach the society best in order to prevent them from referring to the integration as “green washing”?
5. How can we promote the SDGs to the customers in order for them to see the increased value in our products?

## 8.2. APPENDIX B – THEMATIC CODING

Dark Blue	Strategic Importance of Sustainability
Red	Setting Goals
Yellow	Continuous Process
Pink	Communication
Brown	Success Factors
Black	Challenges
Turquoise	Structure // Ownership
Purple	Growth & Speed
Green	Demographics // Subsidiaries
Purple Overlined	Goal 3
Yellow Overlined	Goal 12
Blue Overlined	Social Parameters
Green Overlined	Environmental Parameters