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Corporate social responsibility as an organizational innovation: a comparative analysis of its implementation in the institutional frameworks of Sweden and the United Kingdom

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Abstract: Corporate social responsibility is a management concept originating from the Anglo-Saxon background and associated with the tradition of arm's length relations between business and institutions in society. However, different institutional systems handle organizational innovations in dissimilar ways, and in the age of globalization, national institutions often interact with global ones. This study discusses how these mechanisms might affect CSR's implementation in contrasting institutional frameworks – that is, Sweden and the UK, and finds that while explicit CSR seems to have converged, likely due to global pressures for equivalence, on a more fundamental level, domestic institutions remain major actors in influencing what version of CSR will develop. Even though the use of the concept, practices and motivation may appear similar, important differences emerge. CSR in Sweden seems to have a normative justification and an international focus due to the Swedish tradition of corporatist integration whereas in the UK, CSR is justified instrumentally, with a national focus, and is viewed as a complement to or substitute to state action.

Key words: Corporate social responsibility, institutions, innovation

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1. Introduction

Corporate social responsibility (CSR) is a contested concept as it is often impossible to categorize companies' behaviour as responsible and irresponsible. The fact remains that as an organizational innovation, CSR is assuming an ever larger presence and is indeed diffusing on a global scale, even in economies that have very different features as far as the relationship between business and society is concerned. This then begs the question why CSR is adopted also in countries where it might clash with the traditional model, and whether it assumes a different form to overcome these difficulties or maintains its original aspects stemming from the Anglo-Saxon background.

CSR adoption is often seen purely as a question of business strategy. Numerous studies document the so-called business case for responsibility – it is assumed that more socially responsible companies can increase not only their reputation but also their income. A problem with this instrumental approach is that it often ignores the importance of institutions in the spreading of new ideas and standards. Institutions affect company motivations to a greater extent that is realized and according to some constitute the real drivers of this change.

However, it is unclear whether institutions are causing the global CSR to converge or diverge. Even though many CSR standards adopted by companies are global, national institutional settings also play a role. Companies are influenced by the institutional framework they find themselves in: these may pose barriers to CSR implementation or may be more suitable for it than others. This could then mean that the variation in institutions determines what versions of CSR develop whereas the former perspective would view CSR adoption as the diffusion of a single global standard.

In order to examine to what extent this is taking place, CSR in different institutional settings has to be studied to find out to what degree institutions affect company behaviour and also whether there is any variation in what institutions in different countries pressure companies to do although the basis for CSR may be claimed as either instrumental or normative.

The aim is to examine whether firms adopt CSR for instrumental reasons without realizing how this is affected by the institutional framework they are located in. Such finding may disprove not only the importance of the business case but also the theory that CSR will become a standardized practice. It will become clear whether convergence or divergence is in progress, and to what extent these developments are taking place in different institutional settings. It will be also attempted to find out whether some types of institutional environments are more suitable for CSR than others and if speed of CSR adoption varies significantly because of this, not being influenced by global pressures to such an extent. It is hypothesised

that in some economies, the version of CSR might differ due to institutions whereas in others, the global standard perspective dominates.

It is acknowledged that the definitions of CSR are manifold. However, the environmental aspect of social responsibility – the attempt to lower one's environmental impact – constitutes one of its most common elements, and it is also one that is to the greatest extent connected with not only organizational but also technological innovation. That is also why this dimension is examined in this study: that is, only the efforts of companies to reduce their environmental impact will be studied, and only those institutions that influence the way business deals with the environment. This dimension of CSR is often the most important for large companies as it allows tracking specific objectives. It is also considered less complicated to define than other aspects of CSR, for instance, its social dimension. Centring on the environmental aspect thus allows greater focus.

As concerns the structure of the study, first; the definition of CSR will be discussed, moving to its perceived drivers as discovered by previous research. The business case will be laid out before examining how institutional theory is applied in CSR research. The two schools of thought that constitute the theoretical framework of the study will be presented – new institutionalism and comparative political economy – and research questions will be elaborated on, allowing for limitations. Next chapter will deal with the method employed and data collected and will describe the process of analysing the data.

In the empirical part, it will be qualitatively examined what companies themselves view as determinants of the adoption of environmental CSR. To test whether the institutional framework plays a role, firms from two contrasting countries will be selected: Sweden and the UK. Their institutional conditions for CSR will be discussed before moving on to the empirical part itself in which a limited number of large companies within one sector will be selected and their CSR reports will be analysed, supplemented by interviews with a few of those firms. The analysis will serve to draw general conclusions about the motivation for company behaviour, focusing mainly on institutional pressures.

2. Background

In this section the CSR concept and its definition will be introduced, moving to its potential drivers, one of them being institutions. Next, the literature on new institutionalism and comparative political economy will be summarized, and, based on these theories, the theoretical framework for the study as well as the research questions asked will be presented.

2.1. CSR: definition of the concept

As Campbell (2007: 950) notes, "*socially responsible corporate behaviour may mean different things in different places to different people and at different times.*" There are numerous definitions of CSR and, overall, caution is advised as there is always discrepancy between rhetoric and action. Crane et al. (2008) also argue that defining CSR is not just a technical exercise, but a normative and an ideological one as well.

Another problem which is connected with CSR is that corporate social performance (CSP) is a subjective indicator which does not allow unbiased measurement. CSP is assessed by evaluations by industry experts, surveys of managers, official CSR ratings, and membership in initiatives or certifications (Blombäck and Wigren-Kristoferson 2010). However, none of these will ever be successful in capturing how responsible companies really are.

Originally a US management concept explaining how companies can combine social expectations with profit maximization (Vogel 2005), CSR deals with the problem whether business has a responsibility for things other than providing goods and services, and if it does, who it owes them to. These responsibilities are captured in Carroll's pyramid of CSR: firm's primary obligation is to pursue growth and profit while abiding by the law. However, society also expects firms to fulfil their ethical responsibilities, which is where real engagement begins (1991 cited in Keinert 2008).

It is evident that there are issues with this conceptualization: CSR comes from the Anglo-Saxon context and tradition of free enterprise, a strong role of the employer and a tax system favouring individual solutions to social issues (De Geer et al. 2009) but societies are different and institutional differences result in varied contexts and role for stakeholders, which means that a universal definition of CSR is impossible to uncover (Matten and Moon 2008).

The fact remains that CSR is becoming increasingly important and has experienced rapid growth in management literature, resulting often in prescriptive and descriptive studies attempting to demonstrate the business case for CSR and to provide practical solutions (Gjølberg 2009b). The business case notion entails that CSR can benefit a company, financially and non-financially, and should therefore be adopted for instrumental reasons even

where a moral motivation is missing. At the same time, CSR has witnessed an increased interest of international organisations such as the United Nations and many NGOs, reflecting the changed expectations of business (Keinert 2008).

Freeman (1984) claimed that the modern corporation cannot focus solely on maximizing shareholder wealth as it depends on the quality of stakeholder relationships – this is, the connections to the firm's employees, customers, suppliers and shareholders but also nature and society at large (Keinert 2008). The value created cannot be solely economic but environmental and social as well – the so-called Triple Bottom Line of CSR (Elkington 1997). This is taken into account in a widely accepted European Commission definition of CSR which stresses the voluntary social and environmental concerns in corporate interactions with stakeholders, as opposed to a legal imposition of CSR which is rejected even by many advocates of CSR (Kinderman 2012). This principle of voluntarism is partly in conflict with the European tradition of not promoting responsibility in firms, preferring for them to follow the law (Melé 2008 cited in De Geer et al. 2009).

However, governments all across Europe now promote CSR, and at EU level, the principle of voluntarism has become stronger. CSR is also directly related to the Lisbon agenda for growth since it supposedly makes European corporations more competitive (European Commission 2006) as well-exercised CSR enhances company performance. This instrumental perspective is also the one most often quoted when motivation for CSR is discussed.

2.2. Drivers of CSR

According to UK association Business in the Community (2011), a divide is emerging between those that embrace CSR and those that do not: the former will survive and thrive and to help the latter, proof needs to be provided that shows why and how responsible business practices build successful organisations. This is what the so-called business case for CSR is trying to convey by outlining what advantages companies might expect through adopting CSR and providing a justification to do so. This instrumental perspective goes directly against moral and normative arguments for CSR (Detomasi 2008).

Presumably, adopting CSR renders companies more efficient, leading to cost reduction, enhanced risk and reputation management, improved brand value, customer loyalty, access to capital, innovation and employee satisfaction. The pressures emphasised are mostly internal and competitive. In a similar line, Waddock and Graves (1997) argue that higher CSR leads higher financial performance even though evidence for this has proven inconclusive.

Porter and Kramer (2006) stress that through strategic CSR a company can influence its factor conditions, demand conditions, the context for firm strategy and rivalry, and related or supporting industries. One corporation cannot solve all problems but through focusing on strategic issues, it might benefit society while at the same time increasing its competitive advantage. Business has a vested interest in addressing society's challenges. This idea has been later developed into the Creating Shared Value (CSV) concept (Porter and Kramer 2011) which involves creating economic value in a way that *also* creates value for society by addressing its needs and challenges. However, CSV is not social responsibility but a new way to achieve economic success.

CSR may also protect the firm from reputational losses. Such is the view of Brammer and Pavelin: the implementation of a certain CSR practice might be "*a means to demonstrate legitimacy*" (2005: 41). The firm's "reputational capital" must be protected, while the only motive may be to appear favourable. It is then no wonder that the CSR concept as a whole is often accused of being cynical, driven only by the desire to maintain a positive image without considering the moral imperative to behave responsibly.

Moreover, the enhanced reputation from CSR and the link of this "intangible asset" (Waddock 2008) to financial performance is contested. Reputation is frequently equated with legitimacy; nevertheless, the terms are not interchangeable. With regards to CSR, its practices can be viewed as "searches for social legitimacy" (Garriga and Melé 2004). The concept as well as other management innovations is adopted by firms in order to be perceived as legitimate, modern, and rational (March and Olsen 2004 cited in Gjølberg 2010). However, the attainment of legitimacy is not guaranteed: it is an outcome of institutional processes. Economic explanations are insufficient to fully account for CSR.

2.3. Institutional theory in CSR

Corporations are embedded in a nexus of formal and informal rules (North 1990) and engage in behaviours in a web of social relationships. Some types of behaviour become ritualized and therefore accepted as legitimate, and firms exhibiting opposing behaviour will be considered illegitimate and denied access to critical resources. Firms may thus engage in CSR behaviours to attain legitimacy – when their "*actions are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions*" (Suchman 1995: 574).

It is then possible to argue that instrumental motives are not the only driver of CSR: companies may develop it as a response to wider institutional pressures (Aguilera et al. 2007 cited in Jackson and Apostolakou 2010). Firms draw on institutions, defined as "*socially*

constructed, routine-reproduced, program or rule systems" (Jepperson 1991: 149 cited in Doh et al. 2010), when constructing CSR, and institutions shape this process by providing regulative, normative and cognitive structures, separating the illegitimate from legitimate.

The relationship between CSR and institutions has been widely researched in recent years but is still subject to much disagreement, especially between new institutionalism and comparative political economy. These two schools of thought form the theoretical framework for this study as they illuminate the mechanisms through which ideas are spread and adopted.

2.3.1. New institutionalism

New institutionalism emphasizes how organizational ideas are diffused globally. It is connected with the spread of globalization, which, according to some, will lead to a homogenization and standardization of organizational forms (Meyer 2002 cited in Gjølberg 2010). Starting this tradition, DiMaggio and Powell (1983) go beyond the general notion of formal and informal institutions to distinguish among regulative, normative and cognitive dimensions of institutions. Organizational behaviour is examined at the level of organizational fields: sets of organizations connected by transactions and located in similar positions in the network (structural equivalence). It is argued that in those fields characterized by a set of predictors – resource centralization and dependency, goal ambiguity, uncertainty, professionalization and structuration – forces emerge that drive homogeneity. This explains why organizations adopt similar practices such as CSR, and, presumably, from a certain point ("threshold"), CSR may no longer be driven by the need for efficiency in a competitive environment, but provides legitimacy rather than performance.

The shift occurs through isomorphic processes. One of these forces is coercive: the pressure on companies exercised by other organizations in society, for instance, the government imposing regulation. Kagan et al. (2003 cited in Gjølberg 2009b) argue that regulations are crucial to explaining performance both directly, by forcing companies to change behaviour, and indirectly, by empowering social activist groups and establishing a benchmark.

The mimetic variant of isomorphism, on the other hand, provides an answer to uncertainty. Companies modelling themselves on organizations perceived as legitimate can gain access to "best practices" and, as there are few models to choose from, the result is equivalence.

Also important is normative isomorphism, associated with professionalization. In this case, companies are not constrained, but rewarded – for being similar to each other and sharing the same values. Normative actors include NGOs, the media, institutional investors and costumers who will evaluate companies based on their conformity with "acceptable corporate

behaviour" (Rao 1994 cited in Doh et al. 2010), that is, values and social norms for "rules of the game" (Campbell 2007). Another instance is "soft" regulation, standards and codes of conduct developed by industries, which is followed voluntarily but maintains an influence on companies through peer pressure.

These institutional pressures for similar behaviour of subjects will increasingly make companies more alike in their CSR implementation approach even though the subjects may have various motives for moving towards responsibility. Different societal actors will define and influence the institutional norms, values and regulations, and when they accept a shared definition of CSR, the practice will become institutionalized (DiMaggio and Powell 1983).

There are a number of institutional actors at play today, pressuring companies to be responsible in the absence of a global governance structure (Waddock 2008). The basis for this is voluntary, however, as new institutionalism shows, it may be an effective mechanism in reaching the outcome of CSR, as companies engage in these initiatives to rationalize and standardize expectations from stakeholders. In this line, Jackson and Apostolakou (2010) show that firms operating in the same industry and facing similar challenges will develop common CSR patterns and regulations. This will serve as a means of responding to coercive and normative pressures of sectorial-level regulatory standards or governance mechanisms operating at the transnational scale, or could perhaps be viewed as an outcome of mimetic pressures to imitate their competitors (DiMaggio and Powell 1991). All of this may be essential in explaining the diffusion of "minimum standards" for CSR.

2.3.2. Comparative political economy

Conversely, according to comparative political economy approaches, organizations continue to be institutionally embedded in a national context where they are presented with a specific set of barriers and opportunities (Gjølberg 2010). Consequently, "*existing institutional systems will affect corporate responses to pressures* (…) [for] *CSR activities*" (Chen and Bouvain 2009: 304). Maignan and Ralston show that motivations for CSR in different European countries vary as the institutions that constrain and enable behaviour – regulatory, normative, associative, and other – are dissimilar (2002 cited in Campbell 2007). For example, the way stakeholder relationships are managed will depend on the type of corporate governance dominant in the country.

The version of CSR that will develop will thus not be standardized. Instead, comparative political economy theories lead to the conclusion that there will be dissimilar and divergent forms of the same innovation because types of the economies differ and firms in contrasting

institutional contexts are encouraged to develop different kinds of capabilities; governance and strategy vary. One approach distinguishes between different types of capitalism while the other deals with national business systems.

2.3.2.1. Varieties of capitalism

According to this firm-centred categorization developed by Hall and Soskice (2001), companies are crucial actors in the economy, seeking to develop and exploit their core competencies (capacities for developing, producing and distributing goods and services at a profit). To achieve this, a firm must solve numerous coordination problems – which means that it needs to establish and maintain quality internal and external relationships. The way these are organized differs in liberal and coordinated market economies, example of the former being the UK, while Sweden represents the latter.

In liberal market economies (LMEs) such as the UK or the US, firms coordinate their activities primarily via hierarchies and competitive market arrangements. There is a prevalence of competition and formal contracting. Associative behaviour among firms is limited; interactions between labour, other stakeholders, and firms are decentralized, minimal, and often contentious; and the state plays only a limited role in regulating the economy.

Conversely, in coordinated market economies (CMEs), for instance, the Nordic countries and Germany, firms depend more on non-market relationships to coordinate their endeavours with other actors and to construct their competencies. Contracting is relational or incomplete and firms rely on collaborative relationships to build the competencies of the firm. Associative behaviour among firms is considerable; interactions between organized labour, other stakeholders, and firms are more centralized and frequent; the state plays a much greater role in regulating the economy.

In LMEs, markets and legal systems support formal contracting and encourage relatively complete contracts. The problems that cannot be solved by the markets are addressed by hierarchies. In CMEs, firms can draw on a further set of organizations and institutions in coordinating that reduce the uncertainty actors have about the behaviour of others and allow them to make credible commitments to each other. Employer associations, labour unions, and legal systems help facilitate the exchange of information, monitoring, sanctioning and also deliberation in these economies. All these formal institutions are also supported by history and culture as every institution is created by actions and repeated historical experience (Hall and Soskice 2001).

What is especially relevant to CSR is corporate governance. In CMEs there exist dense networks linking the managers and technical personnel inside a company to their counterparts in other firms on terms that provide for the sharing of reliable information about the progress of the firm. However, this is not the case in LMEs which means firms there have to pay more attention to current earnings and the price of their shares on equity markets. The interest in shareholder value is also higher than in CMEs which are more focused on stakeholder management strategies and the long term (Hall and Soskice 2001).

It may seem that CMEs have the institutional prerequisites necessary for CSR while LMEs do not. However, institutional models are challenged and changed over time as they react to new ideas. Sahlin-Andersson and Engwall argue that management ideas circulating in the business community can "*open up and drive institutional change*" (2002: 22 cited in Windell 2006). The current wave of managerial innovations such as CSR or quality management systems combined with liberalization in the international economy might influence the stability of regulatory regimes and national institutions.

Even so, Hall and Soskice (2001) claim that in CMEs, business community is likely to provide less support for deregulation as many firms draw competitive advantages from systems of relational contracting that depend on the presence of supportive regulatory regimes. Trade unions have been weakened by business initiatives and deregulation in LMEs but remain strong in CMEs. Nevertheless, the shareholder view is increasingly being adopted even in CMEs, at least in rhetoric (De Geer et al. 2003), suggesting changes might be underway. CSR, resting upon a paradox between a liberal notion of voluntary engagement and a contrary implication of socially binding responsibilities (Brammer et al. 2012), may be one of the signs of this shift. However, it may be shown that CSR is only moulded according to the existing variety of capitalism.

2.3.2.2. National business systems

Another theory in the comparative political economy is that of national business systems. Whitley (2007) claims each business system is dominated by different kinds of collective strategic actors, and firms develop different organizational capabilities in pursuit of different priorities. National and local state regulatory regimes, the nature and role of business associations and of labour unions, skill formation systems and technology policies will all vary and affect competitive strategies within and across industrial sectors, which according to Whitley (2007) are facets that the varieties of capitalism approach is not able to capture.

Considering the extent to which the state is actively involved in coordinating and steering economic development, Evans distinguishes between arm's length states which perform custodial roles, i.e., establish and apply rules as remote policing agents, and more promotional states which take active steps to steer the economic development (1994 cited in Whitley 2007). In arm's length states, on the one hand, institutions limit commitments between economic actors. Instead, relationships are distant and guided by formal rules of competition and cooperation, resulting in a variety of firm type and commitment. There are few constraints on opportunism and the exercise of market power: the markets are flexible and decision rules left unstructured. Business associations and labour unions are weak.

In "thicker" institutional environments, on the other hand, the state encourages greater similarity in economic organization and companies tend to follow similar procedures. Associations of different socio-economic interests are considered partners in developing and implementing economic policies and their support is enlisted in carrying out economic policies and limiting opportunistic behaviour (Whitley 2007).

The national business systems theory also describes the differences in corporate governance: in arm's length states, the "shareholder" model dominates and maximization of shareholder value is the primary goal. Elsewhere, the "stakeholder" model is prevalent in which a variety of firm constituencies enjoy a "voice" in the firm – their interests are to be balanced against each other (Kelly et al. 1997 cited in Whitley 2007). The governance of companies, their strategic goals and how they pursue these thus differ considerably.

National business systems are also influenced by globalization. The internalization of the international economy, the growth in inward FDI and sectorial shifts all mean that institutional constraints on opportunistic behaviour are likely to lose their strength and alliances become weaker and less effective. In arm's length states, further fragmentation of shareholding and increasing concentration of fund management and financial intermediation in equity markets is expected, with assets to be managed for maximum "shareholder value" in the short term (Whitley 2007). On the other hand, it is argued that even in small and open economies such as Sweden strong domestic institutions and interest groups will remain effective in reinforcing cohesion and maintaining constraints on short-term opportunism (Katzenstein 2006 cited in Whitley 2007).

2.4. Convergence or divergence?

As has been shown in the previous discussion, both institutional theories treat the adoption of ideas very differently. New institutionalism expects the CSR concept to be standardized and

adopted globally. However, globally diffused concepts are often of a very abstract and general nature and are not necessarily adopted in full: originally incompatible ideas will be transformed (Sahlin-Andersson and Engwall 2002 cited in Gjølberg 2010). DiMaggio and Powell (1991) claim that "*institutional models are unlikely to be imported whole cloth into systems that are very different from the ones in which they originate*". As an example, Chen and Bouvain (2009) show that institutional environments can constrain the adoption of global CSR standards, causing significant country and industry specific differences in what is reported. These reflect the salience of different stakeholders or policy issues in different countries.

This indicates that CSR is a malleable concept, likely to be given a particular understanding in a national context (De Geer et al. 2009). According to this view, a great degree of transformation of the content and meaning of CSR occurs when CSR is adopted across governments, in order to make it compatible with domestic institutions. This proposition is especially interesting to examine in contrasting institutional environments such as the United Kingdom and Sweden.

According to Gjølberg (2010), CSR, originally a business-driven management idea, is moulded to fit the institutional reality of Sweden and due to its tradition given a normative justification and an international focus. In the UK, on the other hand, CSR has an instrumental justification and national focus and CSR is viewed as a complement to or substitute to state action (Gjølberg 2010). In both countries, CSR performance is high but for different reasons: in Sweden, the drivers are corporatist integration, political culture with active NGOs, media, consumers and public debate, and an active state whereas in the UK it is weak unions and a strong exposure to world markets. The unions are sceptical to CSR, fearing it will undermine regulatory frameworks and transfer even more power to business (Gjølberg 2009b).

Conversely, Jackson and Apostolakou (2010) claim that institutionalized coordination at the national level has a negative influence on the adoption of CSR but only explicit one: in coordinated countries, it will remain implicit. Matten and Moon (2008) define explicit CSR as focused on corporate activities, voluntary policies and strategies, motivated by expectations of different stakeholders of the company either to reactively comply with them or more proactively fulfil them. In contrast, implicit CSR reflects values, norms and rules, often codified and mandatory, emerging from the society itself and its expectations on the role of the corporation, and may not even be detected by CSR measurements, leading to the notion that there is a lack of responsibility (Brammer et al. 2012). Also, when considering national institutions, one must not forget that CSR is also influenced by varieties of global

isomorphism (Jamali and Neville 2011). Voluntary global initiatives steered by international governmental bodies are, presumably, responsible for the universal and highly structured form that CSR exhibits today (Lim 2008) and catalysing the spread of explicit CSR. The question is then, to what extent are these two forms adopted in different institutional systems and what the drivers are.

2.4.1. Research questions

Based on the review of previous research and theories connected to CSR, a number of questions emerge. It is clear that institutional conditions differ – but is the same true for the mechanisms of adoption in different countries? What influences and pressures do firms experience that force them to become responsible? One hypothesis may be that it is part of their strategy, independent of national institutions and the nature of the business system but likely influenced by global standards while another would claim that the outside environment, norms and regulations play a role and pose specific barriers or enablers for CSR. The former would lead to the conclusion that global isomorphism is at play, leading CSR to converge, whereas the latter would point to divergence.

The aim is to examine to what degree these occur in two contrasting institutional systems by finding out what companies themselves view as determinants, and discover whether there is any difference between companies based on the nature of their institutional framework. The hypotheses are stated as follows: firms may adopt CSR for instrumental reasons but do not realise how this is affected by the institutional framework they are located in; some types of national business systems are more suitable for CSR than others; explicit CSR is on the rise in both systems due to global forces and the rise of shareholder value thinking; however, the speed of CSR adoption varies significantly according to the institutional framework, and is not influenced by global institutional pressures to such an extent; in Sweden, the version of CSR differs due to local institutions while in the UK, the global standard perspective is much more prevalent, however, the business case has little value in either case because CSR is driven by institutions and the business reasoning is only a manifestation of this change.

These propositions will be examined in the empirical part. However, to limit the scope of the thesis, only the environmental aspect of CSR will be studied and then only companies taken account of will be large retail firms with CSR programmes as the environment is on the most important aspect of their CSR work and also the most measurable one.

3. Methodology

In order to answer the questions stated in the previous section, this study adopts a qualitative approach. The motivation is that the focus is on perceptions, motivations, behaviours and attitudes connected to CSR and institutions. Quantitative methods are not directly applicable to this research as CSR is difficult to measure due to the varying definitions. Also, quantitative methods cannot sufficiently capture the implicit dimension of CSR.

The study examines a cross-section: longitudinal data would at present be difficult to collect as CSR is recent phenomenon. This fact also means that explanatory relationships are problematic to establish even though the study attempts to answer a number of research questions and uncover a process that has drivers and consequences. However, the relationships between variables will have to wait to be tested further.

The aim is to collect empirical evidence of convergence or divergence with respect to CSR through conducting document analysis and semi-structured interviews in two countries with contrasting, or at least different institutional frameworks. This inevitably means that all responses are context-dependent, with little possibility to generalize about the larger population. However, the essential here is to capture the meaning that actors ascribe to their environment, and as Flyvberg (2011) states, social science has not succeeded in producing general, context-independent theory and has thus in the final instance nothing else to offer than concrete, context-dependent knowledge, for which the combination of these methods is well-suited.

3.1. Data and sample selection

Originally, it was assumed that the data necessary for this study would be collected through a series of semi-structured interviews with companies in Sweden and the United Kingdom. In each country, it was sought to interview 5 companies in the retail sector. However, due to the problems with getting access and time limitations, this quota was not achieved and the interview method had to be replaced by document analysis of company CSR reports and supplemented by using previous empirical studies in the sector.

For the purposes of this study, the sample of cases examined was limited to companies engaged in CSR activities. Even though there are many firms active in CSR, it is often impossible to distinguish between CSR activities and other management functions – it is mostly larger companies that can afford specific initiatives. Smaller companies often do not possess CSR programmes as they are viewed as too costly. In this case it thus makes sense to use non-random sampling and limit the data to firms that have CSR programmes or divisions.

Even after limiting the sample, there was still a large group of cases where it may be difficult to obtain full coverage, which means that further sampling was necessary. That is why only one sector of the economy was chosen, to allow greater focus and enable comparison. The companies examined are roughly comparable in all respects but for the institutional framework they find themselves in.

For this study, the retail sector is of interest. Large chains in this field (in terms of turnover and the number of employees) have established CSR programmes often explicitly targeted at reducing their environmental impact. It is thus possible to establish whether they fulfil the environmental criterion of CSR.

The number of these cases – 14 in the end – is small, which inevitably leads to a lower representativeness of the results. On the other hand, limiting the sample allows reaching greater depth and a higher level of detail in analysis. It is also important to note the time limitations of the study and the researcher's resources.

3.2. The data gathering process

As the data-generating method for this study, document analysis of CSR reports produced by 7 retail companies in Sweden and 7 in the United Kingdom was chosen. As Czarniawska notes, documents can be described as a production of stories from the organizations that can deepen the picture of the respondents (1998: 20 cited in Windell 2006), and as suggested by Fukukawa and Moon (2004: 48 cited in Muthuri and Gilbert 2011), there is reason to expect companies' communication about CSR to be directly aligned with their practice.

The scanning of the reports was centred on the formulation of company strategy and how CSR fits into it, the company motivations and aspirations for CSR and how these correspond with the institutional effects or the lack thereof. Attention was given to global as well as national standards. The aim was to see how company's motivations interact with institutions rather than looking for direct pressures coming from the institutional environment. As has been stated before, this study is focused on the environmental aspect of CSR. With regards to company strategy, this could mean anything from water stewardship to waste management – which why attempts to reduce carbon emissions were singled out as the issue to be examined.

As a supplement, two semi-structured interviews to discover the motivation for CSR practices, organized around the themes mentioned above, were conducted with CSR managers at two retail companies in Sweden (the list of questions can be found in **Appendix 1**). Each interview lasted one hour, was conducted in English and was recorded. The purpose of the study will provided to all participants and informed consent was sought from them. There was

a possibility to get access to transcripts of interviews and seek corrections or clarifications. The reasoning behind conducting the face-to-face interviews was that these allow more social interaction and both parties are more committed to the data gathering process. However, time issues and access proved to be too problematic and the method had to be altered.

After the data had been collected, the reliability was assessed. There are potential problems with the interview method: the reactivity of the studied person or possible biases on the part of the researcher or the participant which can be difficult to avoid or detect. In the case of the interviews, the data gathering process would be difficult to replicate but to establish reliability, all efforts to achieve accountable results were expended. Considering the document analysis, it is important to keep in mind the purpose of the report as a communication tool towards company stakeholders, which means it does not necessarily represent an accurate state of affairs. Keeping this in mind, company motivations can nevertheless still be extracted from these reports.

3.3. Analysis

The analytical part sought to relate the findings to the theories discussed prior to the empirical part. The aim was to find out to what extent the findings correspond to the literature, and to draw valid conclusions. The analysis undertaken was rather explorative than confirmative due to the limited level of knowledge within the area of interest.

There was a possibility that the qualitative results could be quantified but this was rejected as it was doubtful whether this would give the study more explanatory power. Mixing methods is an attractive option to deepen our understanding but with regards to CSR, there is very little that is or can be quantified. A further limit was the unfamiliarity with quantitative methods. Both these reasons pointed to adopting a qualitative approach in the analysis as well.

The most common technique to analyse qualitative data is to use a thematic analysis approach: once all the data is collected, it is analysed to identify patterns in the data and themes are developed (Sweeney 2009). To do this, the sentences and logical parts of sentences found in reports are used as the unit of analysis in order to produce reliable and meaningful data (Milne and Adler 1999 cited in Jamali and Nevile 2011).

In view of the data collection problems with interviews, report content analysis was considered more appropriate as the primary method and the interviews were used as a secondary method to support and validate the report findings. Meanings derived from the CSR reports and transcribed interviews were categorised focusing on the perceptions of the

participants on the espoused rationale for CSR, the role of institutions, strategy and other criteria.

In the discussion, the themes that emerged from the empirical data were explained through the theories laid out in chapter 2. The qualitative observations thus resulted in arguments, which meant that explanatory relationships could be sought, although this was not the main objective of the study. Rather, it was attempted to find patterns of consistency and differences based on the theoretical perspectives and on insights from the empirical data.

4. Empirical results

In this section, the institutional context of the United Kingdom and Sweden will be analysed, focusing on how CSR is viewed and practiced in these economies. Next, a closer look will be taken on the retail sector in both countries and findings gathered from company communication and interviews will be presented.

4.1. Institutional context: United Kingdom

Hall and Soskice (2001) view the United Kingdom as a liberal market economy, or an arm's length business system (Whitley 2007). It is one of the most lightly regulated economies in the advanced capitalist world (Kinderman 2012), characterized by primacy of shareholders, equity financing, dispersed share ownership, active markets for corporate control as a mechanism of managerial accountability, and flexible labour markets (Aguilera et al 2006.).

Just like Sweden, the UK government has ambitious environmental plans to develop a low carbon economy even though large sectors of the population remain very sceptical. UK government has set ambitious targets to cut carbon emissions – aiming for a 30% reduction by 2020 and an 80% reduction by 2050 (from 1990 levels). To help achieve this goal, it has announced proposals for a "Green Deal" to improve energy efficiency. Another vision of the current government is that of "Big Society", a notion of solving UK's social problems through devolving power to communities.

A specific feature of the UK context is the way investment is handled. Emphasis is laid on investment and pension funds that take a "portfolio" approach to risk management by holding small stakes in many companies. These constitute 50 per cent of shares while enterprises, the public sector, and banks hold only 7 per cent of shares (Whitley 2007). This aspect affects whether investors will take a long-term view of their investments, and to a great extent influences company behaviour and motivation behind CSR. To increase shareholder value, it must likely be stated in explicit and value-maximizing terms.

4.2. CSR in the UK

Britain is at the "*geographical center of gravity*" of CSR (Vogel 2005) and usually scores highest on CSR among large countries (Gjølberg 2009a). CSR application in the UK defies the idea that "*stronger institutions for the social embedding of the economy (...) result in stronger CSR performance*" (Gjølberg 2010). Rather, as Jackson and Apostolakou (2010) argue, CSR "*may be associated with the attempts of firms to compensate for institutional voids*". Its appearance in Britain can be traced to the 1980s era of Thatcherism: privatization,

liberalization and deregulation. As power shifted away from unions and to employers, some prominent businessmen committed themselves to compensate for the "social dislocations" that result from neoliberalism, in exchange for a lighter regulatory touch.

CSR has co-evolved with neo-liberalism and was distinctly shaped by its emergence: it remedies some of its deficits while maintaining an emphasis on voluntarism and shareholder value (Kinderman 2012): expectations are on business to lead and engage in best practice but business does not look to the government to set the framework for responsible business practice beyond the law. Companies will use explicit CSR while implicit CSR will be negated – as institutionalized social solidarity in Britain erodes (Kinderman 2012).

CSR has been endorsed by Labour and Conservative governments alike. New Labour came to embrace CSR in a wholehearted way, appointing the world's first minister for CSR in 2000 with the agenda that UK companies should take a lead in adopting CSR (Department of Trade and Industry 2001 cited in Idowu 2009) but at the same time stressing voluntary, non-regulatory approach (Interview with Stephen Timms 2007 cited in Kinderman 2012) as evidenced by the recommendations to adopt greater accountability of the Greenbury and Cadbury committees in response to corporate failures (Whitley 2007).

Brammer et al. (2012) note the irony of the fact that countries known for institutions that support shareholder value should emerge as pioneers in CSR. However, Companies Act introduced in 2006 as a follow-up to the Cadbury committee changes this notion somewhat by demanding that the directors consider the environmental and social impact of their business operations and disclose economic, social and governance risks. Stakeholder interests will be incorporated if they are compatible with the prerogatives of "enlightened" shareholders (Keay 2011 cited in Kinderman 2012). Conversely, it may be argued that this only serves to increase long-term value to shareholders. Nevertheless, many institutional investors' coalitions in the UK have emphasised global issues which may contribute to the perceived changed climate for business in the UK.

It is also argued that British CSR has developed from a national and individualistic one based on self-regulation where companies act responsibly to create good relations with important stakeholders and to ensure good reputations, and where CSR is defined and monitored in a national and domestic environment. At present it, it is assumed that Britain has adopted a more global but still individualistic CSR where CSR is defined and monitored by stakeholders from different countries in a multinational outlook (Tengblad and Ohlsson 2010). This approach could be questioned as actors within the national environment are considered more immediately powerful than global ones.

4.2.1. Actors in British CSR

Government indirectly plays a mediation role between stakeholders on the one hand and companies on the other, acknowledging that CSR cannot be imposed through regulation. However, the view is that the regulatory framework can support businesses' CSR engagement (Idowu 2009). For their activity and self-regulation, firms are given "*a lighter regulatory touch where appropriate*" (Conservative Party 2008 cited in Kinderman 2012).

Business interest organizations agree that the regulatory framework should provide them with as little compulsion as possible and are opposed to more stringent binding domestic regulation (Kinderman 2012). This is especially typical of Business in the Community, an association formed in the 1980s, which then addressed the problem of economic imbalances and endorsed the neo-liberal agenda, while serving as an important force in driving CSR development in the UK.

Most large to medium sized UK companies are today actively busy practicing CSR to varying degrees as it applies to the industry in which they operate. They are grappling with how to develop and use policies, questionnaires and audit processes to improve sustainability in their supply chains (Idowu 2009). Many have established partnerships with NGOs such as Oxfam, Green Peace, Amnesty International and Friends of the Earth rather than only reacting to criticism. The firms have also positioned themselves as key actors within local communities.

It is argued that the UK media is less critical of business than other European countries, perhaps due to the fact it is owned by business conglomerates. However, the UK has seen growth in media exposure concerning CSR and an increase in concerns about ethics in society. In 2005, 78% of the public wanted to be informed about "*companies' responsibilities to their customers, employees, communities and the environment*" (Aguilera et al. 2006). These forces have then served as a driver for CSR reporting. At the same time, the rise of "greenwash", firms positioning themselves as more responsible than in reality, has created considerable scepticism among the public.

4.2.2. CSR Reporting in the UK

UK businesses are regarded as keener on CSR matters than their European counterparts. The indication is that 45% of the FTSE 100 respondent companies began issuing CSR reports in 2000 or shortly after. The motivation for this is mostly cited as stemming from the industry the firm is active in; the tradition and culture of the firm; the desire to inform stakeholders of their contributions to social betterment; meet best practice in reporting; to respond to NGOs'

criticism; financial and reputational benefits, and to satisfy disclosure requirements of institutional investors (Idowu 2009).

Internally, firms wish to deal with issues such as human resources, health and safety at work and environmental management while the external dimension includes stakeholders as diverse as investors, local communities, business partners, suppliers and consumers, human rights, and global environmental concerns (Jones et al. 2005). The universal concern is to preserve or improve the reputation of the firm. Companies perceive a change in societal expectations regarding the role of companies in society and see the demand that large companies behave in a socially responsible manner which is likely a result of the privatisation and deregulation of markets during the 1980s and corporate scandals. Firms are influenced by "secondary stakeholders" such as NGOs and feel especially pressured by socially responsible investors even though these constitute a small percentage of all investors while consumer and employee awareness of CSR is similarly low. This means that even where societal pressures might not in fact exist, it is still considered appropriate to adopt CSR (Whitehouse 2006).

4.3. Institutional context: Sweden

Sweden is considered a typical example of a coordinated market economy (Hall and Soskice 2001), or an inclusive corporatist business system (Whitley 2007), known for its ability to combine social welfare and competitiveness. It is characterised by a tradition of consensus, dialogue and participation, stressing equality. Government, one of the largest investors and business owners, plays a central role in the economy through policy and the corporatist industrial relations system. The roles in this structure are well defined: business is responsible for efficient production; the conditions surrounding production are negotiated with the trade unions while areas such as social issues are left to the state (De Geer et al. 2009) – because welfare lies in the government domain, business as a welfare provider would not be acceptable.

This model has undergone a number of changes in recent decades. After 1980, credit and currency markets were deregulated which weakened government role of steering development. State-owned sectors were partly privatized in the 1990s and turned increasingly profit-driven (Tengblad and Ohlsson 2010). Swedish companies grew larger and more international and are, according to size, now ranked the largest in the EU and third worldwide (Apéria et al. 2004). Foreign ownership of shares and subsidiaries rose from 7% in 1989 to 67% of GDP in 2008 (UNCTAD 2008).

As the institutional climate shifted, a coordinated economy started to resemble a self-regulated economy: arm's length relationships between shareholders and corporations strengthened (Tengblad and Ohlsson 2010). However, labour unions remain important actors and employer associations still serve to coordinate the employers' strategy while social issues are government's responsibility. The liberal coalition, in power since 2006, supports traditional labour market legislation (De Geer et al. 2009). The underlying ideas are still dominant which in turn affects the development of CSR in Sweden.

4.4. CSR in Sweden

It might appear that CSR is an idea alien to the Swedish context: it gives emphasis to voluntary actions and diminishes the role of government and welfare state organizations. These are put on par with other "stakeholders" whereas in the Nordic context they would have an established decision-making role. Still, CSR has found its way into the Swedish society, but as an altered concept, especially as far as traditional welfare actors are concerned. This phenomenon proves that "*organizational concepts that are able to acquire global popularity and legitimacy are of a very general and abstract nature, leaving substantial leeway for local interpretation*" (Sahlin-Andersson & Engwall 2006 cited in Gjølberg 2010).

At first, CSR in Sweden was nationally oriented, focusing on, for instance, product safety. Responsibility gained prominence with incidents such as bribery at the state-owned alcohol retailer Systembolaget (CSR Europe 2010). In the course of the 1990s, CSR began to be associated with globalization and framed as a solution to global problems, with an ethical rather than instrumental motivation (Tengblad and Ohlsson 2010). One catalyst of this was the shift of the CSR discussion to the behaviour of Swedish companies abroad. IKEA and H&M received negative publicity because of problems in their supply chains. These developments have caused the CSR discourse in Sweden to be tied to global supply chains and operations overseas (Windell et al. 2009).

At present, Sweden has no formal policy on CSR. According to government representatives, CSR is already integrated in other policy areas and there is no need for domestic CSR: the concept only applies to business operating abroad. "*CSR is for those situations where there are no regulatory frameworks*" (Interview at Ministry of Foreign Affairs in Gjølberg 2010) but irrelevant at home because of the well-developed protection and regulation. Consequently, a normative approach is adopted which helps the government promote universal but politically sensitive goals through the private sector (Gjølberg 2010). Emphasis is put on multilateral institutions and initiatives like the UN Global Compact. "Soft" (non-binding)

regulation such as this is something all actors can adhere to, including traditional welfare state players, as it poses no threat to national systems of legislation and role distribution (De Geer et al. 2009).

Tengblad and Ohlsson (2010) note that since the 1980s, companies have ceased to refer to issues related to politics and the communitarian business system model while references to ethics and sustainability have increased. However, these authors trace these changes to globalization and increased stakeholder pressure and notice a sharp turn in the tendencies around year 1999 when the anti-globalization movement was on the rise. It is thus possible to view the reason for a global orientation very differently: either as a shift from a nationally-oriented CSR version to a global one, due to changes in the global institutional environment at the turn of the century and the rise of anti-globalization, or a feature stemming from the traditional institutional model, albeit a weakened one.

4.4.1. Actors in Swedish CSR

Labour unions and employer associations are active in the CSR field but express a preference for CSR abroad as "*CSR is not a concept emanating from the perspectives and methods of the trade union movement*" (Landsorganisationen 2006 cited in De Geer et al. 2009). Confederation of Swedish Enterprise also assumes a traditional perspective: the role of business is to deliver goods and services even though firms should respect written and unwritten rules in society. However, core CSR and social issues are already covered by Swedish legislation and corporations should not pay for the same things twice in tax and CSR expenses (Svenskt Näringsliv 2008 cited in De Geer et al. 2009). This is also evident in CSR reports of Swedish firms: although many use the common GRI guidelines framework as it is generally accepted and gives credibility, the reports differ significantly – social issues are not considered as relevant in the same way as they are outside Scandinavia (Hedberg and von Malmborg 2003).

In consequence, CSR is often promoted outside the traditional corporatist framework even though the main actors are, of course, companies themselves: they respond to the demands put on them by their stakeholders, sign up for initiatives, communicate their CSR and, among other activities, develop codes of conduct that describe the company behaviour and that of its employees. Many are explicitly engaged in social developments in the country, a role that was originally perceived as that of the state (Windell et al. 2009). Shareholder value rhetoric in the Swedish business community is also prominent and Swedish multinationals seem to accept the instrumental idea to a high degree (De Geer et al. 2009).

Other than business, NGOs, the media, consultants and investors are active. Jutterström (2006 cited in De Geer et al. 2009) shows that in the early phase of standard setting as much as 47% of leading CSR standards actually emanated from NGOs while only 5% came from trade unions. Local NGOs such as SwedWatch serve as "watchdogs" (De Geer et al. 2009), drawing attention to CSR by demanding that corporations change their behaviour and take responsibility. The media also shape the CSR discussion.

The financial community, on the other hand, promotes CSR by integrating aspects of environmental and social responsibility into their investment decisions (Borglund et al. 2008 cited in De Geer et al. 2009). Consultants are also active: ideas about responsibility have been commercialized as CSR and turned into saleable services that are being marketed to business as minimizing risks but also contributing to profitability. This way the consultants not only mediate demands advanced by other groups of actors such as NGOs, but also make normative calls (Windell 2006).

4.4.2. CSR reporting in Sweden

Borglund et al. note that in 2008, 75 out of Sweden's 100 largest corporations communicated on CSR (2008 cited in De Geer et al. 2009) even though H&H Webranking (2008) concluded that Swedish companies are still not ranked amongst the best in Europe (cited in Arvidsson 2010). Nevertheless, this seems to be changing: 73% of the respondents at the largest Swedish companies now view CSR as one of the most important area of information beside financial figures (Bukh et al. 2006 cited in Arvidsson 2010).

The motives cited by Swedish companies stress especially increased interest from different stakeholders – not a direct ''focus shift'' from shareholders to stakeholders but a ''focus enlargement'' where other stakeholders also count. There is a belief that the accepted level for what a company must do to be considered responsible is higher today, especially in investor circles. Companies must act to avoid value destruction – value creation is not the primary motive which indicates that CSR is driven by outside demand. Firms do not strive to be the best-rated company on CSR but try to avoid being the worst because of the negative impact (Arvidsson 2010). The companies are watching each other in order not to do anything that is considered too much (Hedberg and von Malmborg 2003). They also interact with each other and create isomorphic patterns for the design of reports. This way, CSR has become a widespread idea in Sweden, applicable no longer only to those firms with bad press (Windell et al. 2009).

4.5. The retail sector in the UK and Sweden

In general, the retail sector takes a view of CSR which is mostly centred on the global supply chain. Retailers sell a wide range of products from a large number of suppliers, including in the developing countries, and consumers and other actors tend to hold retailers responsible for a broad range of issues (Elg and Hultman 2011). In the recent Top of Mind ranking of The Consumer Goods Forum, CSR ranked as the most important issue by retailers. The reasons stated were changes in consumer behaviour, increased interest in CSR and intensified product and supply chain competition (2011 cited in Wiese et al. 2012).

CSR is crucial especially for large firms. According to Branco and Rodrigues (2006), these companies are considered to experience more social and political pressure to act in a more socially desirable manner and, therefore, are more likely to provide more CSR information. On the other hand, large firms also have resources required to develop comprehensive CSR strategies, monitor and assist suppliers as well as the power to influence the behaviour of other actors in the chain. It is also argued that large companies with well-developed CSR inspire mimetic behaviour. However, Elg and Hultman (2011) show that a significant share of the Swedish retail sector does not follow best practice.

The largest Swedish retailers, according to the Deloitte Global Powers of Retailing 2010 index, are IKEA (number 30 worldwide), H&M (64), ICA AB (71), KF Gruppen (174), Apoteket (188), Axfood AB (244) and Systembolaget (249). The retail sector for pharmaceuticals has been privatized and de-nationalized only recently while alcohol retailing remains a state-owned activity.

The largest British retailers are Tesco (4), J Sainsbury (28), WM Morrison (34), Kingfisher (52), Marks & Spencer (53), DSG Int (63) and Co-op (65). For some of these firms, environmental issues were the earliest to deal with, the rationale for these policies being corporate goodwill and enhanced image (Jones et al. 2005). Good environmental performance is now an industry standard. Some retailers are proactive and initiate procedures while others act in response to industry or government regulations (Strong 1995 cited in Piacentini et al. 2000). The internal motivation stems from the need for reputation: larger supermarkets have a strong consumer orientation and it is vital for them to have an image that reflects this. There is also the motivating factor of profitability. Conversely, Ernst & Young (2002) identify five key drivers as greater stakeholder awareness of behaviour; direct stakeholder pressures; investor pressure; peer pressure and a heightened sense of social responsibility (cited in Jones et al. 2005), which corresponds to institutional pressures rather than internal.

The communication of the Swedish and UK retailers is analysed in the next section, to find out more about the drivers of CSR. The full findings from the reports can be found in **Appendix 2**.

5. Comparative analysis and implications

In this section, the findings from company communication will be analysed, combined with the previous discussion on institutional conditions for CSR and related to the theories presented in chapter 2. The emphasis is put on the use of the CSR concept and internal and external motivation for CSR adoption while the subchapters on CSR adoption, practices and aims serve as background information on what the company CSR actually entails, how it is practised and with what objectives in mind.

5.1. The CSR concept and its position in the company

The definition of the CSR concept differs significantly not only between companies from different countries but also within individual institutional frameworks. Some firms choose to define CSR according to the definition of economic, environmental and social responsibility (H&M's operations "*should be run in a way that is economically, socially and environmentally sustainable*"; KF puts emphasis on financial accountability, environmental responsibility and social responsibility; J Sainsbury "*can make a positive impact on the economy, the environment and society*"). For others, the focus is on values: ICA puts emphasis on common values as a basis for CSR; Axfood stresses that CSR is in line with its core values; Tesco seeks to "*create value for customers by respecting their values and staying true to company's own*".

Systembolaget, on the other hand, stresses social responsibility as its alcohol mandate pertains to limiting the harmful effects of alcohol – however, this responsibility has also been extended to environmental CSR (economic goals are not primary for the company as it is not allowed to attempt to raise its sales). In the case of Apoteket, the CSR concept is not defined in the report. It might be assumed that this version of CSR is more implicit and therefore not stressed. These two companies are thus examples of a rather different version of CSR.

CSR as core part of strategy is emphasised in the case of IKEA ("*one of the four cornerstones of the overall direction*"; at H&M it is an "*integral element of strategy*"). CSR applied at every stage of the value chain also indicates its place in the company. This is true for IKEA where CSR is an "*integrated part of everyday operations*" – the same notion is stressed in the H&M and ICA's reports while at KF "*sustainable development with responsibility is an integral part of daily business*".

A number of companies also assume responsibility directly and indirectly (in their supply chain) – for example, Systembolaget even though this notion is quite recent for the firm. WM Morrison, on the other hand, owns a substantial part of its supply chain and prefers to focus on

its own problems, leaving the wider problems to industry and government collaboration: "*These issues aren't just important in our business, they are universal*".

Lastly, some companies claim CSR is part of their heritage or history, for instance, Kingfisher. The same is true for Co-op which, presumably, has applied the responsibility principle since its inception. The firm also argues that business should be accountable for the ethical components of sustainable development that go beyond compliance, in line with Carroll's pyramid of CSR (1991 cited in Keinert 2008) – this is stressed by DSG Int as well: "*CSR begins with the need to comply with legislation and extends towards best practice (...)*".

5.2. CSR adoption

In the case of IKEA and H&M, first steps towards CSR adoption were taken at the turn of the century due to criticism of their supply chains, with both adopting codes of conduct to improve the conditions. For other Swedish retailers, the implementation was initiated a few years later, and first CSR reports began appearing around the years 2004 (IKEA) and 2005 (Apoteket). Presumably, these companies adopted CSR not because of criticism but rather followed best practice. J Sainsbury, on the other hand, was the first supermarket to implement a voluntary code of conduct that went beyond the obligations in the previous industry standard code of practice, even without being exposed to NGO pressure.

A number of companies stress how CSR came to be organized: CSR is steered from the head office at H&M and has support from the top management due to its strategic importance; at ICA and Tesco, CEO holds the ultimate responsibility. At Marks & Spencer, there is now an external advisory board with independent experts from academia, industry and leading NGOs to help the company achieve its ambition of becoming the world's most sustainable retailer. On the other hand, some firms do not specify who is in charge of CSR adoption: WM Morrison only stresses that CSR is about continuous improvement, and the same expression is also used by DSG Int. CSR seems to be important but its management less so – an issue that is emphasised by Swedish companies much more often.

Since 2007 and 2008, most Swedish company reports have started to be aligned with the GRI guidelines for reporting (H&M, ICA, Apoteket, Axfood) and external verification (ICA, Apoteket). Many companies have also chosen to become members of the UN Global Compact and even adopt its principles as their CSR framework. This is true for Systembolaget, KF Gruppen and Apoteket. Other firms identify their CSR framework according to materiality analyses of their stakeholders' most salient issues: this is the practice at ICA. Axfood, on the other hand seeks to conduct business in accordance with generally accepted business practice

and high standards of business ethics, which seems less concrete and rather implicit. Even with these exceptions, it may be a valid conclusion that Swedish companies seem to be willing to conform with global standards to a greater extent than their British peers.

5.3. CSR practices

In the area of the environment, company practices do not differ much. The common themes are attempts to reduce environmental impact through innovation and maximum use of resources, lowering one's emissions through improved energy efficiency, offsetting and less transportation via air.

However, some companies strive to lead on this front: J Sainsbury considers its own environmental performance but also the wider impact and aims to limit carbon emissions through focusing on the latest available renewable energy technologies and energy efficiency while Kingfisher is working to understand its total life-cycle environmental impact. Overall, British companies are much more ambitious when it comes to climate change leadership while Swedish companies seem to be more explicitly focused on issues in their supply chains. IKEA also claims that its products help customers live a more sustainable life at home but British firms take this practice further: Tesco attempts to carbon footprint its products to show customers how greener lives can be attractive and affordable while WM Morrison helps customers "play their part".

5.4. Internal motivation for CSR

The business case for CSR has as its basis the notion that CSR leads to higher efficiency, cost reduction, enhanced risk and reputation management, improved brand value, customer loyalty, access to capital, innovation and employee satisfaction (Business in the Community 2011). This motivation is evident in ICA's report: "*profitability and responsibility go hand in hand*" and the aim is to meet the market's expectations better than the competition and maintain cost efficiencies. Cost reduction is similarly important at Axfood. H&M, on the other hand, stresses that adding sustainability value to products is an important way of strengthening the customer offering and wants to have motivated and satisfied employees. IKEA's CSR seems to be more value and culture-driven, stressing aspects such as cost-consciousness, but the fact that CSR is a business opportunity is mentioned as well. Systembolaget differs from these companies as its goal is not related to maximising profits. Nevertheless, it still sees CSR as producing committed employees and savings, even though it is acknowledged that more eco-friendly approaches to production may also lead to increased production costs.

Most Swedish companies thus stress the internal motivation in quite business terms. However, their UK counterparts venture further in this interpretation. Marks & Spencer explicitly states the net benefits from its CSR work and views CSR as a safeguard of future success that "*will help us stay ahead in a fast moving world*", directly related to the Business in the Community (2011) view of CSR. Also Tesco regards CSR as about creating a sustainable core for a successful growth business and a "*hugely exciting opportunity*". Sainsbury's claims that CSR will help achieve long-term shareholder value and differentiate the firm in the marketplace. Considering the firm's most material issues will help them make a more direct link between their commercial strategy and challenges, which is in line with the Creating Shared Value concept (Porter and Kramer 2009). However, other companies do not seem to apply CSV to such an extent, preferring to focus on a wide range of issues.

Other British companies seem to be attempting to go beyond the business case notion. Kingfisher adopts a radical approach: there is a "*need to challenge normal business paradigms to move towards more sustainable patterns of production and consumption*" and focus on the short-term, challenging the shareholder value notion. Co-op's approach is also highly normative: all stakeholders are welcome to help build a better society; and its CSR plan is driven primarily by the idea of fairness and social justice. However, Co-op is also clear about the benefits – its sales increased while the environmental impact has significantly reduced – and disadvantages of CSR: "*margins on green products might be lower than on mainstream products, and sometimes don't make any money at all*". This indicates that the business case thinking is, to some extent, present in all the reports but only some companies acknowledge its true complexity.

5.5. External motivation for CSR

Most companies stress stakeholder dialogue in their reports: KF considers taking responsibility essential for maintaining the trust of stakeholder; Apoteket sees work improvement through stakeholder dialogue; and for Axfood, issues perceived by stakeholders as the most important give guidance for CSR. This also true for UK companies: J Sainsbury must work with stakeholders as issues becoming increasingly complex; DSG Int seeks to balance the expectations of stakeholders with its own competitive objectives and lead a dialogue with them. All stakeholder groups such as communities, shareholder, employees, suppliers, NGOs and government are also recognized by WM Morrison. These groups correspond to the ones categorized by Freeman (1984) and show that CSR is a response to wider institutional pressures (Aguilera et al. 2007 cited in Jackson and Apostolakou 2010).

With regards to customer pressure, for H&M, customers are the heart of the business and are increasingly showing an interest in CSR. According to ICA, Swedish consumers seek organic and Fairtrade products and are concerned about greenhouse gases, making this issue a priority for the company. Apoteket claims that customers drive the sustainability agenda forward – sustainability has become fashionable; however, the firm's work is independent of the trend. As concerns NGOs, these organizations often serve as coercive actors by pressuring for altered behaviour, such as when KF was criticised for using non-certified palm oil in 2011. Systembolaget also notes an increasing interest on the part of NGOs and the media in the company's supply chain. However, most companies claim that NGOs are not enemies but experts that help them find solutions, such as J Sainsbury collaborating with the WWF or DSG Int with the Carbon Trust. Tesco claims that a business cannot succeed without the collaboration with NGOs and civil society; Kingfisher's CEO Ian Cheshire is a strong advocate of sustainability who participates with the WWF, Business in the Community, UK government, and retail associations at the UK and EU level. Many companies also seek to win awards for their CSR work, which functions as normative sanctioning: for example, KF was selected as Sweden's most durable brand in the consumer survey Sustainable Brands.

Another area is cooperation with other companies and within industry. IKEA and H&M work with their industry peers to define standards and responses to challenges while KF participates in industry forums at national and EU level. Systembolaget sees its unique opportunity to influence the industry towards a sustainable approach. Conversely, UK companies stress this aspect much less although J Sainsbury claims that industry bodies help collaborate in a non-competitive environment by facing issues together.

As far as investors are concerned, Apoteket claims that its shareholders require strategies for sustainability and that the work is communicated. DSG Int, Tesco and J Sainsbury rather emphasize their membership of the Dow Jones Sustainability and FTSE4Good Indices. Only Kingfisher is of the opinion that shareholders are starting to understand that a sustainable business model over the long-term is more valuable and the company must lead a dialogue with mainstream and SRI funds, reflecting the company's progressive stance when compared with its peers.

The relationship with policy-makers and regulators is often two-sided. H&M is subject to rules by but also helps shape the legal and regulatory context whereas ICA rather reacts to regulatory changes and increasing requirements placed on sustainability. The British companies, however, mention the government as a stakeholder much more often. J Sainsbury supports CSR legislation, for instance, the widened Grocery Supply Code of Practice, but

considers additional enforcement unnecessary. Nevertheless, it participates in voluntary guidelines drawn up by the authorities, supports the government's plan to reduce carbon emissions and attempts to identify ways to maximise opportunities from legislation. Tesco wants to actively work with governments as they *"can't do it alone"*, that is, tackle global issues, and Kingfisher takes an active role by promoting the adoption of legislation and government incentives which help drive the market for sustainable products and services and working with the UK government on ways it can maximise business opportunities from the forthcoming "Green Deal". Co-op also actively influences policy, claiming that "*businesses must demonstrate that their public affairs activities are aligned with their CSR claims and objectives*". In the UK, the involvement of firms with governments is thus much more prominent.

5.6. Aspirations and challenges

As concerns future goals, the overall focus is on the environment. KF, Axfood and Apoteket all plan to be carbon neutral by 2020, using energy efficiency and reducing energy use. On this front, Axfood and Apoteket have an ambition to be industry leaders. ICA is less ambitious, planning to reduce its direct greenhouse gas emissions by 30% by 2020 but also warning that new issues will arise globally (the same applies to UK retailer WM Morrison).

In the UK, the goals are roughly similar but likely more far-reaching. Marks & Spencer aims to become the world's most sustainable major retailer already by 2015 while Co-op's vision is to be UK's most socially responsible business. Tesco plans to be a zero-carbon business by 2050 and believes it can have a transformative effect. J Sainsbury is committed to GHG emissions reduction as well but also aims to be leader in the UK for environmental innovation. This vision is central to Kingfisher's 2020 plan which includes innovation, challenging business paradigms, reduction of environmental impact, accounting for sustainability and, most often stressed, making a positive contribution to the world's future by 2020. These goals are in stark contrast to the more modest plans of the Swedish companies.

5.7. Discussion

The main findings from the analysis are summarized in **Table 1** and discussed below.

Table 1: Main findings from comparative analysis

Dimension	Result
CSR concept	• Definition of the concept differs not only between companies from different countries but also within individual institutional frameworks. • Common focus on values and economic, environmental and social responsibility. • CSR as part of company heritage emphasised more in the UK. • Swedish companies stress that CSR is an integral part of their operations. • Systembolaget and Apoteket are affected by the Swedish state.
CSR adoption	• Adoption in Swedish firms due to criticism of supply chains; other Swedish retailers followed best practice. • UK firms initiated CSR voluntarily, without exposure to NGO pressure and with government promotion. • Swedish firms stress CSR organization while in the UK, CSR seems to be important but its management less so. • Swedish companies emphasise reporting to according to global standards and even adopt UN Global Compact principles as their CSR framework.
CSR practices	• Common themes are attempts to reduce environmental impact. • UK companies are more ambitious when it comes to climate change leadership. • Swedish companies more explicitly focused on issues in their supply chains. • British companies are keener to help their customers be more responsible. • Companies choose to report on the environment according to almost similar lines.
Internal motivation	• All companies stress the profitability of CSR and increased customer and employee satisfaction. • UK firms state the benefits more vocally, even focusing on Creating Shared Value. • Few companies stress the costs of CSR. • Some UK companies go beyond the business case but are clear about CSR benefits.
External motivation	• Stakeholder dialogue serves to maintain trust, achieve work improvement and gain guidance. • Customers are increasingly interested in CSR and drive its agenda. • In Sweden, NGOs act more as coercive actors by pressuring for altered behaviour; in the UK, NGOs are seen as partners that help find solutions and give endorsement. • UK companies stress industry cooperation less than Swedish ones. • Membership in SRI indices is important, especially for UK firms, but proactive approach towards this stakeholder group remains rare. • Swedish firms are subject of policy but also help shape it. However, the Swedish government does not play an active role in steering CSR. In the UK, more references are made to government and cooperation with this institution.
Aspirations and challenges	• Overall focus is on the environment, with carbon neutrality by 2020 being the most common goal. • UK aims are more ambitious, focused on innovation or even achieving a positive impact rather than lessening a detrimental one.

With regards to the CSR concept, there seems to be no universal definition of CSR. However, there are also few similarities between companies located in the same country. Both in the UK and Sweden, the emphasis is on values. Swedish companies stress that CSR is an integral part of their operations while UK companies do not feel the need to express this. In the UK, CSR also seems to be a traditional part of some businesses, even though the same could be said for

IKEA. The implication from this discussion is thus that national environments seem to play a minor role in defining CSR although firms such as Systembolaget and Apoteket are heavily influenced by the Swedish state, likely due to their current or former state-owned status. This may be the result of the fact that national societal actors have still not accepted a shared definition of CSR and the practice is not yet institutionalized (DiMaggio and Powell 1983). This might ring truer for the UK as the CSR tradition is longer while in Sweden, CSR is still a contested concept.

The adoption takes a normative form, especially when the supply chain is under criticism. This is in line with the Brammer and Pavelin (2005) notion of firms demonstrating legitimacy through CSR, and seems to apply more to the Swedish firms. In the UK case, the adoption takes a voluntary form with normative sanctioning – with fewer critical voices and more NGO endorsement while government is keener on promoting CSR (presumably so it does not have to regulate these matters). Swedish companies seem to be more enthusiastic than UK ones to adopt the UNGC principles into their work, or at least stress this involvement, even though many UK companies are also members, and also to report according to global standards such as the GRI guidelines. It could be that the practice is not emphasised by the UK companies since this standard has already been adopted some time before. In any case, the findings point to the conclusion that Swedish companies seem to be more influenced by the global scene than the UK firms as far as global standards are concerned. It is also evident that the speed of CSR adoption varies according to the institutional framework. It is companies such as IKEA and H&M that adopted CSR first due to their global operations. Domestic players, for instance, Axfood, do not seem to be as influenced by global forces when this aspect is considered.

All companies seem to implement similar practices when it comes to the environment. However, Swedish companies more explicitly state their supply chain work, maybe as a consequence of recent wave of criticism. British companies, on the other hand, seem keener to help their customers be more responsible and tackle climate change. On the whole, companies choose to report on the environment according to almost similar lines. This is in line with Jackson and Apostolakou (2010) notion that firms operating in the same industry facing similar challenges will develop common CSR patterns.

The internal pressures to adopt CSR are strikingly similar. It is evident that companies adopt the business case reasoning, at least in explicit terms, all across the board, and there are few differences between Swedish and UK companies in this regard, perhaps only related to a more explicit language in the case of some UK retailers. However, it seems to be common practice

to accept and communicate the business case, which might be driven by mimetic forces on a global scale. This concept – as well as other practices such as reporting according to the GRI guidelines – may be responsible for institutionalising a normative climate which corporations conform to in order to remain socially relevant, and catalyse the spread of explicit CSR. Also, the widespread business case adoption could be a manifestation of change towards the shareholder value concept in Sweden, a CME (De Geer et al. 2003), contradicting the notion that even in open corporatist states such as Sweden, strong domestic institutions will remain effective in reinforcing cohesion (Whitley 2007).

Firms experience many external pressures to adopt CSR that take various forms. On the one hand, there are national institutions and actors. On the other, there are transnational and global forces. This with great probability depends on whether the company in question is active on a global scale, such as Tesco, or whether it has a limited field of action, for instance, the alcohol monopoly Systembolaget. Nevertheless, it seems that some part of firm strategy is always independent of national institutions and affected by global standards. The UNGC membership of most companies and the influence of this initiative on them is a case in point.

The national environment, norms and regulations matter and pose specific barriers or act as enablers for CSR. In the Swedish case, government does not play an active role in steering CSR, leaving its construction to companies and other actors, not excluding traditional welfare ones. The result is a rather explicit form of CSR. Conversely, in the UK, more references are made to government and cooperation with this institution. Kagan et al. (2003 cited in Gjølberg 2009b) argues regulations are crucial directly as they change behaviour and indirectly by establishing a benchmark. However, it is not clear how important regulations really are in this case as some companies choose to adapt to them while others proactively change them. The latter seems, at the moment, truer for UK companies as the government is actively trying to enlist their support in the upcoming schemes.

On the national level, CSR is also influenced by other forces: actors such as investors, NGOs and various stakeholders who evaluate companies based on their conformity with "acceptable corporate behaviour" (Rao 1994 cited in Doh et al. 2010). These groups still seem to have distinct national roles. Thus, even though companies are exposed to global pressures fostering CSR convergence, there are processes at play that lead to a different understanding of CSR and divergence, at least on a deeper level, but not making explicit CSR less prevalent. This is in line with Jackson and Apostolakou (2010) who claim that adoption of more explicit CSR practices across CMEs may occur as these imitate UK firms for instrumental benefits, even though this is not true for all the Swedish companies, and that diffusion of shareholder value

may be driving a substantial part of the CSR agenda, also evidenced in the reports. However, the same authors also argue that even if the origins of CSR amongst UK firms might have instrumental motives, CSR may become increasingly institutionalized which seems to be taking place on the part of the UK society and government.

The real extent of convergence and divergence is difficult to gauge. It seems that national institutions have some power to pressure actors into adopting similar behaviour within a national business system but global institutional pressures play a major role, at least in informing explicit CSR and the rise of shareholder value thinking. This is evident in all companies adopting the same internal motivation rhetoric.

The overall conclusion thus is that the Swedish CSR version, on the surface, does not differ much from the UK version of CSR. However, it needs to be kept in mind that this CSR may have only converged on the surface. In adoption and internal motivation, Swedish companies are slower and do not stress the business case to such an extent. Their aspirations are also much more modest. Some (Apoteket) do not even use the explicit language of CSR, pointing to the fact that in Sweden, CSR may be more implicit and embedded within institutions. Swedish firms also seem to find global problems of more importance than national issues while UK ones often focus solely on their close community and cooperation with their domestic stakeholders. The findings therefore seem to point to the notion that CSR is influenced by the social, cultural, economic and political conditions of a country (Matten and Moon 2008) rather than converging on one global version of CSR in all economies.

6. Concluding remarks

CSR is often being considered as the most important issue business has to tackle in the coming decades as companies are facing a crisis of legitimacy. As a concept, CSR is difficult to define – however, institutions suggest that a universally valid definition of CSR is not only unlikely, but maybe not even desirable.

Institutions are major mechanisms in the spreading of new ideas and affect company motivation to implement those. The relationship between CSR and institutions is a rather new area of study and one that has not been sufficiently dealt with outside the Anglo-Saxon part of the world. The study attempts to contribute to deepen our understanding of different institutional systems and the way they handle organizational innovations. In the age of globalization, national institutions often interact with global ones. In the case of CSR, this may lead to convergence in the adoption of this concept, or divergence – different versions come into being in different economies.

This study discusses how such factors might shape these developments in contrasting institutional frameworks, that of Sweden and United Kingdom, and finds that according to empirical studies, the CSR versions indeed differ. National institutions flavour orientations to CSR, although they are also not immune to isomorphism. CSR in Sweden seems to have a normative justification and an international focus due to the Swedish tradition of corporatist integration, political culture with active NGOs, media, consumers and public debate whereas in the UK, CSR is justified instrumentally, with a national focus, and is viewed as a complement to or substitute to state action.

Conversely, CSR adopters – large retail companies in these countries – seem to have converged on a rather similar CSR. However, it must be kept in mind that the empirical material from reports may not represent the true motives of these companies and is inspired by internal motives, that is, the business case for CSR, or relational reasoning, the wish to demonstrate legitimacy. Another explanation may be that these firms operate on a global scale and are, to a large extent, exposed to consumer views. Consequently, the global convergence that seems to be taking place may be only cosmetic but on a fundamental level, traditional patterns remain.

Through reports, companies attempt to present their CSR policies and practices to a various range of actors – NGOs, investors, employees, customers, governments, the media and others – and seek to win approval. In doing this, they often blend internal (instrumental and normative) and external (legitimating and relational) motivations together – however, the

business case often serves only as a means of explaining CSR to investors rather than the true underlying motive.

It is recognized that a key limitation of this study is that it is based on a limited number of informants in a handful of organizations in one sector of the economy. That means there is little possibility to generalize. However, the results may still be applicable to other sectors, companies and institutional systems.

As the role of business in society is changing, it is essential to understand why and how. It might be premature to say that business is becoming responsible everywhere, in a similar way. Presumably, even in a globalized world, global institutions are still weaker than more deeply ingrained national institutional differences, but more voices from other actors need to be taken heed of to prove whether this is indeed the case.

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Interviews

70. Interview with Lena Rogeman, CSR manager at Systembolaget, April 2012.
71. Interview with Pia Heidenmark Cook, CSR manager at IKEA, May 2012.

Appendix 1: Semi-structured interview guide

Before the interview took place, the nature of the research was explained to the participant.

1) **Could you tell us something about your background and function in the company?**

2) **What does CSR mean to your company and where is its place in your strategy?**
   a) the CSR concept
   b) core part of strategy/side branch
   c) the place of CSR in the overall strategic vision
   d) main CSR issues and challenges for the sector
   e) environmental concerns

3) **Could you tell us something about how the environmental aspect of CSR was first implemented in your company and what caused this change?**
   a) nature of implementation and lessons learned
   b) specific goals for environmental CSR and CSR

4) **What CSR activities does the company engage in when it comes to the environmental aspect of CSR?**
   a) specific actions and tools
   b) own environmental standards/compliance with national/international ones
   c) role of global standards in company CSR
   d) multi-stakeholder groups
   e) CSR requirements on other businesses company works with

5) **What influences you internally to undertake CSR?**
   a) profitability or benefits of CSR (financial and non-financial)
   b) costs of CSR
   c) short-term/long-term
   d) "business case" for CSR considerations

6) **How does the external environment influence your CSR work?**
   a) institutional framework of the country (legislation, regulation, guidelines)
   b) barrier/supporting force for CSR

c) national environmental regulations: guide for actions or insufficient?

d) the relationship between business and government and role of business in public policy

e) specific company operations where CSR is more influenced by the national environment?

f) specific company operations where CSR is more influenced by the global environment?

g) national/global CSR networks

h) stakeholder groups' influence

i) perceived pressures to adopt CSR practices

j) other companies behaviour

k) norms and values role

l) similarities in CSR among firms?

m) CSR practised in Sweden/UK/other countries

7) What are your CSR aspirations and the greatest obstacles (in your company and in general)?

a) plans to address obstacles in developing CSR further

b) compliance with standards/exceeding them/CSR leadership

c) role of government in steering CSR

d) consequences of "business as usual"

e) further CSR adoption in the sector and wider economy

f) society's expectations for CSR

Appendix 2: Findings from company communication in Sweden and the UK

A. Findings: company communication and interviews – Sweden

A.1. CSR concept and its position in the company

Company	CSR
IKEA Sources: Sustainability Report 2010; Interview with Pia Heidenmark Cook, May 2012.	• a business opportunity as well as a condition for being a good company • one of the four cornerstones of the overall direction for the group • integrated part of the business everyday operations • applied at every step of the value chain
H&M Source: Conscious Actions Sustainability report 2011.	• related to core business and value creation • operations should be run in a way that is economically, socially and environmentally sustainable • integral element of the business strategy • applied at every stage of our product life cycle • enjoys support from the top management as these issues are strategically important
ICA AB Source: Annual and Corporate Responsibility Report 2011.	• *focused on* transparency, credibility and traceability • based on strong common values • CR work integrated in every aspect of the group operations • every link in the chain considered important
KF Gruppen Source: Hållbarhetsredovisning 2011.	• sustainable development as the long-term financial, social and environmental result of how operating principles and values are translated into business • sustainable development with responsibility is an integral part of daily business • financial accountability (creating economic benefits for members through profitable and value-based supermarkets); environmental responsibility (awareness of impact on the environment, directly and indirectly); social responsibility (awareness about the impact the activity has on people)
Apoteket Source: Hållbarhetsredovisning 2011.	• CSR concept is not defined in the report
Axfood Source: Sustainability Report 2011.	• the environment and social responsibility, a strong customer orientation, and proud and committed employees are vital driving forces in the company's value creation • aims to be an active driver of work on sustainable development and industry leader • CSR is in line with core values and Code of Conduct • UN definition of sustainability: "*Development that meets the needs of the present without compromising the ability of future generations to meet their own needs*"
Systembolaget Source: 2010 Responsibility Report; Interview with Lena Rogeman, April 2012.	• basis of operations is social responsibility, divided into three areas: alcohol policy mandate, commitment to the alcohol issue and CSR work • sole right given by the Swedish parliament on retail sales of alcohol: aim to help improve public health by limiting harmful effects of alcohol • responsibility also for working conditions, human rights, the environment and anti-corruption, in own operations and those of suppliers

A.2. CSR adoption

Company	CSR adoption
IKEA Sources: Sustainability Report 2010; Interview with Pia Heidenmark Cook, May 2012.	• first CSR report in 2004 • steps to improve especially the environment taken already in the 1990s • 2000s: supply chain issues: IWAY code of conduct for suppliers launched • focus shift towards the social dimension of CSR and climate change
H&M Source: Conscious Actions Sustainability report 2011.	• CSR activities launched in 1997; code of conduct to improve of conditions in reaction to criticism • since 2007 H&M activities aligned with the GRI guidelines • co-development of standards with the textile industry and non-profit organizations • "Conscious Actions" implemented in 2011 • CSR coordinated at head office: independent department; chief reports to the CEO

ICA AB Source: Annual and Corporate Responsibility Report 2011.	• CSR reports published annually since 1995 • since 2004 reports in accordance with the GRI reporting standard and since 2008 report has been reviewed by a third party • annually revised materiality analysis forms the basis for CSR according to demands and expectations of stakeholders • strategic direction for CSR work set at group level; CEO has ultimate responsibility
KF Gruppen Source: Hållbarhetsredovisning 2011.	• CSR policy adopted by the KF Board and the Steering Group • financial, environmental and social sustainability based on the ten principles of the UN Global Compact to which KF acceded in 2007 • each function is responsible for implementing CSR policies in their operations
Apoteket Source: Hållbarhetsredovisning 2011.	• report published every year since 2005, follows GRI guidelines and is since 2008 examined by external auditors • affiliated with the UNGC: basic principles serve as a framework
Axfood Source: Sustainability Report 2011.	• business shall be conducted in accordance with generally accepted business practice and high standards of business ethics in relation to suppliers and partners • strategy to integrate issues in the business activities and promote involvement throughout the organization • reports in accordance with the GRI guidelines, not subject to external audit
Systembolaget Source: 2010 Responsibility Report; Interview with Lena Rogeman, April 2012.	• corporate governance conducted according to Swedish legislation, the agreement between Systembolaget and the State and the State's ownership directive for Systembolaget • Board of Directors and company management ultimately responsible for CSR work • reports in accordance with the GRI guidelines, verified by Ernst & Young

A.3. CSR practices

Company	CSR practices
IKEA Sources: Sustainability Report 2010; Interview with Pia Heidenmark Cook, May 2012.	• cost-consciousness: making maximum use of resources • develops innovative solutions which help reduce overall environmental impact • cooperates with others – companies, authorities and NGOs • code of conduct IWAY for suppliers in developing countries • IKEA Forestry Standard to increase the availability of wood from responsibly managed forests • products help customers live a more sustainable life at home
H&M Source: Conscious Actions Sustainability report 2011.	• activities to provide fashion for conscious customers; choose and reward responsible partners; be ethical, reduce, reuse, recycle; be climate smart; strengthen communities and use natural resources responsibly • demands placed on subcontractors: international regulations and own set of rules which subcontractors are obliged to follow, based on the ILO and UN conventions • continues reducing CO2 emissions through reducing the transportation of goods via air, improved in-store energy efficiency and offsetting
ICA AB Source: Annual and Corporate Responsibility Report 2011.	• direct greenhouse gas emissions has decreased by about 5% since 2006 due to extensive work in energy, refrigerants and business travel • increased use of renewable energy • adjusts to changes in legislation and increased demands for sustainability issues • efforts in climate, energy efficiency, water use in production and the supply chain
KF Gruppen Source: Hållbarhetsredovisning 2011.	• climate change is strategically important to the KF Group: since 2008 reduced the their greenhouse gas emissions by 45 per cent • investments in freight transport, refrigeration plants and energy consumption • strives to reduce waste and increase recycling
Apoteket Source: Hållbarhetsredovisning 2011.	• risk assessment of supplier's work with quality, environmental and social responsibility: 90% of self-care providers signed code of conduct • focus on improving environmental performance: environmental management system since 2007 certified to ISO 14001 • target 100 self-care products with sustainability profile
Axfood Source: Sustainability Report 2011.	• code of conduct draws on internationally recognized conventions on human rights and workers' rights as well as international environmental regulations, integrated in operations in 2011 • strives to make it easier for consumers to buy organic products • new purchasing guidelines based on environmental and social responsibility • continued purchase of green palm oil certificates recognized by the WWF • energy consumption, transports and recycling systems are priority areas

Systembolaget Source: 2010 Responsibility Report; Interview with Lena Rogeman, April 2012.	• focus areas correspond to those assigned the greatest importance by stakeholders: working conditions, human rights, anti-corruption, environment, sustainability management, transparent communication and sustainable purchases • ban on the use of discount prices, volume discounts or product display to raise sales • ten principles of the UNGC as CSR framework • common Code of Conduct of Systembolaget and Nordic alcohol retail monopolies • focus on water concerns, transport and production and packaging

A.4. Internal motivation for CSR

Company	Internal motivation for CSR
IKEA Sources: Sustainability Report 2010; Interview with Pia Heidenmark Cook, May 2012.	• culture stresses values as togetherness, humbleness, simplicity and cost-consciousness • doing more with less, listening to and learning from others, and being fair and honest • customers should not need to choose between low price and sustainability
H&M Source: Conscious Actions Sustainability report 2011.	• customers are the heart of the business and are increasingly showing an interest in sustainability: adding sustainability value to products is an important way of strengthening the customer offering
ICA AB Source: Annual and Corporate Responsibility Report 2011.	• profitability and responsibility go hand in hand • goal is base decisions on customer needs: meeting the market's expectations to protect the brand and market position • risk that cost efficiencies will be affected unless satisfactory measures are taken to conserve energy and reduce waste • market position could improve if ICA can meet customer demand for transparency, quality, human rights issues and environmentally friendly and healthy products better than the competition
KF Gruppen Source: Hållbarhetsredovisning 2011.	• climate change actions are strategically important, both short and long term • creating value is central to the KF mission • combining business benefits, membership benefits and social benefits is a fundamental strategy to develop the business
Apoteket Source: Hållbarhetsredovisning 2011.	• sustainability performance attracts both customers and employees
Axfood Source: Sustainability Report 2011.	• sustainability work and sound economics go hand in hand • through CSR Axfood creates the right offerings for its customers, which in turn leads to better business • taking responsibility essential for maintaining the trust of stakeholders • enduring value for shareholders created by exercising CSR • proud and committed employees • a business approach on sustainability: reducing energy consumption has high priority since the cost of electricity is rising
Systembolaget Source: 2010 Responsibility Report; Interview with Lena Rogeman, April 2012.	• responsibility constitutes an important difference to other companies, whose goals are often to maximise their profits • highly trained and committed employees are vital to responsible selling and satisfied customers • CSR may be costly: a more eco-friendly approach to production may lead to increased production costs, but may also result in savings

A.5. External motivation for CSR

Company	External motivation for CSR
IKEA Sources: Sustainability Report 2010; Interview with Pia Heidenmark Cook, May 2012.	• customer feedback on individual products is documented • UNGC signatory • cooperation with companies, trade unions, NGOs and organisations to develop and strengthen the impact of work within the social and environmental field • partnership with UNICEF and Save the Children • partnership with WWF on projects within forestry, cotton and climate change • Global Social Compliance Programme (GSCP) for better supply chain conditions • Forest Stewardship Council standard is the only certification recognised by IKEA: does not use labels on own products

H&M Source: Conscious Actions Sustainability report 2011.	• active in initiatives such as the UNGC and the Better Cotton Initiative • constant dialogue with external stakeholders and colleagues across the business to identify and prioritise actions needed to take • seeks to balance stakeholder needs: understanding the customer „is at the core of everything we do", the firm is closely connected with communities around the world, seeks to have motivated and satisfied employees and values its suppliers while accountable to investors • works with industry peers to define industry standards and common responses to shared challenges, e.g. multi-stakeholder initiative Sustainable Apparel Coalition r Association • subject to rules set by policy-makers: maintaining dialogue with them helps to stay informed about, and sometimes to help shape, the legal and regulatory context • NGOs are expert advisers on standards and practices, e.g. Greenpeace
ICA AB Source: Annual and Corporate Responsibility Report 2011.	• participant in the UNGC • suppliers have to live up to requirements in terms of quality, the environment and social responsibility • In Sweden, the recession and financial crisis have not affected consumption patterns to the same extent, and many consumers still seek out less price-sensitive alternatives such as organic and fairtrade products. Food waste, additives and greenhouse gases are key issues. • strives to maintain an open dialogue internally and with the community and adopt sound environment practices to promote sustainable development • constantly adapts to demands for greater transparency, regulatory changes and increasing requirements placed on sustainability
KF Gruppen Source: Hållbarhetsredovisning 2011.	• member of the UNGC • has been criticized for not exclusively using certified palm oil in products • more than three million owners/members have different expectations on the business • dialogue with customers takes place primarily in the store and social media • dialogue with consumer associations on issues such as food waste, boycott of goods produced on occupied land in Israel and called for increased investment in Fairtrade • involved in the development of new legislation and respond to referrals • relationships with the Swedish Society for Nature and the WWF to gain valuable insight into relevant environmental issues • participates in industry forums at national and EU level, e.g. International Co-operative Alliance • Sweden's most durable brand in the consumer survey Sustainable Brands
Apoteket Source: Hållbarhetsredovisning 2011.	• committed to sustaining, developing and managing external demands and expectations: customers drive sustainability agenda forward – sustainability has become fashionable but the firm's work is independent of the trend • continued need for reporting the impacts of products on the environment and health and work with transportation and climate • shareholders require tailored strategies for sustainability and that the work is communicated in the form of an audited GRI-based sustainability report • through stakeholder dialogue and competitive intelligence work can be improved • works with the Swedish Pharmacy Association and others • took part in the Global responsibility initiative, supports the UNGC principles
Axfood Source: Sustainability Report 2011.	• participant in the UNGC and adheres to its principles for CSR work • company is bound by nationwide collective bargaining agreements • wants to establish long-term partnerships with non-profit organizations on sustainability, such as the Swedish Society for Nature Conservation and WWF • member of the Roundtable on Sustainable Palm Oil • partnership with Save the Children Sweden since December 2009 • does not ally itself with positions taken by any political parties • industry-wide matters are conducted within the trade organization Svensk Dagligvaruhandel • participates in discussions with various organisations and authorities on current issues, such as the Swedish Environmental Protection Agency • issues perceived by stakeholders as the most important give guidance for CSR
Systembolaget Source: 2010 Responsibility Report; Interview with Lena Rogeman, April 2012.	• support Systembolaget enjoys from the Swedish people is strong and growing • firm maintains an open dialogue with stakeholder to ensure it is up to date with their expectations, preferences and demand • increasing interest on the part of the media, students and researchers in the way in

	which the company is working to ensure a sustainable supply chain
	• a major purchasing player with special responsibility when it comes to the requirement for neutrality in choice of products and also offers a unique opportunity to influence the alcohol industry towards a sustainable approach
	• under EU law, firm must act in a non-discriminatory way to suppliers

A.6. Aspirations and challenges

Company	Aspirations and challenges
IKEA Sources: Sustainability Report 2010; Interview with Pia Heidenmark Cook, May 2012.	• by 2015, IKEA aims to offer a range of products that are more sustainable; take a leading role towards a low carbon society; turn waste into resources; reduce its water footprint and take social responsibility
H&M Source: Conscious Actions Sustainability report 2011.	• challenge for the industry is responsible and efficient resource use
ICA AB Source: Annual and Corporate Responsibility Report 2011.	• most important goals are to reduce the Group's direct greenhouse gas emissions by 20% by 2012 compared to 2006 and by 30% by 2020 compared to 2006 • new issues will arise globally, e.g., water supplies • continues to work on energy efficiency, food wastage and road transports • will try to receive ISO14001 environmental certification
KF Gruppen Source: Hållbarhetsredovisning 2011.	• aims to be carbon neutral by 2020 through energy efficiency and structural changes
Apoteket Source: Hållbarhetsredovisning 2011.	• aim to become carbon neutral by 2020 by enhancing the efficiency of freight transport and reducing energy consumption in-store • customers request more information: spreading that knowledge contributes to the strong brand and allows satisfied customers and profitability • will continue to be the leading player in the pharmacy industry
Axfood Source: Sustainability Report 2011.	• goal is to be climate neutral by 2020 through energy efficiency improvement and a changeover to refrigerants that do not have an adverse climate impact • all suppliers in high-risk countries required to undergo a social audit • 100% of the palm oil used in products shall be sustainability certified • prioritizes a larger selection of environmentally adapted and healthy products to meet customer demand • new purchasing guidelines are being implemented • wants to be an active driver of sustainable development and industry leader
Systembolaget Source: 2010 Responsibility Report; Interview with Lena Rogeman, April 2012.	• challenge to achieve a more integrated control of its CSR work and to ensure that it permeates the entire operations • continues to work with Nordic partners and drinks suppliers on ensuring that the range is produced in a socially, environmentally and ethically sustainable way • shall be sustainable and cost-effective in every process and decision

B. Findings: company communication and interviews – United Kingdom

B.1. CSR concept and its position in the company

Company	CSR
Tesco Source: Corporate Responsibility Report 2011.	• strives to create value for customers by respecting their values and staying true to company's own • politicians cannot by themselves shoulder the burden of tackling climate change: extraordinary potential contribution that business can make • the retail industry has a hugely exciting opportunity
J Sainsbury Source: Corporate Responsibility Report 2011.	• ideally placed to make a positive impact on the economy, the environment and society • business run in an honest, ethical and sustainable way • ethical, environmental and social issues are becoming increasingly complex: that's why firm works with stakeholders • aim is to provide shoppers with affordable, quality products that are sustainably and ethically sourced

	• our customers are interested in healthy eating, the environment, animal welfare, the sustainable use of natural materials and social inclusion • values in CSR work: best for food and health, source products with integrity, respect for the environment, making a positive difference to the community and a great place to work
WM Morrison Source: Corporate Responsibility Review 2010/11.	• own supply chain provides close control over provenance and quality • challenge of complex and often interlinked sustainability issues • CSR is about continuous improvement • focus on customer trust
Kingfisher Source: Corporate Responsibility (company website).	• sustainability is a key part of Kingfisher's heritage • 'Kingfisher Net Positive' plan for a positive contribution to the world's future in timber, energy, innovation and communities • business strategy through to 2020 'Creating the Leader': sustainability one of its main drivers • firm cannot be a leader if we don't create a sustainable business model for the long term.
Marks & Spencer Source: How We Do Business Report 2011.	• sustainable business is a good business • Plan A is about securing the future success of Marks & Spencer, its shareholders, employees and suppliers • Plan A will help us to stay ahead in a fast moving world
DSG Int Source: Our Responsibilities (company website).	• takes its responsibilities to its stakeholders seriously, aiming to have policies and procedures in place which balance the expectations of our customers, shareholders, employees and the wider community with our own competitive objectives • goal is to achieve continuous improvement over time
Co-op Source: Sustainability Report 2010.	• need for business development that meets the needs of the present without compromising the ability of future generations to meet their own needs • owned, not by investor shareholders but by six million members. • seeks to be transparent and accountable in pursuit of sustainable development: reporting on progress (or the lack of it), securing independent verification and setting clear priorities and targets • ethical components of sustainable development for which business should be accountable extend far beyond legislative compliance • responsibility has been a guiding principle of The Co-operative since its inception • exceeding physical limits to the resources of the Earth makes any business unsustainable in the long run

B.2. CSR adoption

Company	CSR adoption
Tesco Source Corporate Responsibility Report 2011.	• set itself on the path to be a low-carbon business by 2020 and a zero-carbon business by 2050 • ultimate responsibility for corporate responsibility at Tesco rests with the Board which sets Key Performance Indicators • non-financial KPIs included within the remuneration criteria of Directors • in 2009, we launched our Group Code of Business Conduct, which has been rolled out to all employees across the Group and gives clear guidance on the standards of behaviour expected.
J Sainsbury Source: Corporate Responsibility Report 2011.	• first supermarket to implement a voluntary code of conduct that went beyond the obligations contained in the previous Supermarkets Code of Practice • analyses a wide range of information from research, meetings and surveys to understand the key issues for different groups of people, performs a materiality analysis and uses to plan CR strategy • members of the Operating Board are responsible for each of the company's five values, and they also sit on our Corporate Responsibility Steering Group
WM Morrison Source: Corporate Responsibility Review 2010/11.	• 'Business' programme is concerned with how we buy, make and sell food • 'Society' is where we share our passion for fresh healthy food with our shoppers and the wider community. • 'Environment' is centred on how we manage food, operate efficiently and reduce waste.
Kingfisher Source: Corporate Responsibility (company website).	• group CR policy and issue-specific policy standards which set out our commitments and objectives on key CR issues, grouped into seven key themes: our products and services, our stores and operations, our customers, our people, our community, our suppliers and partners, and our economic growth • progress reported on an annual basis • CEO of each operating company is responsible for policy implementation

Marks & Spencer Source: How We Do Business Report 2011.	• achieved 95 of the 180 Plan A commitments we set ourselves in 2007 and 2010, resulting in a reduced environmental footprint, a positive contribution to communities, increased efficiencies, greater innovation and additional business. • changed the way Plan A is managed, increasing board level involvement • established an external advisory board to help us become world's most sustainable major retailer, which includes independent sustainability experts from academia, industry and leading NGOs
DSG Int Source: Our Responsibilities (company website).	• CSR begins with the need to comply with legislation and extends towards best practice and the achievement of the Group's over-arching philosophy of 'Being the Best'. • CSR work is divided in Workplace, Marketplace, Community and Environment
Co-op Source: Sustainability Report 2010.	• CSR management and reporting is aligned with the three principles of the AA1000 AccountAbility Principles Standard (2008): materiality, inclusivity and responsiveness • in 2011, the new Ethical Plan sets out our ambition to reinforce our position as the UK's most socially responsible business • 'Join the Revolution' campaign calls on our customers and members to take action and help change their world • ethical targets and performance will now be fully integrated into three-year financial planning, and the way in which we measure our success

B.3. CSR practices

Company	CSR practices
Tesco Source: Corporate Responsibility Report 2011.	• Tackling the water footprint of supply chain • Carbon footprinted over 1,000 and labelled over 500 everyday products in the UK • Since 2005 cutting the carbon footprint of Tesco stores across the world • role is to show customers that living greener lives can be attractive and affordable.
J Sainsbury Source: Corporate Responsibility Report 2011.	• sector leader and gold class in the Dow Jones Sustainability Index • first food retailer to be awarded Business in the Community's highest accolade 'Platinum Plus' in its Corporate Responsibility Index. • supports agriculture in through Development Groups, and worldwide through Fairtrade. • in 2010, 93% of wood used for products was made from FSC or recycled sources • aims to be the UK's greenest grocer: great for business but even better for the environment • Considers own environmental performance but also wider impact • Aims to help our customers make more sustainable choices • We do all we can to reduce energy consumption to limit our carbon emissions, focusing on the latest available renewable energy technologies and our energy efficiency Reset programme. • supplier sustainability scorecard • respect for our environment is a value at the core of our business
WM Morrison Source: Corporate Responsibility Review 2010/11.	• leading emissions reduction programme • works to reduce the amount of packaging and recycle • palm oil from certified sustainable sources • helps customers to play their part • focus should remain on direct emissions where most control can be exerted. Wider supply chain issues will have to be tackled as an industry, working with government
Kingfisher Source: Corporate Responsibility (company website).	• working to understand their total life-cycle environmental impact • working with Forum for the Future to develop new 2020 CR vision, with BioRegional on eco products and with the Carbon Trust on climate change • growing sales of eco products and services • increased the overall Group volume of timber products obtained from proven well-managed sources to 81% • 25% reduction in CO_2 equivalent emissions from energy and transport per £ million retail sales since 2006/07 • cut our store waste by 64% since 2006/07
Marks & Spencer Source: How We Do Business Report 2011.	• decrease in annual carbon dioxide emissions by 13% since 2006/07 • 23% improvement in store energy efficiency against 2006/07 • improved fuel efficiency of delivery fleets by 20% • partnerships with Oxfam to help customers recycle • works with WRAP to reduce packaging impacts

	• Sourcing of wood from proven sustainable sources is up to 76% from 72% • GreenPalm certificates for all M&S products containing palm oil • now recycling 94% of all the waste we generate from our stores offices and warehouses
DSG Int Source: Our Responsibilities (company website).	• Global Ethical Purchasing Policy • committed to achieving high standards of environmental management • committed to increasing our understanding of the impacts of our business on ecosystems and resources and encompass the full manufacture and usage chain, from the design of products through to their sale, use and disposal • following products through the distribution process into stores • waste minimisation and management
Co-op Source: Sustainability Report 2010.	• Greenhouse gas emissions reduced by 15% in 2010, contributing to an overall reduction of 35% compared with 2006 • Energy consumption reduced by 12%. • 98% of electricity is procured from renewable sources • Energy efficiency, support for renewable energy, carbon offsetting, the provision of finance and public policy lobbying • Waste reduced by 4% in 2010, decrease of 26% since 2006. • Water consumption decreased by an estimated 10% in 2010. • majority of wood and paper products (94%) are certified by the FSC • first major retailer to champion Fairtrade

B.4. Internal motivation for CSR

Company	Internal motivation for CSR
Tesco Source: Corporate Responsibility Report 2011.	• CSR is about creating a sustainable core for a successful growth business • opportunities for Tesco to take the lead in developing new retail business models and realise our ambition to use size as a force for good
J Sainsbury Source: Corporate Responsibility Report 2011.	• by considering the wider social, environmental and economic impacts of our business we will achieve long-term shareholder value • focusing on the most material issues and opportunities helps us to make a more direct link between our commercial strategy and challenges • a long-lasting business has to be a values-driven one • values will continue to differentiate us in the market
WM Morrison Source: Corporate Responsibility Review 2010/11.	• commitments as an investment in the future
Kingfisher Source: Corporate Responsibility (company website).	• need to challenge normal business paradigms to move towards more sustainable patterns of production and consumption • focus on the short-term is dangerous: a much longer-term ambition through to 2020 and beyond and one that will embed sustainability further in our business thinking
Marks & Spencer Source: How We Do Business Report 2011.	• net benefits from Plan A have increased to over £70m in 2011, thanks to a combination of efficiency savings and new business
DSG Int Source: Our Responsibilities (company website).	• for leadership position in the field of electrical retailing, or indeed any industry, means being able to demonstrate a commitment to responsibility within the wider community
Co-op Source: Sustainability Report 2010.	• all customers, members, and staff welcome to help build a better society • shareholders come first • CSR may be costly: margins on green products might be lower than on mainstream products, and sometimes they don't make any money at all • plan is driven primarily by the idea of fairness and social justice • business exists to do so much more than create profit • sales increased while environmental impact has significantly reduced. • putting sustainable development at the heart of our strategy is simply good for business – and good for everyone

B.5. External motivation for CSR

Company	External motivation for CSR
Tesco	• customer at the heart of our strategy

Source: Corporate Responsibility Report 2011.	• cannot succeed without the collaboration with NGOs and civil society • co-chairs the Sustainability Steering Group of the Consumer Goods Forum • aims to lead on climate change through setting an example, working with other businesses, inspiring staff, customers and neighbours to take action and working with governments, including the UK one • Forum for the Future and other key stakeholders assess CSR reporting • Dow Jones Sustainability Index member since 2008 • top retailer in the Carbon Disclosure Project's 2010 UK FTSE 350 and Global 500 reports for carbon reporting and performance • Platinum status in the Business in the Community CR Index since 2007 • attempts to get responsible sourcing onto the global agenda • founder member of the Ethical Trading Initiative (ETI)
J Sainsbury Source: Corporate Responsibility Report 2011.	• according to Forum for the Future, the business understands CSR and is making good progress in enabling sustainable behaviours amongst its 30 million customers. • invests time with suppliers on issues such as carbon, energy, water and waste • industry bodies help collaborate in a non-competitive environment: by facing issues together, a much better chance of reducing greenhouse gas emissions from food production, and of using valuable resources more efficiently • partnership with other interested parties such as Government, NGOs and academics, as well as our customers and colleagues. • Business in the Community, the Ethical Trading Initiative, the Roundtable on Sustainable Palm Oil and the WWF: helps inform thinking • industry leader in the Dow Jones Sustainability Index and the FTSE4Good Index • Platinum plus members of the BITC CR Index • sourcing with integrity a major talking point: customer expectations • supported the strengthened and widened Grocery Supply Code of Practice. Additional enforcement body is unnecessary. • signed up to the voluntary guidelines drawn up by the Department for Environmental and Rural Affairs and the British Retail Consortium • supports the Government's position to reduce the carbon emissions; identifies ways to maximise opportunities from legislation
WM Morrison Source: Corporate Responsibility Review 2010/11.	• communities require us to be a good neighbour and bring employment and investment • Investors expect a good return on their money and that we grow, find opportunities and mitigate risks • Employees want good working conditions, job security and satisfaction and opportunities to develop a career. • NGOs ask us to follow their advice, change or adapt the way we operate. • Government sets the rules and regulations but also asks for support to deliver government policy. • Suppliers want our custom, a reliable trading relationship and the best price. • Customers trust that we will find the right balance, acting responsibly and, at the same time, offer great food at a fair price. • signed up to the Government's Public Health Responsibility Deal • leading supermarket in the ENDS Carbon FTSE CDP Index for Carbon Management • these issues aren't just important in our business, they are universal • need to help customers play their part
Kingfisher Source: Corporate Responsibility (company website).	• shareholders starting to understand that a truly sustainable business model over the long-term is ultimately more valuable and a better investment • We are committed to engaging with our stakeholders to create a two-way dialogue which enables an essential exchange of ideas. • engage with a range of NGOs: Forum for the Future to develop a new 2020 CR vision; BioRegional, The Carbon Trust, Forest Stewardship Council; Rainforest Alliance • Kingfisher's CEO Ian Cheshire, is a strong advocate of sustainability, participates with the WWF, BITC, UK government, retail associations at UK and EU level • Engagement with regulators to promote the adoption of legislation and government incentives which help drive the market for sustainable home improvement products and services and benefit our customers and employees. • engage with both mainstream and SRI funds. Good CR performance can benefit the business by attracting investment from SRI funds. Included in the FTSE4Good and Dow Jones Sustainability Indexes • working closely with the UK government on ways we can maximise business

	opportunities from the forthcoming 'Green Deal'. • calling on government for a number of years to reduce VAT on energy-saving products in order to make them more affordable • with government adopting sustainable procurement policies, there are growing opportunities to win new trade contracts.
Marks & Spencer Source: How We Do Business Report 2011.	• Endorsed by Forum for the Future and numerous awards • Stakeholder surveys • Plans to introduce an internal price of carbon by 2011 to help decision makers identify the likely future cost impacts due to legislation, taxes or rising energy prices • plans to become carbon neutral had to be evolved in response to changes in government policy on renewable energy • some parts of the UK food market have changed. Sales of organic food have declined and customers are currently choosing high animal welfare products • despite being the world's largest retailer of Fairtrade cotton clothing we've struggled to increase volumes significantly
DSG Int Source: Our Responsibilities (company website).	• member of the Electronic Industry Citizenship Coalition: improvement of the electronics supply chains • monitors UK and European legislation and where we can add value and input into the relevant legislative bodies we endeavour to do so • dialogue with interested stakeholders including our customers, shareholders, suppliers, staff, NGOs and governments • constituent of the FTSE4Good UK, European and Global Indices • helps customers make informed choices about products • works with NGOs such as the Carbon Trust to understand how emissions can be reduced • compliance with trading standards to deliver high levels of customer service
Co-op Source: Sustainability Report 2010.	• world's largest consumer co-operative – owned by 12% of the adult population • promotes the role of the co-operative model • customer satisfaction is a strategic priority • Political Strategy Working Group formed in 2009: businesses must demonstrate that their public affairs activities are aligned with their CSR claims and objectives • will undertake stakeholder dialogue with especially members and customers, given their vital roles in governance and economic viability • climate change regarded as a global challenge and firm has a huge impact

B.6. Aspirations and challenges

Company	Aspirations and challenges
Tesco Source: Corporate Responsibility Report 2011.	• growing carbon footprinting programme to increase customer understanding • involving international suppliers in our target to reduce supply chain emissions by 30% by 2020 • finding solutions where carbon reduction is in conflict with wider sustainability issues • committed to zero net deforestation by 2020 • getting responsible sourcing onto the global agenda • tackling the water footprint of our supply chain • by engaging our thousands of suppliers across the globe, by sharing knowledge, and by collaborating with other global businesses and NGOs, Tesco and our industry can have a transformative effect
J Sainsbury Source: Corporate Responsibility Report 2011.	• aim to be leaders in the UK for environmental innovation • commitment to CO2 emissions reduction by 25% by 2012, against a 2005/06 baseline • commitment to packaging weight reduction by 33% by 2015 against a 2009 baseline • commitment to zero waste to landfill programme
WM Morrison Source: Corporate Responsibility Review 2010/11.	• carbon reduction plan to reduce operational footprint by 30% by 2020
Kingfisher Source: Corporate Responsibility (company website).	• 2020 Future Homes challenges include making sustainable product innovation intrinsic to business model, challenging normal business paradigms • reduction of environmental impact while still growing our business. • accounting for sustainability by ensuring that financial investment decisions on energy and waste saving measures take into account wider benefits to the business,

	our reputation and the environment. • calculating the value of our sustainability strategy to the business: engage with mainstream investors to encourage them to consider the business benefits of sustainability when making investment decisions. • maximise new business opportunities in energy efficiency
Marks & Spencer Source: How We Do Business Report 2011.	• work with MS food suppliers to implement a sustainability benchmarking standard to improve ethical and environmental performance • engage producers in the M&S Sustainable Agriculture Programme by 2012 • improve traceability for the principal raw materials by 2015. • work with external partners to identify the characteristics of a sustainable retail business • become the world's most sustainable major retailer by 2015 • reduce the overall carbon footprint of packaging and products by 2015 • develop a carbon labelling scheme for consumer products by 2012. • Reduce carbon emissions by 35% and make our operations carbon neutral. Help our customers cut their carbon footprint. Improve travel and logistics. Store and warehouse running. Energy efficiency and energy.
DSG Int Source: Our Responsibilities (company website).	• future goals are not mentioned, other than continued activities
Co-op Source: Sustainability Report 2010.	• investment in Fairtrade, reductions in carbon emissions, more extensive investment in UK communities and funding to help businesses go green • kick-start a revolution in community-owned renewable energy generation • generate 25% of electricity needs from renewable sources • render operations carbon neutral by 2012 with offsetting • ensure the vast majority of operational waste is diverted from landfill • move palm oil and soy to a sustainable footing • have 20 million members by 2020