CSR Implementation and Outcomes: The Environmental Concern

The Case of Axfood (Sweden)

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Abstract

The study is about the implementation of environmental conscious approach of corporate social responsibility in the Food wholesale and retail business. The environmental approach includes eco friendly packaging, organised logistics and practices of energy conservation. The case studied is Axfood through the investigation of their public reports, observation at stores and interview with the store managers and the Head of Corporate Social Responsibility.

The methodology used in the research project is case study methodology during which data from various sources has been used and analysed for information richness and going deep down into the matter for investigation the patterns of environmental concern at Axfood.

The empirical exposure gained through observations, repeated store investigation, interviews of customers and store managers and having five interview sessions with Asa Domeij (Head of the Environmental matters at Axfood) had formed the result in three learning points. One, the practice of having competition on cheap and quality products on the basis of re-injected revenue and expenses control through recycling and energy conservation is successful. Two, market pressure on companies to focus only on the products that pushes them to neglect the social audits followed by ambiguous reports is not a sustainable solution. Lastly, learning from competitors, attaining point of parity through having what others have with some uniqueness that others lack is in terms of superior environmental consciousness is the solution for future business (recent digital loyalty programme of Willys).
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I would like to express my deep gratitude and dedicate this thesis to my Father, Mr. Bashir Ahmed Dar. He gave me everything what he never had in his student life.

(Imran Bashir)

I dedicate this work to my parents as they deserve it the most. Furthermore, i forward my regards to my friends and teachers for their support. Our supervisor, Professor Dan Nordin had been very supportive and gave us maximum time when we required, for which, i pay my warm regards to him.

(Muhammad Sabir Shah)
Willys’ store at Karlstad (Front main gate)
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List of abbreviations

World Business Council for sustainable development (WBCSD)

Corporate Social Responsibility (CSR)

EFQM (European Foundation Quality Model)

Global Agricultural Information Network (GAIN)

Corporate environmental responsibility (CER)
International union for the conversation (IUCN)
World Summit on Sustainable Development (WSSD)
Sustainable development (SD)
World Commission on Environment and Development (WCED)
Extended stakeholder responsibility (ESR)
Employees, community and environment (ECE)
Life cycle assessment (LCA)
Extended producer responsibility (EPR)
Designing for sustainability (DFS)
Minimum need of resources (MNR)
Product Life Cycle (PLC)
Sustainable product life cycle assessment (SPLCA)
International Standards Association (ISO)
Sustainable Consumption & Production Branch (SCP)
Global reporting initiative (GRI)
United Nations Environment Programme (UNEP)
Chapter 1

Introduction

The business world is today controlled by the customers who are one of the most vital stakeholders that affect and are affected by the business. Taking care of customers along with other stakeholders is considered responsibility of progressing ethical businesses. Therefore, responsible economic activity as well as delivering quality product is the common goal of the organisations (Edvardsson & Enquist 2009).

Globally, the notion of better future for the future generations propagated by the World Business Council for sustainable development (WBCSD 2004) has created a breeding ground for the societal and environmental activists to create pressure on business empires. The increase in awareness among customers has forced the managers to have a shift in there thinking and actions. The issue of sustainability is not limited to theoretical development but has empirical evidence in the business world, which a beacon of hope for sustainable future (Enquist et al. 2006).

Today, due to this shift in thinking, the main concern of the manager in a business organisation is not only profit but also people and planet. These three P’s (people, planet, profit) is the bases of Corporate Social Responsibility (CSR). Hence, the idea behind CSR is mainly social and environmental responsibility without compromising the economic aim of the company. Although, there is clash and difference of opinion between the researchers but, mostly and commonly the basic theme behind the CSR is to have profit with minimum negative externalities (Enquist et al. 2007).

The link of profit and being responsible gives rise to the argument of having competitive advantage through or with CSR. A number of researchers have worked on this area and the
common understanding is that CSR has a link with firm’s competitive advantage. The interesting phenomenon, according to Pava and Krausz (1996), is to note that most of the studies that show a connection between CSR and organizational competitive advantage is through considering the environmental dimension of CSR.

The environmental aspect, as depicted by Dahlsrud (2008), had been apparently neglected in the definitions purposed regarding CSR. This means that there is lack of understanding of ecological dimension of the CSR concept. This research study is therefore dedicated to have in-depth analysis of not only the environmental concerns of the company named as Axfod in Sweden to investigate CSR but also its outcomes in terms of environmental concerns of business by applying the EFQM model to see them an applicable manner (significance of EFQM in relation to CSR).

1.1 Research Problem

This problem is a reflection of CSR activities of retail and whole food businesses that have considerable impact or direct interaction with the society and environment (Stilwell 2003, UNEP 2012, GourmetRETAILER 2013). Environmental concern as an extended responsibility (Lindhqvist 2000) and related costs and liabilities (Fishbein et al. 1994; Hundal 2002) is the key factor in Swedish retail and whole food businesses. This gap has been identified on the basis of theoretical endeavour by Edvardsson & Enquist 2009, WBCSD 2004, Enquist et al. 2006, and Enquist et al. 2007. The lack of research work on this area gave us the motivation that we had found a novel dimension to endeavour upon. Furthermore, the study considers the three-tier (packaging, logistics, and storage) environmental challenge of wholesale and retail companies, the response and the outcome is framed with the support EFQM model as its being followed by reputable Swedish companies (EFQM 2011a, Stilwell 2003, UNEP 2012, Nidumolu et al. 2009, Porter & Linde 1995, Meadows et al 2004).
1.2 Purpose

The aim of this research is to diagnose the environmental concern of retail and wholesale food store companies which revolves around eco friendly packaging, organised logistics and finally placed by energy conservation. The environmental responsibility practices are then planned to be reflected in terms of organizational performance through the EFQM (European Foundation Quality Model) framework.

1.3 Research Question

Q. To study whether environmental concerns in packaging, logistics and storage are the core problems of CSR at retail and wholesale food store companies in Sweden and what could be their possible outcomes?
Chapter 2

Research Methodology

Introduction

The method chosen for this study is qualitative as the business situation of the organization required descriptive analyses and deep study of the problem. The qualitative research design helps us to devise a study plan that could be successful in developing the true possible picture of the problem at hand.

As the title of thesis depicts, the problem of the study is CSR implementation and outcome. This is studied by having Axfood as a case study. The primary concern in CSR is the environmental perspective around which the study revolves. This makes it clear that the study demands a method that could support in the extraction the contextual information about the whole situation by digging deep in the company and theoretical descriptive data. Gummesson (2000) also portrays that case study and qualitative research method is popular for studies that require deep understanding of the phenomena.

The contextual information researched will answer the questions like How environmental perspective is a vital aspect of Corporate Social Responsibility for positive outcome.

This cannot be done by only looking at the numerical data as it will only tell about the financial position at present and cannot depict its effect on future growth in terms of responsible business. For this purpose EFQM Model is being used. There is dearth of extensive theoretical evidence about implementation of European Foundation for Quality Management (EFQM) model for the study of CSR and sustainability concept outcomes in business organisations. According to estimation, more than 30,000 organisations in Europe...
have successfully implemented this model¹. In Sweden, companies like Volvo car corporation, TeliaSonera Sverige AB, Posten AB, SwedBankAB, SJ AB and more are members of EFQM (EFQM 2011a). The noticeable issue is that not even one retail food store company of Sweden has given attention to EFQM. Keeping this in mind, its theoretical application significance is elevated to disquieting level.

Keeping this in mind, we firstly collected data about the company and increased our theoretical knowledge about the subject that is CSR. We had one full session with the library advisor (Berit Hjort) about our area with whom we searched and discussed about the topic. Later she also sent us articles for study to develop our understanding on this topic. It was adventurous for us to know that not many articles available on university online database had touched our topic. So, we can safely say that our study is one of the pioneer studies in this aspect according to the available resources.

Talking about the scheme of thesis building, we first gathered data and discussed it so that the knowledge about the topic could be used later for analyses and interpretation of observation activities and filtration of observations. For example, we studied the CSR theory and company website and then used it to interview the Head of CSR at Axfood. The information gained at last was used to indentify gap, clarify study topic and lay the foundation for analyses work. Christensen, Engdahl, Grääs and Haglund (2001) advocate that the technique in which knowledge comes first followed by analyses controls the whole study process afterwards is qualitative study method. The analyses process even indicates about the collection method.

The following section will explain about qualitative study, case method, data interpretation collection plus analyses.

¹ http://research.shu.ac.uk/cfie/ecop/docs/EFQMCSRFrameworkECOPF.pdf
2.1 Qualitative Method

The thread that connects qualitative research studies is the interpretation of words and texts irrespective of their nature (written or spoken). The extraction of meaning from the textual resources and in some cases digging the hidden meaning in the explicit meaning is the work of qualitative methodology of research (Taylor 1976). This is done to extract the contextual information and the authors’ understanding of the situation.

This understating of the situation and using it for research creates knowledge. There are two approaches for this purpose:

*Inductive Approach*

It is used for induction that is directed from study of specific situations towards developing of a general theory (Trochim 2006).

*Deductive Approach*

It is based on generalised theory to explain specific situation. Deduction is made when the researcher does not have command over the area or the area is not well developed (ibid.).

The primary step in this study is data collection followed by interpreting public reports and interviews for analyses of the situation. A testable statement in the form of research question is made around which the whole study revolves and that is used to deduction of proof of specific situation from general blocks of theories (Trochim 2006, Silverman 2006).

Only text is used in analyses and therefore it is cannot be processed through numerical calculations or formulas (Taylor 1976) due to which interpretation techniques of text are used for surfacing the meaning of the text that logically binds all the threads of theory and empirical is investigation (Strauss & Corbin 1998).
2.2 Case Study Approach

The case study method is used by many of the researchers that have studied the concept of Corporate Social Responsibility on various dimensions. It has been observed that the case study method supports in looking at the specific situation from different angles which enriches the problem area. This body of knowledge is used by later academicians to develop it further to excel that deepens the understanding in that field (Enquist et al. 2008, Sebhatu 2010, Enquist 2008, Enquist et al. 2000, Johnson 2002).

This is also depicted by Yin (2003) as:

“An empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident”

This means that case study is used to deepen the understanding on any topic where the boundaries between context and implementation are not clear. Merriam (1985) took the discussion further to choosing of one or more factors of the problem area for the purpose of generalisation of theory regarding it.

The case method is effective in studying the CSR concept as explained by Blaze Corcoran et al., (2004). This is also advocated by (Gillham 2000) by stating that case approach allows multidimensional study of problem.

2.3 Data Collection & Interpretation

Merriam (1998) is of the view that qualitative case study method is made reliable and trustworthy by sourcing data from different sources, both primary and secondary.
Secondary Data

It includes; (i) corporate social responsibility report, (ii) document of code of conduct, (iii) annual sustainability report of 2011, (iv) website information, and (v) financial overview of the company. It is notable that the company is recognised as having the most organised website with respect to data and structuring of website to make it user friendly. It is fully translated in Swedish and English in just one click.

Primary Data

It consists of interviews from the Head of the social responsibility and environment, observations at the store, interviews with at the store with:

(1) Store Manager (2) Employees (3) Customers

2.3.1 Usage of corporate blog data

Numerous studies have shown that corporate blogs have a positive impact on the businesses, even in crisis, by bringing change that leads to development through communication with consumer in informal way (Marken 2005, Sweetser & Metzgar 2007, Cho & Huh 2010).

Their vitality resides in being personalised as well as mass communicating medium of corporate objectives and having informal way of discussions with the consumers and general public(Cho & Huh 2010). It has data based on the corporate strategy defined in the corporate reports, press release, online presentations, social mediums, discussions and “humanised voice” (p.33) on blogs on various emerging topics on practices being exercised. Therefore, the nature of the corporate environmental blog of Axfood, supervised by Åsa Domeij, advocated it’s customised (analysis of the informal topic wise discussions) utilisation in empirical part of the study project.
Data interpretation

The data collected from the reports will be interpreted through the lens of observations and interviews. The interview will be interpreted by having summary of the responses from each group and then comparing the responses of each group regarding one specific situation or category of elements. For example, the operations written in the report will be observed at the store and searched in the narrations supplied by the managers, employees and customers. Later the interviews from the three groups will be compared by categorising the responses. Categorising will be done like separating responses regarding training for eco friendly packaging from the available responses of three groups (Bryman & Bell 2007).

The interviews given at the Appendix are actually only those questions which were pre-planned. Many of the questions which were asked from the respondents according to their interest, for support in corresponding theoretical work and personal gut feeling and observation. The same goes correct for Åsa Domeij, as being the Head of Environmental Affairs. Her support in the empirical part by telling her experience and encounters in “story telling” style gave us the confidence to take the research project to a new level.

Company Study

The company is selected by studying the Global Agricultural Information Network (GAIN 2010)² report along with the websites and reports of the companies separately. Axfood was finally chosen on the basis of its performance as compared to ICA (the market leader). The operating percentage margin in 2010 of ICA is 3.1³ as compared to 3.5 of Axfood⁴.

³ http://www.ica.se/Om-ICA/About-the-ICA-Group/Financial/Five-year-summary-for-the-ICA-Group/
sustainability report of 2011 has been selected for analysis as it helped in interpretation of the responses from the managers, customers and employees.

**Response Sample Design and Plan:** The responses from the managers, store keepers including all other employees and customers were sought from Willys’ store of Axfood as it holds 54% net sales, 64% operating profit and 47% of the total employees\(^5\). Other reason is its target market is international, multicultural and local customers.

The geographic limitation for field study is Karlstad due to time and finance constraint. The customer’s also include the students of Karlstad. In addition five interviews are taken of the Head of the Environment and Social responsibility (Domeij).

**2.4 Analysis and Limitation**

The above statements clarified that the data collected will be interpreted and analysed on the basis of interviews, observations and company reports. The term data analysis, according to Miles & Huberman (1984, pp. 21-23) is the composition of three simultaneous activities that are:

- **Data selection:** reports, documents, website, online sources
- **Data simplification:** prioritising the material relevance, filtering the irrelevant details
- **Data abstraction and transformation:** codification and categorizing to view logical relations in data.

After this the data display is vital as it enables the researcher to abstract conclusion. It is usually based on charts, tables and causal networks. Clustering diagram will be used in the present study. Similar to grounded theory, the coding and categorising of responses to come

\(^5\) http://investor.axfood.se/files/Axfood_Annual_Report_2010_en.pdf, p.4
to a conclusion will be carried out. Identification of similar patterns and logical connection along with making notes develops the study to be consistent in conceptual coherence.

The analysis and data collection process was been defined by a number of researchers along with Miles & Huberman (1984) to be compensating each other and can be overlapped. Whereas, Myers (1998) has been concerned about the problems it will pose on the whole research process.

This exploratory case study is one of the basic case study types as explained by Yin (1993). It is further depicted that the exploratory case study demands to have data collection and field work to be completed before the finalisation of question. The interviews with Asa domeij and some field work on Willys was done prior to the formulation of research question.

The case study includes: question, framework for analysis and criteria for interpretation of the findings. The quality of the analysis is regularised by usage of our own understanding of the problem and experience of Willys store as we are its customers for more than one year. Furthermore, industrious work is carried to have relevant theoretical evidence reflection in analysis and concentration on most vital and significant part of the case study which is the environmental corporate responsibility. This scheme of work is according to recommendations of Yin (1994).

The logical connection between the theory and empirical data and findings will be carried through analyzing both through discussion that unearth the meaning of the situation and provides understanding of problem being studied. The result of the discussion and analyses is in the form of deep understanding, further study suggestions, and organised comparison of multi-dimensional information about the problem or a proposed model for testing in empirical situations. In conclusion, as Eisenhardt (1989) said, case study is authenticated by sampling of theory and implementation of triangulation which means usage of several data
sources, data processes or measuring models. The cycle of induction and deduction is applied that is used to first to propose a hypothesis through induction process and then to deduce the understanding by of the problem by analysing it on the basis of general theory (Trochim 2006, Strauss & Corbin 1998). This cycle ends when the conclusion is sought.

**Limitation**

The scope of this study is that encapsulates the theory and empirical evidence about the CSR with environmental concern as the frame of reference for the Food business of Axfood. The reports available on the websites have their limitation in fact that there is no well renown global standard for reporting CSR activities as compared to financial reports that follow well and renowned International Financial Reporting Standard (IFRS). The theoretical framework cannot deal with the food business practices as there is not much work done on this topic yet and work fields has to be grinded to make it appropriate for this exploratory study. Axfood is composed of a number of retail store chains out of which Willys has been focused. The operations of Willys mainly in Karlstad, has been observed due to lack of resources in terms of time and finance.

**2.5 Reliability and Validity**

There theoretical evidence is provided about the reliability as identical results are obtained by using the similar method (Christensen et al. 2001). The study only analyzes the problem what it is intended so the case of validity is also present (ibid.). The factor of reliability and validity that reflects the trustworthiness of the research is critical for successful study. It can be done by using methodology that is authenticated and suggested by numerous researchers as indicated in the introduction of this chapter. The methodology is to be backed by literary evidence. The data provided about the company has to be well explained along with proper referencing.
Chapter 3

Theoretical Framework

Introduction

The literature review contains sustainability and sustainable business issue that has been stressed by international communities and demanded by the customers as well. The sustainability thinking and practices are then supported by the CSR theory. The CSR strategy is narrowed to corporate environmental responsibility (CER). Shortage of literature has been experienced in the formulation of theoretical framework for CER in the context of eco-logistics, packing and green energy at food retailing businesses. Finally, its implementation and outcomes are theoretically studied with the help of EFQM model.

3.1 Sustainability and Business

The word of sustainability has been used in 1972 in the book of a British author named as “Blueprint for survival”. International union for the conversation (IUCN) had used this word later in 1972 in the context of environment. The word sustainability did not gained wide recognition until it was presented in UN publications and documents (Kidd 1998).

The concept of sustainability is actually the result of the shift in management thinking and practices due to external pressures. The demand for responsible actions mainly came from the community. There has been development in awareness of collective benefit among different stakeholders about the affects of operations of business organisations. This thinking of stakeholders, particularly customers, has created opportunities for those that are operating responsibly. Threats are also posed on companies that don’t follow the trends. At large,
companies are striving for sustainable competitive advantage. The solution to this objective of businesses lies in sustainability (Enquist et al. 2006).

World Summit on Sustainable Development (WSSD), under the leading role of United Nations, has passed a treaty in this regard. The treaty had been signed by Sweden in response to regional developments regarding sustainability. This event took place in 2002 at Johannesburg. Sweden has been one of the pioneers in admitting the responsibility of being responsible for collective good.

The treaty portrays commitment of the members, which have signed it, to craft policies and define rules for sustainable consumption. Efforts are advised to be made for creation of awareness among masses. The Summit had also published a report that is called the Brundtland report. This report defines the definition of sustainable development (SD) as:

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED 1987, p. 43)

This definition is widely accepted along with the member countries. Kemp (2005), while working on this definition, depicted that about the fundamentals of it. He said that the basis were not profit or economy but to environmental concern. So, one of the first internationally recognised sustainable development definitions had been based on environmental responsibility of the global community.

There has been much critic on the issue of defining the scope of suitability and how it would be measured. Furthermore, the clarity of responsibilities and operations was also a problem for acceptability of sustainability. Different authors had raised this issue from various dimensions. Mohanty (2003) stated that sustainability lacks in areas of explaining clear
boundaries of functions to differentiate it from other processes. This condition can become a reason for refusal of the sustainability idea. This thinking has been reinforced by Lélé (1991) as:

“... If SD is to be really "sustained" as a development paradigm, two apparently divergent efforts are called for: making SD more precise...conceptual underpinnings” and “...more flexibility and diversity of approaches in developing strategies...lead to a society living in harmony with the environment....”

The views by Mohanty (2003) and Lélé (1991) along with other scholars (Ehrenfeld 2005, Friedman 1962) revolved around the understanding that sustainability has to be defined in strict conceptual manner. The answer to this has been sourced from the proceedings of WCED (1987). Sustainability adopts flexibility while depending on basic principles for its application at strategic level. This is done as the area is in its developing stage and cannot be encapsulated in a rigid model that can attract profitability for businesses across industries.

This phenomenon has been explained in detail by Vogel (2005) while analysing the responsible and sustainable activities of various companies, their outcomes and the reason behind it.

There has been a need for explaining about how and what for the business organisations regarding sustainability. The reason behind it is that the definitions defined by sustainability advocates have been assumed of having no profitability. This misconception has been solved by Newton (2003) by saying that the companies can become sustainable by reducing their adverse affects on the surroundings without sacrificing their profit. So, a fit between surrounding and company profit has to be developed.
This point of view is put forward by World Business Council on Sustainable Development (WBCSD). The council presented the connection between business and sustainability in its definition. It is as follows:

“Sustainable development involves the simultaneous pursuit of economic prosperity, environmental quality and social equity. Companies that are aiming for sustainability need to perform not against a single financial bottom line but against the triple bottom line” (WBCSD 2004, p.1).

Sustainable business term has been globally recognised by the presentation of this definition. WBCSD has provided the yardstick to the business organisations’ management to formulate policies and define regulations by having green targets. Green targets means to have social and environmental concerns as the part of the objectives of the business (Demirag et al. 2005).

The issue of responsible and successful business was studied by various researchers. They reasoned about the profitability of the company by connecting sustainability with product quality. Sustainability was explained in a sense to tool or mechanism to creating product quality by delivering value (Pruzan 1998, Elkington 2001). The issue of value through values was defined later by Vogel (2005). He defined responsibility by businesses in two terms, which are,

Doing Good to Do Good (for philanthropy)

Doing Good to Do Well (for strategic decision making)

He also defined that responsible operations can only be beneficial by integrating it with the business’ ecology. This was reasoned through detailed examples of various companies and their results of responsible actions. Waddock (2006) also worked in the dimension while
expressing that responsible management is necessary for sustainability in organisations. He further said that a support system has to be developed that incorporates the values of responsibility and sustainable development.

The scholarly work of Vogel (2005), Waddock (2006) and Elkington (2001) along with other researchers define the road map for future developments in the area of sustainability. The business organisations have greater responsibility in making these efforts fruitful. Their own sustainable profit rests on not letting the societal and environmental resources degradation, on which they depend for their economic activities. This further means that the corporations are resource-dependent on the environmental and societal of their surroundings. Hence the ecology and environment in which the business operates pushes it to be responsible. Being responsible implies in the way of having operational embedding backed by overall organisational strategy (Pfeffer & Salancik 1978).

3.2 CSR and Environment

Still today, there has been no consensus among researchers regarding the definition of corporate social responsibility (CSR) still today. One of the main reasons is that all of the scholars have studied the idea of corporate social responsibility from different perspective. This has shaped their opinion with emphases on either one area of CSR while neglecting or shadowing others. One of the detailed definitions that provide some clarity about the concept is as follows:

“… An umbrella term for a variety of theories and practices, all of which recognize the following:(a) that companies have a responsibility for their impact on society and the natural
environment, sometimes beyond legal compliance and the liability of individuals; (b) that companies have a responsibility for the behaviour of others with whom they do business (e.g. within supply chains); and that (c) business needs to manage its relationship with wider society, whether for reasons of commercial viability, or to add value to society”. (Prieto-Carron et al. 2006, p. 978)

The term CSR is not novel in a sense that there have been considerable discussions on various forums on the issue of environmental restoration and conservation (Danesi 2007).

CSR as a term is not new to the business world as the series of debate had started in the last decade of nineteen century on the issue of environmental pollution and its hazards to the society by the corporation’s (Danesi 2007). So, the issue of environmental sustainability and responsibility is the source of origination for CSR. This has also been reflected by the definition put forward by WCED (1987) while stating “without compromising.... future generations ....needs”. There is a promise made to the future generations by doing efforts for ensuring natural resources conservation. The notion of Common Future, therefore, blossoms from the environmental perspective of CSR. This theoretical understanding is the point of departure for corporate environmental responsibility and its outcome.

According to the European Commission (2013), the integration of social with environmental responsibilities of the business organisations is termed to be corporate social responsibility. The understanding from this develops that the companies have to combine their efforts for social and environmental wellbeing.

*CSR Definitions from environmental perspective:*

According to the analysis of Dahlsrud (2008) about the environment factor in CSR definitions depicted that mostly the following phrases are used:
- A cleaner environment
- Environmental stewardship
- Environmental concerns in business operations (p.4)

The detailed research work done by Dahlsrud in academic paper titled as “How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions” portrays array of depictions by the scholars. By focusing on the environmental dimension of CSR, the depictions be sum up into the following concerns:

- That businesses are liable for ethically and morally to manage the externalities that they produce,
- The practices are to be transparent meanwhile having respect for the contextual values that surround employees, community and environment (ECE). It can be said as ECE thinking.
- Extended stakeholder responsibility (ESR) that includes suppliers, competitors, human resource management cycle, environmental and financial performance. Moreover, balancing the stakeholder-investor need.
- Commercial success through respect for ESR and also promoting or reflecting it by company policies. Lastly,
- CER is not limited to philanthropy or excessive documentation, rather it makes the externality source accountable for all its negative externalities and their overall affects. (ibid.)

Corporate environmental responsibility (CER), by looking at the present theoretical evidence, is conceived to be the collection strategies that make the companies to see the environment as part of their responsibility and devise preventive measures.
3.3 Environment risks and economic consideration

3.3.1 Environment risks

Wilson (1991) stated about the environmental risks as being the composition of inter-related factors that form a system. The first factor is the source of the environmental damage and the later two are the risk affects to the surrounding plus hazardous action.

The present critical environmental situation is the result of the failure of free market forces to effectively consider environmental damages as risk (Dunphy et al. 2003). This has been also emphasised by Kemp (1994) and Flannery (2005). Stern (2006) stressed the environmental damages by focusing on the climate changes and its connection with economic risks at global level.

It is the duty of the corporations to look after their surrounding environment as being part of the community where businesses transactions are being carried out. This duty in the form of depictions to the alarming global ecological situation has been repeatedly shouted out by the environmentalists long in the past. Never the less, the world leaders have come to realise it which has resulted in the form of World Business Council on Sustainable Development (WBCSD). The issue of sustainability described by WBCSD (2004) reflects what has been said by Stern as “ignoring climate change will eventually damage economic growth” (2006, p.2)
3.3.2 Growth or holistic Development

The driving force for economic systems across the globe is observed to be predominantly free market economies in one form or the other (Thurow 1996). Moreover, it can be said that the decisions for ‘what and why’ in production & prices, ‘who and where’ for customers and ‘what and which’ in quantities delivered are not by any centralised command and authority mechanism. Interestingly, the consumer as driver of the business is the playing the role by indirectly affecting the environment through consumption of goods and services (Peters & Hertwich 2006).

Stilwell (2003) discusses about the usage of market gains to be spent on doing good to do well (Vogel 2005), through productivity, that decrease the negative effect on environmental resources. This means that productivity, according to Stilwell (2003), does not revolves around customer consumption but also keeping the promise of survival for future generations (WBCSD 2004).

Thurow (1996) emphasized this argument by criticising capitalism. According to him, the western economic models based on individual gains and boundary-less free market practices have failed to see the meaning of market productivity that Vogel (2005) talks about.

Meadows et al (2004), in Limits to Growth, also described this situation in terms of lack of control for environmental damaging activities. It has also been said that the resources are being used in such a growing magnitude that even the effectiveness of new technologies and policies for sustainable business is declining. The irrational utilization of natural resources has boundary- less results in the form of irreversible damages to ecological system in the form of forest skimming, pollutants usage and unsustainable activities (McDonough & Braungart 2002). Tukker & Jansen (2006) provided a segmented insight in to the present
issue that the consumption patterns and preferences at consumer and government level are
direct causes of environmental externalities. The externalities can be assessed in the usage
phase of the product life cycle phase.

The two approaches for environmental responsiveness

The modern environmental economics based on neo liberal environmentalism is based on two
approaches for environmental thinking. These are:

- Environmental costing
- Free market environmentalism, based on voluntary programs (Welford 1997)

3.4 Responsible Food retail and wholesale businesses

Tukker & Jansen (2006) said that the problems of environment at global level are sourced
from usage and disposal cycle of products. The governments are hesitant to have intervention in the disposal and consumption practices that have been crafted by free market forces for the increase of the single bottom line from one way or another. Most of the so called responsible practices that are done by the business organisations in substitute of governmental interventions are based on the value that is imparted by the targeted customers (Vogel 2005, Hay et al. 2005, Hirschland 2003). So this means that the environmental practices, in absence of serious effort at state level, are being done irrespective of the damages done to the ecological balance at a considerable context. The above dilemma has been developed into a critically uprising voice in recent years. The voluntary corporate social responsibility (CSR) activities of corporations are questionable enough to be regarded as insufficient. The environmental consciousness of consumers
through awareness about their consumption patterns to their surroundings could not be adequately exploited. This is observed to be happening even in developed countries as companies, in absence of any rigorously implementable benchmark are carrying out effort less operations for mitigating their externalities (Vogel 2005).

Moreover, the global warming and dramatic climatic changes are being considered as a threat at national level. Schwartz & Randall (2003) by commenting on the leaked reports of US government said that the future projections about consequence of man-made-damage to environment can result in severe conflicts over natural resources.

Environment or Economy:

The theorists of economic and environmental sciences are in conflict with each other as economists consider environment as part of economic system whereas the environmentalists, considering nature as the base for everything do observe exactly opposite to economists (Brown 2001).

The costing methods for environmental damages have been criticised by Keats (1998) as giving any value in monitory terms to natural resources depletion is complex enough to be standardised. This does not imply that environmental costing methods that involve life cycle assessment (LCA) of organisation’s products or services have no role in minimising externalities. It is actually the preference and contextual value attached to various factors involved (Foster 1997). For example, the same amount of air pollution at Stockholm central city would be given more value while costing as compared to any place in any far-flung village. On similar grounds, the ambiguous practice of monitory substitute in India as reported in Axfood annual sustainability report is an example related to this matter of concern (Axfood report 2011).
3.5 Corporate Environmental Responsibility

By looking at work of Vogel (2005), the absolute boundary of CER to the extent of observing the practices of cooperation under the heading of CSR has been taking responsibility at various dimensions of product life cycle. Corporate environment responsibility involves environmentally conscious management of product disposal, marketing, production, recycling and pollution control. Nidumolu et al. (2009) refers this to conflicting interests of government, companies and environmental activists. Therefore the common ground can be in investigating the mutual good that is none other than conservation of natural eco system. For this reason, Guarnieri & Kao (2008) calls for sustainable practices in day to day operations of the company.

One can easily judge that this involves cost. The answer to this was presented by Porter in 1991, he said that the effort towards environmentally responsible practices actually leads the company towards exploration of new markets, ways of production and disposal. Eventually, the overall productivity is raised instead of merely increasing the costs.

This view has been supported by other writers as the nature of operations of economic markets demand for sustainable solutions. Companies can achieve competitive advantage only by applying innovation in products, their organisational processes and newer technologies. The three stages are targeted towards dual profits, minimization of costs and environmental stewardship. The interesting thing to be discussed is that sustainable practices with dual profits strategy, is being demanded and applicable in economic situation which is being faced by world today (Nidumolu et al. 2009, Blättel-Mink 1998, Beise & Rennings 2005, Enquist et al. 2006).
The low cost approach does even elevate the rate of return on business transactions and provide the company with a sustainable edge (Nidumolu et al. 2009) that encourages the management to move for other projects (Enquist et al. 2006).

3.5.1 Economic Responsibility

Elkington (1999) explained that company’s previous point of view about the examination of economic situation of business organisations had been bottle necked. The reason behind this is the narrow sighting of organisational capital and liabilities in the form of shareholder’s wealth and financial liabilities. Hence, without the eco-definition of liabilities and capital which involves environmental stakeholders and thinking, the companies’ management could see half of the picture.

The economical and environmental bottom lines knock out the traditional understanding of overall business equity solely based on asset-minus-liabilities. The present businesses have to look after the shareholders in a way that their sustainable advantage is not compromised. The shareholders along with all other stakeholders in which environment is dominant have to be cared to do business well instead of doing good to do good(ibid., Vogel 2005, Nidumolu et al. 2009).

Some authors, as the following ones have described this phenomena in a sense as described below:

The corporations should understand that

“….. the development and implementation of new products, new technologies, new production processes, new resources, new markets and new systems that integrate economy and ecology” (Blättel-Mink 1998, p. 49).
### Table 1: Considerable definitions of Economic Responsibility from 19th to 20th century

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Author</th>
<th>Study</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Collins &amp; Porras (1995)</td>
<td>Comparative study of 36 companies in which 18 were doing responsible thinking and marked as ‘visionary’</td>
<td>The visionary companies outperformed in terms of economic benefits growth.</td>
</tr>
<tr>
<td>2</td>
<td>Kotter &amp; Heskett (1992)</td>
<td>Harvard study based on 11 years of research work that involved 207 large American companies from 22 industries</td>
<td>Stakeholder management resulted in growth in product sales and better employee retention. The product sales rose up to 8 times.</td>
</tr>
<tr>
<td>3</td>
<td>Kielstra (2008)</td>
<td>Study carried out by Economist in which 1200 executives were surveyed</td>
<td>More than half of the executives confirmed that sustainable practices had deep-rooted positive results that ranged from having cost minimisation in production to recycling product residue.</td>
</tr>
</tbody>
</table>

Additionally, the demand for “…. new or modified processes, techniques, practices, systems and products to avoid or reduce environmental harms” (Beise & Rennings 2005, p. 6) is the stage where companies development is defined on eco-economical basis.

Vogel (2005) and Howes (2005) state that the financial gains in investment over fulfilling CER returns in terms of market reputation that supports business growth. The following table shows the studies that reflect the economic response

#### 3.5.2 Green washing:

The issue of Green-washing is also under discussion as the sustainable practices of the corporations are being checked by the NGOs and academicians that study CSR. Balabanis et al. (1998) research study could be a source of evidence for the present green washing techniques being used by so called sustainable corporations. The study depicted that there was negative correlation between environmental thinking activities and financial
performance. The curiosity factor of the study was disclosure’ of companies’ philanthropic activities has strong relationship with financial performance. So, the motivation factor behind disclosure for companies is observed to be profit oriented rather holistic growth, involving minimisation of externalities. This situation also explains which target compels the companies to put more effort on ‘to do good’ things and commuting them to the society rather focusing on radical eco-economical work (ibid.).

The ethical business concept is also connected to this as the business setups are being assessed, not according to what they shout on websites, social blogs or marketing campaigns, but radical actions throughout product life cycle. Some benchmarks have been provided by scholars. It is true that practices of CSR vary from industry to industry but demarcation of certain type that involves target and minimum satisfactory efforts is to be defined. It is also worth saying that there is no system till present day, from eco-costing to free market environmentalism and government legislation that could individually control and check the industry wise environmental activism. Presently a mix of endeavour by management of businesses and interventions from government is the only feasible solution being observed (Bhat 1993, Vogel 2005).

**Misleading practices in reporting:**

Levin & Behrens (2003) on green washing activities of the company by focusing on their reporting practices that lack clarity and often the reader is unable to understand the meaning of the phrases used. Levin & Behrens quoted examples like ‘encouraging monitoring’ or ‘developing processes to minimise impacts’ that give an impression to the reader that things mentioned have been done by the company. Whereas, actually the ‘mentioned’ intentions or
planning of the companies have not been put into practice. Worriedly, this is a practice in some of government bodies as well.

3.6 Extended producer responsibility

Lindhqvist (2000), a Swedish professor in the field environmental economics, introduced ‘extended producer responsibility’ (EPR) term while marking the start of a collective policy need for sustainable practices in Europe. He expressed it “making the manufacturer of the product responsible for the entire life-cycle of the product and especially for the take-back, recycling and final disposal of the product” (p.2). The EPR is basically a shifting and expanding of responsibility on the part of corporations. They are accountable for, not only how the product is being consumed at the end phase of product cycle, but also the recycling job has been taken from the local government and given to wastage producers, which are the corporations. This means that the source of wastage is responsible instead of the effected. The list of the stakeholders that are affected is been made part of extended-liability of the corporations’. The cost of the recycling cycle of product has been put into the cost of product (Hundal 2002; Fishbein et al. 1994).

3.6.1 Production systems

The environmental risks that are posed by the production systems of any organisation can be explained in a variety of ways depending on the school of thought (Howes 2005). Some of the scholars say that the present eco-negligence of corporations is due to the lack of attention and attaching of value to the environmental resources surrounding them (Foreman 1998, Anderson & Leal 2001). Others are of the view point that a government at central and local level along with the system of hierarchy is an obstacle in the way of prompt actions and delays are observed in policy making (Light 1998).
Brown (2001) added that economists have blamed capitalistic economic systems, free market economy for exploiting the natural free as if they are ‘free’. Similarly, governmental policies are being pointed out to be made before even costing of the environmental damages that result from the economic activities. Pearce (1998), having the same point view further discussed the decrease in market productivity and proper functionality is the result of environmental degradation.

3.6.2 Considering environmental risks at the design stage

The design has been considered as pivotal in projection of amount of wastage and the extent to which it could be recycled and disposed off. This has been part of environmental conservation studies from Ashley (1993) to Lewis & Gertsakis (2001). It has been estimated that the design stage of production can be blamed for 70% of the detrimental affects to environment from the respective product. It is why designing phase has to be carefully planned.

Bhat (1993) articulated that the greening of designing stage of products can be used to have maximum advantage from the life cycle impact assessment techniques. Furthermore, the businesses can shift their customer orientations from green washing to marketing genuine green work. Cooper (1999) research endeavour was to explain the scope of operations of green design. The greening of design, according to Cooper is used in its narrow sense by only considering the environmental aspects on the output level. This inhibits the companies to gain the competitive gains that they can have through rigorous programs steered by ‘designing for sustainability’ (DFS). DFS can be used as a strategic shift, from considering the output side that values the consumption patterns and environmental damages to caring about multidimensional aspects, ranging from resources minimum usage to re-usage, a level that is also embraced by Polonski & Rosenberger (2001). DFS inspects the level and type of
material used, their recycling at the end point, usage of energy and water and continuously striving for ways to for minimum need of resources (MNR) for production (Cooper 1999). Polonski & Rosenberger (2001) portrayed that MNR technique can be implemented through usage of product life cycle analysis at each stage of production designing. This would give knowledge to the company management about alternative methods in overall organisational operations and a rigorous eco-check.

3.6.3 Product Life Cycle (PLC)
Heiskanen (1999) claimed that in eco-sense, products can be termed as “embodiment of the harm caused by production, consumption and disposal”. This means that the sources of design for sustainability (DFS) at product level are distribution and sale points, storage plus logistics, and disposal and recycling. Matching this statement with the previous theoretical review, most aspects of product level externalities have affects beyond national boundaries.

Bas (2005) said that “everything is linked, from the product’s cradle until its grave, from the water issue to the waste issue”. This means that the suppliers of raw materials or unprocessed goods also come under product life cycle. Hundal (2002) supports this by revealing that the activities facilitating in production through supply, manufacturing and distribution processes of supply chain are part of the PLC. He stated that “extraction and processing of raw materials; manufacturing; transportation; use, reuse, maintenance; recycling; and final disposal” represent PLC. Lewis and Gertsakis (2001) depicted that PLC involves ‘re-use, remanufacture, recycling, treatment and disposal’ as opposed to merely ‘disposal’. The problem starts when each factor of PLC has to be checked whether it contains any externality factor or not. It is also true that mostly, all product stages have environment damaging element but PLC assessment is still needed (Heiskanen 1999).
The link between DFS (Design for sustainability) and SPLCA (sustainable product life cycle assessment) is that the former emphasizes on holistic identification of factors, and later on assessment of PLC (Heiskanen 1999, Hundal 2002). There are ethical aspects involved in PLCA as well when product factors like suppliers, storage and distribution are assessed. The reason behind it is the free market needs, consumer perception and nature of business. So, businesses in the same market, having same approach towards sustainable practices and assessment regarding their products encounter different economical results (Polonski & Rosenberger 2001, Vogel 2005). The International Standards Association (ISO) has devised a standard as ISO 14062 which strengthens the inputs-outputs relationship of various material and energy resources that are invested throughout the PLC levels. ISO 14062 is viewed as a nonconventional way of PLCA that supports sustainability concept (ISO 2001). The study done by Hundal (2002) also supports the SPLCA can be properly executed through inputs-outputs mechanism.

**Consumer pressure:**
Polonski & Rosenberger (2001) has laid importance to consumer pressure in governing the corporations’ course towards sustainable practices. The consumers’ product buying patterns are influenced by any information about the companies’ unethical practices. The consumers can boycott or launch campaign against companies being caught while doing harm to the society and environment. The examples of giants like Nike and Shell are much known as both have faced ‘bad press’ and customer boycotts (Vogel 2005).

It is worth mentioning that the pressure for CER in comparison CSR is clearly stronger. This is due to the daily encounters by managers, employees of firm about water toxics and shortages, increase costs of raw materials and availability problems. The consumers observe the environmental degradation consequences on personal levels like unexpected changes in
weather conditions, increased cost of food items and water (Polonsky & Rosenberger 2001; Pearce 1998).

3.7 Packaging and Logistics

The traditional means of production and transportation are not the demand of today’s businesses. The sustainable competitive advantage can only be achieved through having an edge on competitors in terms of innovating technologies for production, delivery and consumption. This provides the business with an opportunity to invest in other projects in which they would have been unable, in absence of innovative techniques (Nidumolu et al. 2009). This means that economic pressures and crisis that direct the companies for cost minimization eventually leads to a better future, if sustainable business is the option of the company’s management.

Porter & Linde (1995) expanded the cost minimization into strategy and sectors. The strategy was detection of environment-economy fit approaches. The approaches are then adapted to manage and decrease the production wastages and recycling remains. This means that focus should not only be on recycling the residue but to have a mechanism that on its minimisation as well.

Meadows et al (2004) also advocated this by reflecting that the sustainable practices have been beaten up by the heightened limits to which the usage of natural resources is being observed. The newer ways of recycling, environment protection policies and awareness have been not adequately helpful as ways of natural resources exploitation that bring new forms of wastages with them as well have relatively mounted to next level. This situation is actually one of the missing pieces of the puzzle of sustainable business globally.
3.8 Energy conservation

There is growing need at retail businesses to centralise the command and control systems of energy resources available. Many of the retail companies are going towards practices through which energy wastages could be minimised. Some of the companies have even set targets like zero carbon or carbon neutral in next decades. Manahan (1997) has researched on technologies that could be implemented for cost reduction, reducing the environmental risks, organised system for water and usage of other resources. Stress was on applying innovation for newer ways of production, having light material and low wastage.

World Business Council for sustainable development (WBCSD) has stressed on innovation for promoting growth but controlling the usage of resources. So, innovation for sustainability is aimed at finding ways that can support present business models based on growth with minimum resources usage and waste production (WBCSD 2012).

United Nations Environment Programme (UNEP) under the Division of Technology, Industry, and Economics has made Sustainable Consumption & Production Branch (SCP) that studies consumption and production patterns and devise ways to was sustainability in them. The SCP has reflected that much of the world environmental problems are the result of the unreasonable consumption patterns of wealthy elements of society. Full detail about the related projects and publications is also provided online under UNEP (UNEP 2012). Cooper and Evans (2013) presented in a report, which is dedicated to the “friends of the earth”, that sustainable consumption is all about investigating the patterns of consumption that could be helpful in meeting the demand at the similar level while having much less degradation effect on the environment.
3.8 Environmental concern at shop floor

Stores, warehouses

Stilwell (2003) said that the investment decisions of economic wealth generated through businesses judges the future of the society. The unwise use of the business gains can only result in wastes and environmental damages (lightening and packaging). The tool box of solutions for eco-economists is none other than innovative technologies that can be supportive in changing consumer behaviour towards consumption and other demands (Cairncross 1995).

Studies have shown that the significant part of the expenses at retail stores is based on the various energy usages that can be termed as energy wastage. One can have an idea about this as soon as one enters into any retail store. It can be traced from the structure of the building and lightening at the store (GourmetRETAILER 2013).

Cost effective lightening strategies have been now introduced by smart owners of small retail stores for their profitable survival. A retail owner of Jon Megaris & Co is of the view that for good business “...the lighting MUST have good colour, contrast and the right balance between lighted areas” and for practicing responsiveness “It also should be easy to maintain” (DESIGNLIGHTS 2013). From page 2 to 4, it has been explained in detail that “basic retail” lightening systems (BRLS) is depicted to be the solution for retail store like Willys where self service concept is applied. The BRLS is presented to be suitable for those retail stores which are discount based, where the shelves are touching the ceiling while being densely filled with products. The strategy to communicate maximum value to customers through uniform lightening provides “good visibility for reading labels and to create a bright, clean, stimulating environment” (DESIGNLIGHTS 2013, p.4).
A detailed analysis of the lightening has been given by in the online guide that is full of tips, tricks, common mistakes and how to be responsible without having increase in expenses. The Fluorescent sources of lightening as a standard are to be used in BRLS, which gives good image to the product packaging and also helps in keeping the store cool. The heating effect of the light sources is the second biggest hurdle after wrong type of lightening systems (GourmetRETAILER 2013, DESIGNLIGHTS 2013).

Therefore, storage of the products, from warehouses to retail stores, represents the responsible sense of the company. It tells that how the company has planned for less of wastage of energy, making more out of less space and packaging that does not need shelves to present and bags to carry.

3. 9 EFQM and CER

Enquist and Edvardsson (2006) consider CSR as vital business strategy that has the ability to create value for the organisation. Our endeavour resulted in the integrative study of thee vital factors of the EFQM business excellence model, which are leadership, processes and key performance indicators. These “three” actually define the relationship between “enablers” and “results” with simultaneous identification of other factors’ involvement. The depiction of the link and identification of the “outcomes” (as our thesis title) with implementation factors is one of the basic aims of the study that is being satisfactorily, as based on previous theoretical work (Afzal & Thiengnoi 2009, Dahlgaard and Dahlgaard 2005), is served through EFQM. The “model” focuses the environmental perspective with all other stakeholders and customers. The reporting function of CER is considered under the resources area of the “enablers” to trace the environmentally responsible activities.
The model is termed as “Excellence Model” as it emphasizes on what the company is doing and what can be done “well”. Its nature of directing corporations towards excellence has been officially described by Thames Reach as:

“...changing the way people think, looking for links between “Results” and “Enablers” outside “formal Self-Assessment” and realizing the Model can make a difference”

As the effectiveness of EFQM model lies in being a framework of cause and effect, its detailed components are as under:

1. **Enablers**: which define the input in terms of strategy, policy and managerial framework of the company, they are
   
   I. Leadership
   
   II. People
   
   III. Policy and strategy
   
   IV. Partnerships and resources
   
   V. Processes

2. **Results**: that indicates the overall achievement of the organisation that encapsulates employee satisfaction, customer and all other stakeholders’ care in terms of:

   6. People results
   
   7. Customer results
   
   8. Society results
   
   9. Key performance results
Dahlgaard & Dahlgaard (2005) directed the attention towards the strategic feature by presenting how EFQM can support in evaluation of the controls, business environment and developmental aspects at organisational level. The work of Medhurst & Richards (as cited in Afzal & Thiengnoi 2009) according to our research paradigm, termed it as cause and effect process. This means that the actions, strategies and outcomes as the “results” of implementation processes are continuously “questioned”. The matter of crux is that the organisations are enforced to shift, in thinking and practice, to total responsibility management, for “responsible enablers” to get “responsible results” (ibid, Sebhatu 2010).
Chapter 4 Empirical Study

The empirical study speaks about the environmentally responsible practices at the business organisation called Axfood. In this respect, what is been done good and how it could be done well is the paradigm that served as a lens for interpretation of observations, encounters and information accessed in documented and verbal form. The chapter ends with the section of critic which is composed of the factors that are depicted to be matter of concern for a sustainable future of retail businesses.

4.1 Corporate Profile

4.1.1 Axfood: History and present situation

Axfood is based on food wholesale and retail stores business in Sweden. It is a group that is consists of more than 246 stores. Some of its famous retail stores are Willys, PrisXtra and Hemköp. The business group does not stop here. It has been making revenue from many stores that are run of proprietorship while have business agreements with the group. Each of the stores has their own website for communication with their customers and general public. Moreover, the whole sale end is managed by two business units named as Dagab and Axfood Närlivs (Axfood 2013a).

Axfood covers 20% market share of the total retail business in Sweden. In Financial markets, it has been listed at Nasdaq OMX StockholmAB’s Large Cap list (ibid.).

4.1.2 New director On-board

According to Yahoo finance, the information about the new director was presented as a press release on 13th March, 2013 for public. It has been said in detail in the press release that the
AGM (Annual General Meeting) has nominated Lars Olofsson as an upcoming addition in the directors list.

Lars Olofsson’s professional background reveals that he could prove to be an added value to the Axfood. He has been active in food retail business from 1976 to 2008, having economics degree from Lund University, which reflect his national exposure. Serving Nestlé for 30 years and recently being the CEO of the largest retail business organisation in Europe, the Carrefour S.A., tells much about him. Lastly, Fredrik Persson has been informed to be the board chairman (YahooFinance 2013).

This has been also mentioned in the Point 15 of the “NOTICE OF ANNUAL GENERAL MEETING OF AXFOOD AKTIEBOLAG” available at Axfood corporate online portal (Axfood, 2013b) and in the 5th paragraph of the press release as well (Axfood Press-releases, 2013).

4.1.3 Business: At the first glance

The following tables show the business of the Axfood group based on stores, their nature and numbers:

Table 2: Axfood retail stores

<table>
<thead>
<tr>
<th>Retail chain</th>
<th>Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hemköp</td>
<td>181 stores, of which 67 are wholly owned</td>
</tr>
<tr>
<td>Willys</td>
<td>172 stores, of which 46 are Willys Hemma stores</td>
</tr>
<tr>
<td>PrisXtra</td>
<td>5 stores</td>
</tr>
<tr>
<td>Tempo/Handlar’n</td>
<td>366 franchise stores</td>
</tr>
</tbody>
</table>

Source: Axfood business (2013)

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6 The data about stores, according to the official Axfood website, is updated on quarterly basis.
4.2 Sustainable Development and Business

The present and future of Axfood’s struggle towards being the responsible and sustainable food retail and wholesale business group can be depicted by the statement of its CEO, Anders Strålman as;

“For Axfood, it goes without saying that running a business with sustainable development and sound finances go hand in hand. Through active and competent sustainability work, we thereby create the right offerings for our customers, which in turn leads to better business”

(CEOs-Message 2013)

The message of the CEO had reflected that the corporation is heavily based on core values through depicting that the company’s source of “right offerings” is “active and competent” responsible work.

4.2.1 Core values at Axfood

The core values, according to corporate portal of Axfood, are based on the concept of value sharing and disseminating it throughout the group for integration at the tactical level for employee guidance. The shift from focusing on vendors that had been in practice for some time, to customers is felt to be the need for sustainable competitive advantage. It been stated publically as thinking of “customer, customer, customer”. The shift demands to go beyond
the departmental working structures and think how the best for the customers could be done at every level.

Core values: “

1. We developed together with the customer
2. The store is the scene
3. You are important
4. We dare
5. We know
6. Strong together” (Narlivsab 2013, Axfood 2013c)

At shop floor:

While interviewing the store employees, there has been gap in view among the different employee groups, as core values are concerned.

GERI (Store Manager at Willys), described the core value “Strong together” as “We at Willys are trained to do more than one job so that at peak times there are people to share the work load on any one point like at holidays and mid-day, the main task is to keep the shelves away from going empty”

The conversation of GERI was affirmed by being observed repeatedly to be doing various tasks, from transferring products from the back store to the front display area to guiding the customers to the right place of their intended products. He was open and daring (We dare) while having answering our questions. He told us that he has his own store at Norway prior to this job and that his past experience of being owner of a small store helped him at Willys. He also allowed us to take his and store areas’ picture which are available at the Appendix.
The difference between the conversation style of GERI and other employees was the factor of “dare”. Many of the employees repeatedly asked me if we had took permission from GERI. They were also answering the questions in a “yes or no” fashion. Two employees even tried to avoid by answering the questions while facing towards the shelves (we could observe that he was just gazing the products). While stating this, it does not mean that there were no employees who were interested. The employees who were at the front, mostly at the area where cigarettes, hotdogs, various types of ‘snus’ and energy drinks were displayed had been more “friendly” and showed calmness in answering our questions. The reason behind it, which we observed, was not having much load of work as compared to the back-end and having more opportunity of conversational experience with the customers (a thing which is commonly seen at small stores like Pressbyran and 7eleven).

The case with “you are important” was the same as “We dare” while most of the employees had the concept of developing with the customers. The “store is the scene” had been observed and can be presented more clearly in the extended responsibility section.

4.2.2 Willys
It has been positioned to be the supplier of cheapest bag of grocery across Sweden. They have also worked on this idea in terms of organic products and have been successful to a handsome extent. Willys shouted to its customers firstly as “Sweden’s cheapest bag of groceries” and then as “Sweden’s cheapest bag of organic groceries”. This progress in responsible initiatives while looking at the pockets of the customers has given Willys an edge over its competitors to a considerable extent. Willys has targeted families with children as their primary and fundamental market (Willys 2013).
We had been observing this, since we came to Karlstad and becoming the customers of Willys. People were seen having their small children on “trolley seats”. These were small seats were attached at the top backend of the trolleys for ease for the parents to monitor their children while shopping. This allowed them to buy products without having one eye on their children. The range of products also revealed this thing.

Willys, by having 174 stores, had been accessible to many of the residents across the country. We had encounters at Willys in Stockholm as well that mostly people would come to buy food items for their weekly menus. We had casual talk with some of the customers and they also explained the same reason about choosing Willys over other store chains that was “they are affordable to the masses” (Willys 2013).

Mostly Willys was established at the city sides. According to GERI, this was done to lower the transport costs. Interestingly, a separate chain was also opened as Willys Hemma inside cities, near to housing schemes. It is a small store that attracted the cost conscious people who wanted to buy their daily needs.

4.2.3 Environment and Ethics: Problem of food shrinkage at Willys

It had been posted on the corporate environmental blog by Asa Domeij on 26th of May, 2011 that being one of the largest chain store name in the group comes with bigger responsibilities. The matter of food wastage is amongst them that involves ethical and environmental perspective. “Food waste is a major environmental issue” as it involves significant investment at every product life cycle stage which ranges from farm to folk. It has been clearly mentioned by Asa that by neglecting this situation, only worsens the situation by degradation of environment. Almost all chains, as said by Asa, are working on this matter but Willys has a unique side regarding this issue by having alliance with SLU, an Agricultural University (Asa Blog 2013a).
This has been done to systematically learn about the ways to avoid food wastage. For this purpose, a “mentoring project” has been under exercise “in which the stores are especially good at something may accept employees from other stores that learn their modus operandi” (ibid.). In our interview sessions with Asa, she repeatedly said that one of the major problems for the retail business is sorting and recycling of waste and finding ways how to reduce it. While talking on wastes, she told us that food wastage is a problem that has ethical side as people sometimes buy products in quantities that they do not want or cannot consume due to which is goes into the bins. For controlling this wastage at the consumer side, certain strategies have been introduced that are explained in section of extended producer responsibility (EPR).

4.2.4 Smart loyalty programs

The company has been stating that apart from being the most cheapest grocery bag, “Willys+ gives you an even better deal” by giving away 16 discounts each week. Most of the discounts are designed to be part of the smart deals that are basically simple ideas of what to buy for dinner (Axfood, 2013). Willys in this way is pursuing its customers to form a habit of getting more from simple ideas of consumption while being responsible as the more the steps and things are involved, the more the wastage (Axfood 2013d).

According to the post at YahooFinance (2013a), having the title as “Axfood: Willys Launches Loyalty Programme”, Willys has introduced an out of the box programme for attracting its customers. The environmentally responsible aspect of this programme is that it is digital which does not require paper work, loyalty cards, and their renewal. By doing this, Willys has become the first discount store to launch this kind of scheme for its customers. It is considered to be “a shift away from traditional mass direct mail marketing to targeted communication via digital channels” that could help in reducing domestic waste material that results in disposal of marketing mails that are commonly known as Reklam.
Customers will be communicated through email and mobile applications. Its guideline is also available on the company website. The main speciality is that the discounts and offers can be availed by the customers through their ordinary bank cards. This means that Willys loyalty programme is free from coupons, marketing mails and membership cards (ibid.).

Our insight into this loyalty programme was to see whether there are any traces of disloyalty with the environmental concerns. According to us, the challenge for Willys in this programme is to shift 70% of the customer purchasing to digital without having negative effect on its employees or bypassing the transactions that cause environmental degradation on other businesses like distribution companies.

**4.3 Environmental Responsive experience at Axfood**

*Environment blog of Asa Domej used here*

4.3.1 Private labels and locally produced products

Asa Domeij told us that the strength of the store lies in having more proportion of private brands in its total sale figure of products. The reasons behind this were depicted that:

i. The company can have control over the price and audit by having direct relations with suppliers of the raw product and compelling to confirm with the standards of the company.

ii. The company and its stores can generate revenue on the basis of their own brand names, store name and privately owned names. Willys had been recorded to have launched its range of 516 items (Axfood 2013e) that have been categorised as mid-range food and non-food items that are quality wise comparable with the market
leader. The cost conscious aspect is also taken acre off by offering them at 10-15% lower price than the market leader brands.

iii. It has been demanded by the public on the corporate blog that local products are to be made available that could boost national and local food business. The idea at its roots is worth mentioning but people will not buy it due to the attached quality and transport problems. The inconsistency in product quality and being anonymous will result in product identity crisis for the customer. Additionally, collection of products at small quantities from various sources would be difficult to manage (Domeij 2013b).

The private brands are mainly sourced from Europe. According the report, the figure is 88%. Furthermore, “Having a high share of private label products is a key part of Axfood’s strategic goal of being the most profitable company in the Swedish retail food market. Axfood has the highest private label share in the Swedish retail food market” (Axfood 2013e). The uniqueness of the private label is that they cover ecological non food and food items along with budget range products. It includes Fairtrade labelled products as well. Lastly, one solution to the local products’ need of the people has been described by the Asa at the environmental blog. She encouraged the people to forward their demand to their local stores that could make an arrangement with Dagab or with the direct suppliers in consultation with the Axfood group management for provision of the required product at their store. According to us, this also sounded well as logically; local products cannot be provided in masses. The practice of halal chicken (slaughtered in religious way of Muslims) can be taken as an example (Domeij 2013a) for guide in presenting demand-specific local products at the considerably required stores.
4.3.2 Experiences as a research student and customer

As students our own experience had been that most of the products under the label of Garant, Eldorado and Willys were cheap and affordable as compared to other brands of food items. The good thing of these private brands, as advocated by other students at the University and hostel was that they had near to almost the same quality as the market leaders. One of the things that we consider as lack of public communication was that there had been no real transparent communication by the Willys about the source countries or even their region of these products, a part from having hygienic and food standards being met. This is important as this is the area where serious lapses have been found by us while we were doing our previous thesis on a UK based retail store. The example of this is also found in the dark corners of the annual report of Axfood which it has been written that “The climate impact that cannot be reduced is compensated by financial support of a project in India” (Axfood report 2011, p.8)

4.3.3 Store eco-environment

In our interview sessions with Asa Domeij, she told us that the eco-environment of the stores, whether wholesale of retail has been the priority of the company. For Willys, one of the headings at the corporate web portal has been that “All Willys stores labelled with Good Environmental” (Willys 2013a). It has been also commented by Asa that it has been nearly uncommon in the retail food market that any store could catch two environmental awards in the same week, as in case of Dagab. It is notable here that Dagab is the distributor of Willys. This takes us to point that the environment-positive activities at Dagab have developmental effect on Willys (Domeij 2013c).

4.3.4 Store management

The conversation with Geri projected that he was aware of the recycling and sorting schemes being exercised in the store and groups wise. It was interesting to note that the problem of
hard plastic and glass bulbs was highlighted by both, Asa domeij and Geri. The other commonality observed was that they were open for questions and cooperative which reflected that they were following the core values of “We Dare” and “We know”.

One of the breaking news regarding store management that we had received from Asa was that they were planning to centralise the electricity system to monitor the consumption from the centre. Asa told that the basic drive behind this was the need of the retail business to reduce its energy bills and carbon foot print simultaneously. This showed the hybrid approach of the management of Axfood, as they were striving to have good figures at environmental cautiousness and profit accounts of the company.

4.3.5 Employee training

Willys has the largest number of employees as compared to other store chains working under the umbrella of Axfood group. Around 80% (Axfood Report 2011) of the employees have received environmental training of some sort as the report published in 2011 has communicated. One of the headings in the report set off as:

“Axfood wants proud and committed employees who work according to the Group’s core values in a collaborative and entrepreneurial organization” (Axfood Report 2011, p.15)

This means that on employee level, the communicated strategy of the company is to hire, retain and develop those employees with the organisation that take pride in environmental works which appear as public acceptance in the market, busy shop-floors at stores and healthy figures at the financial reports.
4.4 Extended producer responsibility (EPR)

4.4.1 Product Life cycle (PLC) assessment

The product selection by Axfood is done on the basis of measuring its environmental costs and effects in terms of transport, consumption and production. The company has recently adapted the PLC (Product Life cycle) analyses for making purchase decisions. The operational scope of PLC analysis is being widened by the company on continuous bases (Axfood report 2011, p.8). This means that the company is facing challenges in this respect and the PLC assessment of the products, in total, cannot be done on full proof level.

One of the major part that PLC analyses has regarding environmental costing and management is to keep track of the carbon emissions by pointing out the stage of product life cycle where the CO₂ is at the peak level. The stage of highest emission can be product development, design, consumption, disposal or transport. So, the PLC technique helps the company to identify the major climatic degradation factors. Moreover, the word “climate” has been used 29 times in the report at different places, most of which represented product related responsibility of the company.

4.4.2 Waste Management is Profit Management

In second session, Asa Domeij revealed that: “the revenue that is generated from the recycling and selling of waste is reinvested in the business. This is done for enabling the business to execute successfully while providing cheap products to the customers. So recycling, waste management and cheap cost products are interlinked”

Domeij (2013d) is of the view that it better to do something rather only discussing this matter. There had been a seminar which was organised by the Swedish Plastics and Chemicals Federation. Domeij concludes the seminar by depicting that the company was the first to craft product bags made from bio-plastic, a practice that was welcomed by industry
communities present there. This portrays a healthy start as shopping bags are the ones that are amongst the non-food items, of which disposal is not under the control of the retail stores.

4.4.3 Consumer eco-training and awareness

Food wastage has been termed to be one the issues that requires the companies to educated the customers on how to consume responsibly. According to one report compiled by Stockholm Consumer Cooperative Society, stated that much of the food purchased by customers is thrown away. Asa has attended a seminar on food wastage issue which was arranged by Antonia Axson Johnson Foundation for the Environment and the Stockholm Consumer Cooperative Society. She told that the seminar resulted on the note that much of food wastage is occurring due to customer’s knowledge lack in terms of consumption probability till the expiry. The practices of retailers on size and packaging were also brought to the discussion table. It also had been observed, by viewing the accumulating effect of food wastage to be one of the worst stages regarding environmental concerns. The reason behind is that the finished product that reaches the house of any customer has consumed various types of investments from product designing to storing and transport from store to the customer’s house.

As a measure of environmental concern, Asa told us that “Willys is working on gradually improving its environmental credentials, as part of which Willys will be joining forces with researcher ‘Ingrid Strid’ from the Swedish University of Agricultural Sciences (SLU) in a project about wastage in stores. The project will start this summer with a preliminary study, and will run for several years. Hopefully, this might lead to better procedures in the stores, which in turn can help to reduce wastage” (Domeij 2013e).
Apart from this, the web-portal of Axfood has publically presented some guidelines for responsible consumption out of which some are:

i. To choose organic products for the kitchen as they contribute in minimisation of wastage and carbon foot print

ii. To use eco friendly washing products

iii. To decrease the usage of filament bulbs on continuous basis as they use 80% more energy and have ten times less life time than the low-energy bulbs

4.4.4 Social audits and Environmental costing

Social audits and Environmental costing has been one of the major problems for Axfood as its business is heavily based on private label products, sourced from other countries and routed towards the stores through Dagab.

The fourth session ended with Asa Domeij saying that “We have doubled the audits of our suppliers for 2011 as we have concerns on supplies from countries like China. The social and environmental conditions in the countries like China are not satisfactory. The suppliers do violate the code of conduct for decreasing cost. This affects our image and is a problem for us and the industry as a whole”. For environmental costing, the company has been investing at the places where they have environment degradation affects (Axfood annual report 2011, p.8).

4.5 Packaging and Logistics

Much of the practices about packaging and logistics have been discussed above under separate headings. Here, the operational part of the problem would be discussed to detect the possible solution for environmental concern.
Asa Domeij told us in her conversations that an important way to reduce waste is to design the packaging properly. In the ongoing effort to improve packaging for private label products is an important issue to design packaging so that wastage is avoided on both layers, in stores and in homes.

In packaging, the problem areas that had been spotted in the conversation about private labels with Asa had made us doubt about the social audit of the suppliers as in one session it had been revealed (we didn’t asked for) that vegetables (processed or others) are sourced from Italy. It is obvious that the economy and social conditions of Italy are favourable for corruption and malpractices. We had noted that we were not provided with other names of European countries instead of asking repeatedly. This view point is not an attempt to be unnecessarily critical about the actions of the company but to encourage it to follow transparent reporting that could attract real and sustainable customer value based on collaboratively taking care of environmental concerns.

Second session, Asa Domeij: “....a long struggle. We had to make hard commitments regarding our activities and their impact on society. Challenging environmental objectives were crafted. There include eco driving, using green energy, loading the trucks up to optimum level. It also consists of switching our supplies from trucks to railways for long distances. This is done to reduce our carbon foot print. The trucks have been converted from diesel to environmental grade-1 fuel; the target is to reduce Co₂ by 75% up till 2020. The detail of these activities is provided on our website and in the annual report. We have a separate sustainability report”.

Moreover, the eco driving practices have been encouraged by Axfood by giving incentives to the drivers that had been successful in maintaining the least usage if fuels and carbon emissions. For this purpose, the drivers are given training that covered topics from route
selection to maintain speed and avoiding frequent breaks. The company has been progressively shifting to green fuel and usage of trains instead of trucks for delivering to and from Dagab.

4.6 Energy conservation and storing

Lapses in responsible product presentation and storage: While investigating Willys at Karlstad from the point of product storage and grinding our observations and encounters with various energy conservation reports, we came up with the following lapses that the store had:

1. Milk, yogurt and other products that required cool temperature were kept in refrigerated shelves without any transparent plastic curtains that could block the cool air from escaping in the store. In winters, stores are managed to have temperature that is comfortable for the customers to buy things while having -25 outside. In this situation, the cool air escaping from the refrigerated shelves disturbs the temperature management system of the store.

2. Direct light had been spotted to be shed on the refrigerators of meat products that act as a temperature raiser.

3. Refrigerated product shelves are kept at a distance from each other that create temperature cycles in the store as some of the customers revealed to us that they felt cold and warm repeatedly while walking in the store.

The annual report of Axfood of the year 2011 has been assessed to have recorded the word “environment” for 55 times which means that it has been publically stressed in the report to a considerable level. Having said that, the above records of our practical encounters at the store is note of attention for the Axfood management.
4.7 EFQM and CER

In this section, an abstract of the EFQM factors is presented that is based on the above whole scholarly work.

4.7.1 Enablers

1. Leadership

The statements of the CEO regarding environmental concerns, as being the strategic focal point, on the corporate website and sustainability report makes the direction and strength clear. Moreover, the work and experience of Asa Domeij, the CEO and the new board member, Lars Olofsson gives the larger picture of the Axfood leadership.

2. People

Environmental training of employees of Willys and other Axfood stores

3. Policy and strategy

Ethical codes, environmental standards, PLC assessment and having the business concept of cheap grocery bag tied with waste minimisation and energy conservation.

4. Partnerships and resources

Having collaborations with universities, seminar attended by Asa Domeij and pioneer work in food waste reduction and digital customer relationship for green future.

5. Processes

Usage of private labels that suit various customer groups according to their needs.

Customers have been trained for environmental consciousness by encouraging them
to use organic food items. Controlling food wastage on customer part through having product promotion schemes that are based on customer consumption capability (being single or having children)

4.7.2 Results

6. People results

It has won numerous awards as being one of the most favourite places to work. The survey reports showed that most of the employees were happy and committed to be the part of something bigger than them which could be valued, Axfood.

7. Customer results

They buy products as they feel that they are getting affordable and cheap products that are comparable in quality with the market leaders in organic and non-organic class. So, better value with responsiveness means more customers.

8. Society results

Having collaboration with NGOs for a better future of the people who are at the base of the pyramid and who are part of Axfood family or live at the surroundings of the business entity or affected by its operations.

9. Key performance results

Two awards to Dagab for climate friendliness and competing ICA by having more handsome operating income.
Chapter 5 Discussion and Analysis

5.1 Critic and Discussion

5.1.1 Presentation at website

The main website is available in English and Swedish whereas the website of Willys is only available in Swedish that contrasts with the responsible actions of Willys at the shop floor. Willys’ target market includes local large families and students. As international university students, we believe that most of the people who come for or three years for study reasons find it difficult to fully enjoy the offerings of the store as they are not available on the corporate websites in English language which we could google and understand conveniently. This has been discussed by the scholars by delivering the concepts of extended producer responsibility (Lindhqvist 2000) and design for sustainability (Heiskanen 1999). These concepts dictate that the companies avoid and minimize all the sources of environmental degradation at production, distribution, communication, consumption and disposal level (Sweetser & Metzgar 2007, Cho & Huh 2010)

5.1.2 Ambiguous practices in reporting

There had been lapses in terms of which targets are been met. Many of the corporations have used colour coding to show the three types of targets: accomplished, being carried out and which could be started in future. The case of environmental costing at India has been mentioned in just one line without even giving the glimpse of what environmental concerns were not in control of the company. It can be found at the eighth page in the third column of the annual sustainability report of 2011. Furthermore, we came to know about the drastic position of social audits at China from the conservations with Asa Domeij, which is only one example. Therefore, the element of transparency and detail is lacking.
In the literary world, this has been presented by the scholars as a call for having watch dogs on companies for checking and controlling the increase in falsifying and disguised public communication and reporting (Sebhatu 2010, Enquist et al. 2007).

5.1.3 Gap in critical information dissemination on e-platform

It was noted that the core values were not available on the main Axfood website and separate Willys web portal that points that there is discrepancy in presenting information about responsible acts of the business group on website, which has been discussed by Sweetser & Metzgar (2007) and Cho & Huh (2010).

5.1.4 Restricted awareness of responsible food from farm-to-fork:

According to the response of Domeij (2013a) at the corporate blog, considered as one of the most powerful tool for public awareness, she has reflected that Axfood is unaware about the responsibility issue regarding Halal food by only saying that Halal chicken is produced due to its mere demand. This situation is discussed by Lindhqvist (2000) as the need of extended producer responsibility.

**Report analysis**

The content of the annual sustainability report of 2011 has expressed much about the priority of the company (Axfood report 2011). The frequency of the words used in the report told us that what things were intended by the Axfood management to be highlighted to the common public. The tabulation of the content analysed in accordance to the environmental concern is being presented in the proceeding research work as:
Table 4: Annual sustainability report’s environmental responsiveness analysis

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Words</th>
<th>Frequencies</th>
<th>Contextual meanings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Climate</td>
<td>29</td>
<td>PLC effects</td>
</tr>
<tr>
<td>2</td>
<td>Environment</td>
<td>55</td>
<td>Ecological system</td>
</tr>
<tr>
<td>3</td>
<td>Audit</td>
<td>16</td>
<td>Product related environment degradation</td>
</tr>
<tr>
<td>4</td>
<td>Emission</td>
<td>23</td>
<td>Co₂, carbon footprint</td>
</tr>
<tr>
<td>5</td>
<td>Energy</td>
<td>22</td>
<td>Energy conservation and bio-fuel</td>
</tr>
<tr>
<td>6</td>
<td>Transport</td>
<td>21</td>
<td>Dagab activities</td>
</tr>
<tr>
<td>7</td>
<td>Customers</td>
<td>28</td>
<td>Awareness, value, loyalty</td>
</tr>
<tr>
<td>8</td>
<td>Products</td>
<td>106</td>
<td>PLC, labelling, design</td>
</tr>
</tbody>
</table>

By observing the above tabulated environmental based content analysis, it is interesting to note that the frequency of “audit” word is far less than “environment” even when both are interrelated to each other. This reflects that the frequency of words’ usage can tell about the intentions of the strategic group and helps in figuring out the results in a considerable manner.
Global reporting initiative (GRI) table:

The two indicators below, as being not reported, call for attention as they directly show weakness in commitment of Axfood regarding overall environment consciousness from source to end point:

- The indicator EC6 “Policy, practices, and proportion of spending on locally-based suppliers” (Annual report 2011, p. 18).


Codification and comparison of interviews results:

The table below in a self explanatory manner represents the style of conversation of the different respondents that reveals their attitude towards environmental concerns of the company.

Most of the variation can be clearly seen in the process and strategy area that includes:

i. how Eco awareness can promote Willys business

ii. where the present focus of the strategy of the business is taking Willys.

Table5: Coding, Comparison and analyses of responses from three dimensions

<table>
<thead>
<tr>
<th>Environmental concern</th>
<th>Strategy and leadership</th>
<th>Frequency (concerns valued)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Store Manager + Asa Domeij</td>
<td>Employees (11)</td>
</tr>
<tr>
<td>Private brands are good</td>
<td>Focal strategy</td>
<td>11</td>
</tr>
<tr>
<td><strong>Organic cheap products</strong></td>
<td>Strength</td>
<td>7</td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------</td>
<td>---</td>
</tr>
<tr>
<td><strong>Eco-store environment</strong></td>
<td>Lower expenses</td>
<td>5</td>
</tr>
<tr>
<td><strong>Healthy labelling</strong></td>
<td>Loyalty</td>
<td>2</td>
</tr>
<tr>
<td><strong>Local products</strong></td>
<td>Demand</td>
<td>6</td>
</tr>
<tr>
<td><strong>Cheap grocery store</strong></td>
<td>Opportunity</td>
<td>10</td>
</tr>
<tr>
<td><strong>Budget products + eco-awards</strong></td>
<td>Market leadership</td>
<td>7</td>
</tr>
<tr>
<td><strong>Eco management leads to Profit</strong></td>
<td>Experience</td>
<td>5</td>
</tr>
<tr>
<td><strong>Eco awareness</strong></td>
<td>Key indicator</td>
<td>6</td>
</tr>
<tr>
<td><strong>Eco Drive</strong></td>
<td>Policy</td>
<td>2</td>
</tr>
<tr>
<td><strong>Carbon foot print</strong></td>
<td>Environment</td>
<td>4</td>
</tr>
<tr>
<td><strong>Food wastage</strong></td>
<td>Ethical</td>
<td>6</td>
</tr>
<tr>
<td><strong>Product packaging</strong></td>
<td>Recycling</td>
<td>3</td>
</tr>
<tr>
<td><strong>Green energy and energy conservation</strong></td>
<td>Future</td>
<td>7</td>
</tr>
</tbody>
</table>
Chapter 6 Conclusion

What's not good: Generalised gap and lapses of Swedish food wholesale and retail market: Talking about lapses, one of the most serious ones that could be generalised in terms of food wholesale and retail business in Sweden are observed to be complex and somewhat deceptive public reporting. Additionally, the employees are not allowed to be free in expressing their views about the company. In case of public communication, knowledge about responsibility from farm-to-fork, especially in case of cross border suppliers, is negligently understood as well as disseminated.

Information about practices and examples of cross border suppliers also become a problem when they are absent from the public reports. Consequently, the community at large gets no clue of how many suppliers are being penalised, warned or trained for not having compliance of the organisational detailed environmental responsive codes. Nevertheless, negligible awareness campaigns about responsible consumption, disposal and reusability are becoming an unspoken and unwritten norm. Lastly, a token of thought is that only reusable shopping bags are being introduced and encouraged.

Doing good to do well: Audits of suppliers, business relations and organisational external activities, as observed by the researchers, reflect that negligible space has been allocated in the annual public report to suppliers’ environmental responsibility stories and how they have been taking benefit in terms of outcomes. Here, it is necessary to state that suppliers are not to be explicitly defined in public as they are part of trade secrets but there absence only adds to ambiguity regarding the overall environment responsibility cycle of any business organisation. The company should have shared the practices of the suppliers’ by not mentioning their names. This point links with the other acts of retail and wholesale
companies where they have been observed not to give any detail of the responsibility audits of the suppliers, penalties on violations and what remedy actions were adapted. Furthermore, these pattern of links end at the result that food store companies has been experiencing pressure from both sides, CSR and cost reduction. So far, the company has not been responsibly matured enough to completely control the environmentally degrading practices of the suppliers across borders. The company has been promoting its image to be the cheapest option for responsible products but experiences pressure, according to the researchers, not to fully reject unresponsive suppliers from competitive cheap markets around Europe and other countries.

Moreover, this pressure has been reduced by the cost reduction mechanisms of CSR such as recycling of packaging material and different wastes of the store. Electric controlled-usage and eco friendly logistics has also added to the cost reduction but these all are only enough to behave responsibly within the borders of Sweden. The real problem and gap is notable when the many giant companies, that have achieved awards on home ground, are not able to control suppliers’ activities related to products as its complex and tricky.

As far as extended responsibility (ER) is concerned, the mangers have been observed to think about ER as everything that can be a source for cost reduction and leave other matters that increase the liability of the company in shadows, until and unless indicated. Due to this, the companies are lacking in showing the big picture to their customers, employees and society, which is the promise to the future generations to pass them the same availability level of natural resources through conservation as enjoyed by the present generation.
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**Appendix**

**INTERVIEWS**

<table>
<thead>
<tr>
<th>No.</th>
<th>Employees</th>
<th>Place of the store</th>
<th>Interview duration (minutes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Geir (Manager)</td>
<td>Willys storage</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>Ulf</td>
<td>Willys store</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Mans</td>
<td>Willys store</td>
<td>13</td>
</tr>
<tr>
<td>4</td>
<td>Nickolas</td>
<td>Willys storage</td>
<td>8</td>
</tr>
<tr>
<td>5</td>
<td>Ronny</td>
<td>Willys counter</td>
<td>10</td>
</tr>
<tr>
<td>6</td>
<td>Patric</td>
<td>Willys store</td>
<td>9</td>
</tr>
<tr>
<td>7</td>
<td>Cisi</td>
<td>Willys counter</td>
<td>8</td>
</tr>
<tr>
<td>8</td>
<td>Marianne</td>
<td>Willys store</td>
<td>7</td>
</tr>
<tr>
<td>9</td>
<td>Karin</td>
<td>Willys store</td>
<td>7</td>
</tr>
<tr>
<td>10</td>
<td>Amemele</td>
<td>Willys counter</td>
<td>10</td>
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<tr>
<td>11</td>
<td>Maria</td>
<td>Willys store</td>
<td>8</td>
</tr>
<tr>
<td>12</td>
<td>Mattias</td>
<td>Willys store</td>
<td>7</td>
</tr>
<tr>
<td>No.</td>
<td>Customers</td>
<td>Place of the store</td>
<td>Interview duration (minutes)</td>
</tr>
<tr>
<td>-----</td>
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<td>------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Evalena Larsson</td>
<td>Willys store</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>Patrick</td>
<td>Willys store</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Mikael</td>
<td>Willys main Entrance</td>
<td>13</td>
</tr>
<tr>
<td>4</td>
<td>Roger</td>
<td>Willys store</td>
<td>8</td>
</tr>
</tbody>
</table>
Backside of the store showing clear picture of sorted waste
Side of the store, Days and timing are clearly visible
Bottle recycling site without *donate button*
Dec2011
Store internal environment and structure (Dec, 2011)
Manger of the store (GERI)
Back side of the store (truck is being unloaded)
QUESTIONNAIRE

Customers

1. What do you like at this store?
2. What is the thing that is most attractive for you here?
3. How do you find the store people here?
4. Have seen any advertisement of these stores that speaks about environment?
5. Describe any good experience of yours?
6. Describe any bad experience of yours?
7. What is the most common thing that you experience in these stores packaging?

Employees

1. What is the factor in which your company is best?
2. What is the core value of the company?
3. How you built value?
4. What type of advertising was done?
5. What you want the customers to see in your advertising?
6. What is the most important factor that attracts customers?
7. What do you know about company & Environment?
8. What do you think about eco friendly packaging?
9. What are the common features of the stores?
10. What kind of services are you providing?
11. Are you given any training?
12. Are you given any training about environment conservation system?
13. How you are beneficial for the company?
14. What is your experience at this company?
15. What have you learnt here?
16. Are there any career development opportunities?

Managers

1. What are the common features of the stores?
2. What kind of services are you providing?
3. How do you see your store workers?
4. What are your future plans?
5. What are the challenges to your company with respect to environment conservation?
6. Describe about your practices in packaging and logistics?
7. What do you think about energy conservation?
8. What are the common problems in food wholesale industry?
9. How are you converting your packaging eco friendly?
10. What are the most common challenges in food wholesale industry business?
11. How the employees of the company trained?
12. What is the difference between an axfood employee and others?
13. How employee takes part in creating value for company?