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The sustainability report as a reflection

A multiple case-study of three Swedish governmentally owned companies

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Abstract: This thesis explores whether the sustainability report is a reflection of company objectives and activities within three Swedish governmentally owned companies. Through a multiple case study and an application of the concept of couplings from the theory of new institutionalism, it aims to explore couplings in the context of sustainability reporting. Basing the analysis on three types of couplings, tight coupling, loose coupling and decoupling, this study finds that there is a mixture of couplings between the report, company objectives and activities. Its main contribution to the sustainability reporting field is that ownership structure matter in transparency of sustainability reporting. From a practical point of view this means that change towards more accountability and transparency of sustainability needs to come from the inside of companies and their owners. External reporting frameworks such as the GRI guidelines cannot be expected to change companies significantly towards more accountability and transparency. Therefore, the debate around accountability and transparency for sustainability has to shift to focus around changing the objectives of owners rather than increasing the external pressure and imposing requirements on companies.

Keywords: Sustainability accounting, sustainability reporting, social and environmental reporting, CSR, transparency, accountability, loose coupling, tight coupling, decoupling, new institutionalism

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1 INTRODUCTION

The interest for sustainability is currently booming in the world, and it has received increased attention over the last decade (see for example Joseph, 2012; Boiral, 2013; Cho et al., 2015a). 95% of the world's largest 250 companies produce a sustainability report (EY, 2014). "Today, almost all the large companies on the Swedish Stock Exchange have sustainability reports and executive sustainability managers." (Dagens Industri, April 21st 2015).

The degree of attention from governments, media, and industry bodies to sustainability accounting issues has increased substantially, especially in the area of external reporting (Joseph, 2012; Boiral, 2013; Cho et al., 2015a). Governments in Denmark, Finland, Japan, Korea, France, Pakistan, US, UK, Malaysia and Canada, among other countries, have implemented some form of mandatory sustainability reporting for companies listed on the stock market (EY, 2014). The governments of Russia and Sweden have implemented requirements for the mandatory reporting of sustainability issues by governmentally owned companies (EY, 2014). A number of organisations, such as the Global Reporting Initiative, United Nations Global Compact, The Sustainable Brand Index, have released guidance, principles and rankings for increasing transparency and accountability of sustainability reporting as well as evaluating companies against each other. The Global Reporting Initiative (from now on called GRI) has recently released its fifth update of their guidelines for reporting, the GRI G4 framework.

Scholars have also directed increased attention towards sustainability reporting and related accountability issues, with several major accounting journals publishing entire editions dedicated to the topic (Joseph, 2012; Cho et al., 2015a). The research has mainly focused on defining the concept of sustainability, as well as finding whether there is a link between the report and the actual activities taking place in firms (see for example Gray, 2010; Joseph, 2012; Boiral, 2013). The definition we have decided to rely, on as a base for our study, is the definition of sustainability provided by the UN Commission on Environment and Development. It is used extensively among researchers looking at the concepts of sustainability (see for example Joseph, 2012; Arjaliés and Mundy, 2013). According to this definition, "sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development, 1987). The definition includes economic, social and environmental sustainability.

The main objective of sustainability reporting has been described to be transparency, derived out of a quest for companies to be accountable towards their stakeholders (see for example Boiral, 2013; Cho et al., 2015a). However, the actors on the sustainability arena have portrayed two different pictures of how companies actually engage in transparency and accountability.

One picture is that companies use sustainability strategically. This group of companies see sustainability as a resource for competitive advantage, and correctly reflect their actual activities in the sustainability report (see for example Hedberg and von Malmborg, 2003; Adams and McNicholas, 2007; Arjaliès and Mundy, 2013). The other picture shows the other side of companies, where companies use sustainability to legitimise current activities by engaging in greenwashing[1]. This means that the companies actually do not care about sustainability for its own sake and do not reflect their objectives and activities in the sustainability report correctly (see for example Gray, 2010; Joseph, 2012). This implies a gap between what is reported in the sustainability report and the actual activities undertaken by the firms. The latter picture has dominated previous research; "It is increasingly well-established in the literature that most business reporting on sustainability and much business representative activity around sustainability actually have little, if anything to do with sustainability" (Gray, 2010 p. 48).

Previous research identifies three main reasons for the gap between reporting and activities; insufficient structure of the main reporting framework (the GRI guidelines), insufficient implementation, and unrealistic preconditions. The GRI guidelines are deemed as insufficient since it does not address the underlying conflicting views between companies and different stakeholders and focuses on objectivity from measurement rather than transparency of actual activities (Joseph, 2012). This leads companies to implement sustainability as a "business case", which means that companies implement sustainability in a way that is best for them and not the stakeholders, i.e. with a lack of accountability (see for example Gray, 2010; Joseph, 2012). However, since companies have a profit objective from the owners of the company, they report on sustainability to gain the necessary legitimacy required from the society to be able to continue the operations and generate profit, i.e. a lack of transparency (Patten, 2002; Deegan, 2002; Cho and Patten, 2007; Archel et al., 2009; Archel et al., 2011; Joseph, 2012). The comparative lack of interest from owners towards sustainability, combined with external pressure to significantly consider sustainability issues, creates tensions for companies' ability to address sustainability and transparently reporting it.

The findings of previous research are interesting when comparing them with the fundamental assumption of management accounting, as articulated in Otley (1999). The objectives set by the owner should determine the strategies and activities of the company, which should be reflected in the company's external communication. However, this basic assumption is challenged when

[1] Greenwashing refers to a form of marketing and promotional activity that is used to promote the perception, regardless of the evidence, that an organization is environmentally friendly. (Arjaliès and Mundy, 2013 p. 284)

considering the findings of previous research on sustainability reporting for two reasons. First, external sources (such as stakeholder pressure) seem to force the company to take sustainability into account to remain legitimate, which means that not only the owners' objectives set the expectations on the company (Deegan, 2002). Second, the sustainability report is found to not reflect the objectives and activities of a company, meaning that the report might not be a good representation of the inside of the company.

Previous research indicates that the first challenge, the pressure from external sources to be sustainable, is eliminated in governmentally owned companies, since sustainability is not used for legitimising reasons (Adams and McNicholas 2007). The second challenge, that the sustainability report does not reflect the objectives and activities of a company, relies on studies that have found legitimacy to be a reason for sustainability (Patten, 2002; Deegan, 2002; Cho and Patten, 2007; Archel et al., 2009; Archel et al., 2011; Joseph, 2012). If the owner has a quest for being accountable for sustainability, rather than implementing it for gaining legitimacy, sustainability should be integrated as part of company activities (Adams and McNicholas, 2007). This finding in previous research suggests that the ownership structure might matter in other situations as well, such as in transparently reflecting company objectives and activities. This idea, that the ownership structure matters for the report to be a correct reflection of the activities, has got little attention from researchers. Our study will therefore focus on investigating how governmentally owned companies reflect their objectives and activities in their sustainability reports. This reasoning leads us to the question of our study;

How does the sustainability report reflect the activities and objectives of governmentally owned companies?

To answer this question we have conducted a multiple case study with three governmentally owned companies in Sweden. Sweden has been chosen as a case country since the Swedish government is one of two governments globally that have a clear objective of being accountable for sustainability by having a requirement for their companies to follow the GRI guidelines and have sustainability goals (Ownership policy, 2014). To answer the research question, the content of the sustainability reports and the process of creating the content in all three case companies have been studied. Interviews have been conducted with people involved in the reporting process, a few individuals involved in company operations and representatives of the owner. To analyse the different degrees/nuances of relations between the report, owner objectives and the descriptions of company activities provided by the interviewees, the analysis will be based on concepts from the theory of new institutionalism. This theory focuses on how organisations respond to influence from the environment. We have developed three types of couplings within the frames of the theory; tight coupling, loose coupling and decoupling. Tight

coupling is defined as the report being a clear reflection of objectives and activities, loose coupling is defined as the report being a blurred reflection, and decoupling as the report not being a reflection.

The study finds that our case companies have an objective to be sustainable, but that different types of sustainability get varying degrees of attention, implying different couplings. Tight coupling between the report and the objectives and activities were found in Bilprovningen and Samhall, while the report of Systembolaget had comparatively more loose couplings. This different finding could be due to size or the design of our study. Our findings indicate that the ownership structure matters for the reflection of objectives and activities in the report, with the inherent assumption that a governmental owner has different objectives than just profits. An additional finding obtained, is a "positive" decoupling between the company activities and the use of the word "sustainability", since the companies use the word in the report but have not changed their operations. Decoupling has been used only "negatively" in previous research on new institutionalism, which suggests that there is a need to nuance the concept of couplings to include a "positive" decoupling.

The paper is structured as follows; Section 2 provides an overview of previous research. Section 3 provides a development of the theoretical framework based on the concept of couplings. Section 4 outlines critical choices made in the design of the study. Section 5 provides the empirical findings from the study, which are then analysed through the concept of couplings in Section 6. Section 7 provides a concluding discussion of the findings from an empirical, theoretical, and methodological point of view, and discusses possible areas for future research.

2 PREVIOUS RESEARCH

This section will present the two major research streams that have been identified in previous research, the *implementation stream* and the *presentation stream*. The *implementation stream* focuses on how sustainability is implemented within companies and what factors that affect the implementation. The *presentation stream* focuses on the relation between the sustainability report and sustainability performance, and whether companies correctly report their performance. Both research streams present studies that are positive of and critical towards how companies implement and present sustainability.

Qualitative research methods have been used mainly in the *implementation stream* to explain how companies account for sustainability (see for example Adams and McNicholas, 2007; Archel et al., 2011; Joseph 2012; Arjaliès and Mundy, 2013; Cho et al., 2015a). Quantitative research methods have mainly been used in the *presentation stream* to describe the relationship between disclosures made in the report and some external measure of sustainability performance (Patten, 2002; Cho and Patten, 2007; Clarkson et al., 2008; Herbohn et al., 2014; Cho et al., 2015b).

The remainder of this section will present the findings from these two streams. The section ends by a discussion of the general findings from previous research and the basis for the theoretical framework that will be used in our study.

2.1 IMPLEMENTING SUSTAINABILITY – CREATING COMPANY ACTIVITIES?

The stream in previous research that has studied implementation, focuses on how sustainability is implemented within companies and what factors that affect the implementation. Gray (2010) and Isenmann and Kim (2006) emphasise that there is a difference between producing sustainability reports and being sustainable. According to them, the production of a sustainability report does not imply that the company actually is sustainable. Companies have to have interactive sustainability reporting incorporated into the daily businesses, which means that the management systems have to be appropriate and the processes have to be effective and operational (Isenmann and Kim 2006). This view is shared by Porter and Kramer (2006) who argue that investments in sustainability should be made in close relation to corporate strategies to enhance sustainability performance.

This idea is also shared by Gond et al. (2012) that emphasise the importance of a link between sustainability control systems (SCS) and management control systems (MCS) to integrate sustainability into the company strategy and activities. They develop a framework based on

Simons' (1995) levers of control framework on how SCS can be linked to MCS. Having a parallel SCS that is not integrated into the overall MCS, will not make sustainability integrated into the company strategy and thus the integration of sustainability into the core operations of the company will be poor. Eight ideal configurations are proposed by the authors, based on MCS and SCS usage within the company (diagnostic vs interactive) and level of integration between the MCS and SCS (decoupling or tight coupling). The different configurations have different effects on sustainability performance and thus, the framework allows one to explore the different configurations effects on sustainability performance. There is no optimal configuration, even though some are more stable than other, and some are more commonly used than others in practice. The empirical evidence from the eight configurations is weak and further case studies are necessary to explore the existence of the configurations in practice.

Arjaliès and Mundy (2013) respond to the call from Gond et al. (2012) for more empirical insights into the use of MCS in relation to sustainability strategies and activities. Arjaliès and Mundy (2013) use Simons' (1995) levers of control framework to explore how companies balance between intended and emergent strategies, and simultaneously manage risks and identify opportunities. The study is conducted by studying the largest listed companies in France by a questionnaire sent to the head of the sustainability departments of the companies. The authors find that the companies have implemented a sustainability strategy and that they use MCS to manage it. Since the study relies on data from a questionnaire only, there are several limitations to the findings. The findings are based on descriptions from a single respondent that is directly involved in the sustainability strategy. Views from other individuals besides the head of the sustainability department have been excluded, who might have provided another story. The study also suffer from lack of detailed understanding of the practises within an individual company. Despite these limitations, the study provides an indication of how companies might use MCS to implement and manage sustainability strategies.

To be able to integrate MCS and a sustainability strategy, Adams and McNicholas (2007) find that commitment of owners and employees to be accountable for sustainability is important facilitators. The authors study the implementation of a process for sustainability reporting in a governmentally owned company, and work in collaboration with the company in an action research approach. The case company managed to integrate the process of generating the sustainability report with planning and decision making activities within the company. The company saw sustainability reporting as a means to improve integration of sustainability throughout the organisation. The commitment from the owner and the employees facilitated the embedding of accountability and sustainability values throughout the company, and had the potential to lead to improvements in sustainability performance. In contrast to other studies

with for-profit companies (see for example Deegan 2002[2]), corporate legitimacy was not a driver for sustainability reporting, and the forces of resistance towards more accountability was not a lack of desire to be accountable, as with for-profit companies, it was lack of time, knowledge, experience and resources.

Similar to Adams and McNicholas (2007), Hedberg and von Malmborg (2003) find companies that see sustainability reporting as a means to improve integration of sustainability throughout the organisation. The authors study ten Swedish companies and their motives for sustainability reporting and how the process of gathering the material to the report is being used. They find that their case companies produce sustainability reports to seek legitimacy for their company activities (in contrast to Adams and McNicholas, 2007) and the companies use the GRI guidelines to increase credibility of the reports. However, the report and the guidelines proved to be of more help for internal, rather than external communication, to see what the company has done, where they can improve, and to learn about themselves. By collecting the information to the report, the company discovered things that were previously unknown, and parts of the companies that normally did not communicate that much started to communicate.

Other studies find that companies do not really manage to integrate sustainability into company activities and MCS. For example Durden (2008) examines the MCS of a New Zealand manufacturing business that promoted a strong sustainability image and produced a sustainability report. The case company did not manage to include sustainability measures and monitoring in the MCS despite the fact that sustainability was promoted and highlighted in the external communication. The author find several factors that explain this inconsistency; (1) The company lacked sustainability goals, which created uncertainty around measurement and monitoring, and made integration into the MCS problematic. (2) The strategic plan only generally referenced sustainability as an overall aim, and did not indicate how it may be achieved. (3) There was a lack of consensus on the meaning of the term sustainability and most managers had a perception that highlighted an external image role. The author concludes with developing a framework for dealing with these issues to move sustainability from being a business image exercise oriented towards external communication, to actually integrate sustainability.

Larrinaga-Gonzalez and Bebbington (2001) also find a lack of integration of sustainability in a company that introduced environmental accounting to become more sustainable. In the case company, there were some changes towards more environmentally sound decision-making. However, the range of environmental issues admitted was fairly limited, and it seemed like the

[2] More often than not, have corporate social and environmental disclosure strategies been linked to legitimising intentions in research studies (Deegan, 2002).

company's perception of environmental sustainability was limited to simply complying with regulations. Many individuals in the company did not agree that the environment was a legitimate concern for the company. This was especially the case with the accounting department that resisted change. There were two explanations for this result; (1) the institutional framework within which the company operated did not support environmentally sound behaviour, and (2) the environmental accounting that was being implemented did not reproduce the underlying rationale of the company that was reinforced by the accounting department.

Joseph (2012) argues that the lack of integration of sustainability into company activities and MCS is due to the fact that sustainability principles are widely dispersed and that there are many conflicting viewpoints, which results in an ambiguity underlying sustainability. This ambiguity has not been adequately addressed, which has led to manipulation and adaptation of sustainability to a "business case" approach based on the profitability goals of the company instead of accountability and transparency required by the stakeholders (Gray, 2010; Joseph, 2012). According to Joseph (2012), by obtaining different approaches, one for internal strategy and one external for public communication, the companies can use the ambiguity in an opportunistic way to adapt the debate in the companies' favour, creating legitimacy. In contrast to Hedberg and von Malmborg (2003), Joseph (2012) criticises GRI G3 for contributing to companies' profit focus by not evidently addressing the normative stakeholder view[3] and not addressing the ambiguity underlying sustainability. The GRI G3 framework does not recognise conflict and focuses on principles based on objectivity from measurement rather than transparency of actual activities, which open up for opportunistic profit maximisation.

Cho et al. (2015a) support that the "business case" seems to pervade much of sustainability. The authors study two US based multinational oil and gas companies by using the idea of organisational hypocrisy[4] from Brunsson and the idea of organisational facades[5] from Abrahamson and Baumard. Cho et al. (2015a) claim that conflicting stakeholder demands, from the society, owners, NGOs etc., creates a contradictory institutional context that requires organisations to engage in hypocrisy and to develop facades. This severely limits the potential of companies to account for sustainability, and sustainability reporting to change toward more

[3] This view takes the goals of stakeholders as ends in themselves and goals of stakeholders are not only means to the ends of profits of the shareholders (Joseph, 2012)

[4] Talk, decisions and actions are incompatible to satisfy the inherent owner and stakeholder conflicts (Cho et al., 2015a referring to Brunsson, 1989, 2002)

[5] The rational facade that follow the market logic such as profit maximising, the progressive facade that emphasise innovation and reform, and the reputational facade that focus on company image (Cho et al., 2015a)

transparency and substantial disclosures. The organisation might not choose to engage in organised hypocrisy, but the institutional environment may force the organisation into hypocrisy, which also provides corporate managers with a solution for managing conflicting stakeholder demands. Therefore, the development in the institutional context plays a key role in determining the path towards a less unsustainable society (similar to the findings of Larrinaga-Gonzalez and Bebbington 2001).

Archel et al. (2009) also identifies a "business case" approach to sustainability, which was reinforced with support from the state. The authors study the process of implementing lean production in a Spanish multinational company by undertaking a discourse analysis approach. The process was characterised by two different viewpoints of the employees and the company management. Three discourses were identified: the employee discourse, the company discourse and the state discourse. The company discourse emphasised the positive effects with lean production and used the annual report as a means to educate the public about the pros of lean production. In the annual report, only the positive aspects of lean production were highlighted, for example strikes and collective bargaining between the workforce and the management were not addressed. The employee discourse, on the other hand, highlighted the negative effects of lean production for the workforce. The state's discourse was very closely aligned with that of the company since the positive factors with lean production that the management highlighted were aligned with the macro objectives of economic growth and tax revenue of the state. Both the state and the case company saw the discourse of the workforce as disruptive. The state thus played a crucial role in legitimising the implementation of lean production in the case company by urging the workers to sign agreements with the company about the new conditions and acted as mediator between the workers and the management. The company and state discourses were not only an attempt to legitimise the company before its stakeholders, but to legitimise the capitalist system as a whole.

Archel et al. (2011) found a similar dominance for a stakeholder dialogue process that was initiated due to a Spanish bill on sustainability reporting. The process was characterised by different viewpoints, conflict and dissonance of different stakeholders, however, the outcome only reflected the viewpoints of the companies. The authors used Bourdieu's idea of heretic and dominant discourses to separate between the two main viewpoints that were identified. The dominant discourse tends to impose the established order as natural and the heretic discourse challenges the taken for granted understandings that support the established order. The dominant discourse in this case was characterised by groups with higher level of economic capital such as multinational companies, business organisations, consultancies etc. The heretic discourse was identified among groups with lower levels of economic capital such as human

rights advocates, environmental groups and representatives of the social economy. The outcome of the dialogue was focused around the ideological pillars of the dominant discourse and none of the factors initially demanded by the heretic discourse were included. The dialogue had a legitimising function for the company's current activities and gave the impression that it was a democratic outcome. This dialogue restricted, rather than enhanced, the influence from the heretic discourse.

Some authors argue that adaptations of sustainability to a "business case" approach is not a strange phenomenon, since that is how the capitalist system is built (Gray, 1992, 2010; Porter and Kramer, 2006, 2011; Adams and Whelan, 2009). Adams and Whelan (2009) point out that the world is dominated by a capitalist system where managers of publicly listed companies are legally required to try to maximise shareholder wealth. Therefore, within the capitalist system, managers will focus on maximising shareholder wealth since they will enjoy financial benefits, prestige and status from doing so, as well as they feel that it is right and correct to obey the law and not have to pay the consequences of having broken the law or being labelled as a criminal. Under the capitalist system, to shift the focus from profit maximisation to a focus on sustainability, the company needs to experience a cognitive dissonance that makes them feel that they will fail to maximise shareholder wealth. The authors argue that the focus of managers on maximising shareholder wealth can "be taken, more or less, as a given" when studying Anglo-American corporations (Adams and Whelan, 2009 p. 137). This view is not shared by Porter and Kramer (2006, 2011) who argue that companies do not have to engage in the "business case" but that companies can adopt strategies that are beneficial both for the company and for the society. Porter and Kramer (2011) argue for a need to focus on creating shared value since that will lead to greater innovation and growth for companies and simultaneously greater benefits for the society.

The *implementation stream,* emphasise the importance of having a sustainability objective and having sustainability integrated into the strategy and MCS to make companies accountable for sustainability (see for example Hedberg and von Malmborg, 2003; Adams and McNicholas, 2007; Arjaliès and Mundy, 2013). However, a number of studies identify an implementation corresponding with a "business case" approach to sustainability, which means that companies implement sustainability in a way that is best for them and not the stakeholders, i.e. with a lack of accountability (see for example Gray, 2010; Joseph, 2012). One explanation for the "business case" approach provided is the insufficient structure of the GRI guidelines that does not address the underlying conflicting views between companies and different stakeholders (Joseph, 2012).

2.2 PRESENTING SUSTAINABILITY – REFLECTION OF COMPANY ACTIVITIES?

The second stream of research that have been identified focus on presentation and disclosures of sustainability. It explores the relation between the sustainability report and sustainability performance, and whether companies correctly report their performance.

Adams (2002) examines which contextual factors that are likely to influence the extensiveness, quality, quantity and completeness of sustainability reporting. The author does a case study on companies from Germany and the U.K. to find internal contextual factors that influence the extent and nature of sustainability reporting. In the case companies, one such factor is the attitude towards sustainability reporting. The main motivation for doing sustainability reporting was described to be that sustainability reporting enhances corporate image and credibility. The companies perceived reporting bad news as enhancing image and credibility, but there was also the view that beyond a few sentences there would be no further benefits. The companies were afraid of unknown public reactions to bad news, which appear to explain the small amount of bad news reported. This indicates that the companies did not have a desire to be accountable. Other factors that were identified to influence the reporting were country of origin, corporate size and corporate culture.

Other contextual factors that influence the extent and quality of sustainability reporting were found in Ahmed (2013). The author studies the impact of ownership on company disclosures by a quantitative study of listed companies in Malaysia. The author compares the companies' disclosures between the year 2006 and the year 2009. The extent and quality of disclosures increased significantly between the two years, which was explained by government ownership, director ownership, board size and company size.

Boiral (2013) investigates whether sustainability reports are transparently reflecting company activities. The author do a qualitative content analysis and study sustainability reports from companies in the energy and mining sectors that have received the highest application level from the GRI. The study uses the Baudrillard's concept of simulacrum[6] and Debord's concept of "society of spectacle"[7] to examine the extent to which sustainability reports are divorced from reality. The author finds three important factors that characterise simulacra in the society of spectacle; (1) Only 10 % of significant news events concerning sustainable development were

[6] Defined as "an artificial and idealized representation which is disconnected from reality to some extent" Boiral (2013 p. 1037)

[7] "The modern world is characterized by the "society of the spectacle" – dominated by the proliferation of misleading images and representations that tend to take the place of directly experienced reality" (Boiral, 2013 p. 1041)

reported clearly and explicitly in the sustainability reports. (2) The information that was actually disclosed shows a very clear trend toward organisational narcissism, which was particularly evident in the overemphasis on positive achievements. (3) The companies used misleading images that were largely disconnected from the firms' genuine impacts. The use of positive images visually replicated and reinforced the use of positive statements in the reports. According to the author, these three factors indicate that sustainability reports can be viewed as simulacra that lack transparency and camouflage real sustainable development problems, presenting an idealised version of company situations.

Several other researchers focus on the transparency of reports by studying the relation between disclosures and performance with quantitative methods. These studies either find a positive relation or a negative relation between sustainability performance and disclosures. Most studies focus on environmental performance and disclosures for U.S. companies only. The researchers that identify a negative relation between disclosures and performance are related to legitimacy theory (Patten, 2002; Clarkson et al., 2008; Herbohn et al., 2014). These studies have the view that companies whose legitimacy is threatened will have an incentive to increase sustainability disclosures (Patten, 2002; Clarkson et al., 2008; Herbohn et al., 2014). For example, Patten (2002) examines U.S. companies' toxic emissions and finds a significant negative relationship between environmental disclosures and environmental performance. Worse environmental performance is associated with greater environmental disclosure, which, the author argues, supports that the level of disclosure is dependent on the exposure a company faces to the social and political environment. In the study, the author controls for firm size and industry since earlier studies have failed to control for these variables and therefore not found significant relationships.

Cho and Patten (2007) develop the findings of Patten (2002) further by separating U.S. companies working in environmentally sensitive industries (ESI) (oil, gas, paper, metals and chemicals) from companies working within other industries (non-ESI). Within each group, they separate worse environmental performers from better performers. They test for two types of disclosures; monetary and non-monetary. They find that the number of environmental disclosures is higher for worse environmental performers and such disclosures are also higher for companies operating in environmentally sensitive industries. Within the non-ESI group worse environmental performance leads to higher levels of non-monetary disclosures compared to the better performing counterparts. For monetary disclosures, the worse performers of the ESI group reported significantly more indicators than the better performing counterparts and the direct counterparts within the non ESI-group. These findings support that companies appear to use environmental disclosures as a legitimising tool and that the type of

disclosure vary depending on performance and industry belonging. Similar to these findings are those in Cho et al. (2015b). The authors study the largest companies in the U.S., and find that membership in environmentally sensitive industries are positively associated with differences in environmental disclosures.

The studies that predict a positive relationship between disclosures and performance are related to voluntary disclosure theory/signalling theory (Patten, 2002; Clarkson et al., 2008; Herbohn et al., 2014). These studies have the view that companies with "good news" will try to differentiate themselves from companies with "bad news" to avoid adverse selection (Clarkson et al., 2008). Some researchers have tested for both theories in the same study and found support for a positive relationship (Clarkson et al., 2008). For example Herbohn et al (2014) find support for a positive link between sustainability disclosures and performance. The authors study companies within the Australian extraction industry to test whether sustainability disclosure is positively associated with sustainability performance. The authors find a positive correlation between sustainability reporting and sustainability performance, meaning that good sustainability performers, on average, disclose more with respect to their sustainability performance. Similar findings were obtained by Clarkson et al. (2008) that study companies within the most polluting industries in the U.S. The authors test two hypotheses; one based on socio-political theories (such as legitimacy theory) that predicts a negative relationship and one based on voluntary disclosure theories that predict a positive relationship. They find support for the latter, that there is a positive relation between environmental performance and the level of voluntary disclosures in environmental and social reports.

Al-Tuwaijri et al. (2004) also find a positive relationship between environmental performance and disclosure. In addition to this finding, they also find a positive relationship between environmental performance and economic performance. They explain their findings with quality of management, meaning that good managers will have long-term strategies for dealing with sustainability.

The main explanation for the differences in findings has been that there is diversity in how researchers define and measure performance (Ullman, 1985; Herbohn et al., 2014). It can also be that most studies that identify a negative relation rely more on comparisons between environmental disclosures and performance, and not sustainability disclosures and performance.

The *presentation stream* identifies either a positive relation between the sustainability report and the company performance, or a negative relation between the two. Two possible explanations for the different results have been provided; (1) The companies' report on sustainability to gain the necessary legitimacy required from the society to be able to continue

the operations and generate profit, i.e. a lack of transparency, (2) The companies with "good news" report more on sustainability to differentiate themselves from companies with "bad news", i.e. provide transparency. In the next section we will problematize the findings in previous literature and explain how it relates to our study.

2.3 SUMMARY AND PROBLEMATIZING OF PREVIOUS RESEARCH

Previous research is divided into two research streams, the *implementation stream* and the *presentation stream*. Both research streams present studies that support that companies are accountable for sustainability and transparent about their sustainability performance, and studies that present the opposite. The *implementation stream* emphasises the importance of having a sustainability objective and having sustainability integrated into the strategy and MCS. The *presentation stream* identifies either a positive relation between the sustainability report and the company performance, or a negative relation between the two. Most studies focus on for-profit companies, with owners that focus more on making profits, rather than being sustainable. However, the study provided by Adams and McNicholas (2007) indicate that ownership structure might matter, and that governmentally owned companies seems to have an objective to be sustainable. Few studies have investigated the effect of ownership structure further.

Previous research thus end up describing either a "failure" or a "success" to account for sustainability, given that this is the intended goal. From the previous sections, it seems important to empirically study company objectives and activities to understand under what circumstances sustainability is integrated into company activities and whether the sustainability report is a reflection of that. The studies that identify a "success" find that the success could be derived from the company, and owner, commitment to sustainability. However, there are few studies that study other types of organisations besides for-profit companies (Adams and McNicholas, 2007). The studies that identify a "failure", study for-profit companies, which seem to lack the commitment to sustainability that the successful companies have. These studies tend to rely on legitimacy theory, rather than other theories (Deegan, 2002).

Legitimacy theory has emerged from political economy theory (Deegan, 2002; Patten, 2002; Adams and Whelan, 2009) that "explicitly recognises the power conflicts that exist within society and the various struggles that occur between groups within the society" (Deegan, 2002 p. 292). However, legitimacy theory is one of many theories that can be applied since there is no "accepted" theory for sustainability reporting (Deegan, 2002). Many studies have questioned legitimacy theory for not addressing the institutional context of companies (see for example

Archel et al., 2009; Cho et al., 2015a,). These authors argue that more nuanced theoretical frameworks are necessary to understand corporate sustainability and sustainability reporting. Therefore, Deegan (2002) and Cho et al. (2015a) encourage the use of diverse theoretical frameworks to explore sustainability reporting. Some researchers have chosen to apply new institutionalism to sustainability reporting (Cho et al., 2015a) and to the process of institutionalising the sustainability discourse (Archel et al., 2011). Cho et al. (2015a) suggest that more empirical case studies are necessary to explore the applicability of concepts within the theory new institutionalism.

Our study will follow the suggestion of Cho et al. (2015a) by applying the theory of new institutionalism and the concept of couplings to our analysis. This framework has been chosen since couplings have been a central theme in previous research, but few researchers have referred to this terminology (Archel et al., 2011; Gond et al., 2012; Cho et al., 2015a, are some exceptions). Different types of couplings have, for example, been identified between disclosures and performance, between objectives and activities, and between objectives of owners and external sources (see for example Patten, 2002; Cho and Patten, 2007; Clarkson et al., 2008; Boiral, 2013; Herbohn et al., 2014; Cho et al., 2015b). To date, few studies within the field have focused on these couplings since there has been a focus on for-profit companies that do sustainability reporting for legitimacy reasons. It is interesting that few have used the concept since the foundational assumption of management accounting is that objectives and activities have to be tightly coupled (without referring to this term) for the MCS to be "successful" (Otley, 1999). If these are not tightly coupled you cannot expect another outcome but "failure" of the MCS. Couplings might thus explain why some companies "fail" and some "succeed" to transparently report their activities and performance, and account for sustainability, given that this is the intended goal. Therefore, it is interesting to undertake a study that analyse couplings between the sustainability report, and the objectives and activities of a company.

In the next section, the theory of new institutionalism and the concept of couplings will be developed further.

3 THEORETICAL FRAMEWORK

In this section we will formulate and develop the theoretical foundation upon which our analysis is founded. We will discuss five types of couplings, as they have been stated in the theory of the new institutionalism, and reduce them to those three types of couplings that we find relevant for our study. We will use the concept of couplings to investigate how company objectives and activities are linked to the sustainability report.

3.1 THE DISSONANCE BETWEEN EFFICIENCY AND LEGITIMACY

Meyer's and Rowan's article from 1977 is commonly seen as the starting point for new institutionalism with a new view on the environment of the organisation (Johansson, 2002). Meyer and Rowan (1977) claim that institutional rules work as myths within organisations and are incorporated to gain "legitimacy, resources, stability, and enhanced survival prospects." (p. 340). They use the metaphor of building blocks, where institutions can be seen as a construction of blocks that can be assembled into an organisational structure. These blocks are considered proper, rational and adequate and organisations need to incorporate them to avoid illegitimacy.

The "new" institutionalism draws on the "old" institutionalism and they have ideas in common even though they diverge substantially. Both show scepticism towards rational-actor models and view institutionalisation as a state-dependent process, which makes organisations less rational by limiting the options they can chose from. They also emphasise the relationship between the organisation and the environment. Where old institutionalism viewed the organisation as a whole, the new institutionalism sees the organisation as loosely coupled arrays of standardised elements. (Powell and DiMaggio, 1991). The different ways of viewing institutionalism has separated the new from the old institutionalism, which has led to different views on the effect of the institutionalisation on the organisation. The new view sees institutionalisation as homogenisation of organisations, the focus is on invariability in comparison to variability as a result of the organisation adapting to internal and external requirements. (Johansson, 2002)

> Institutions inevitably involve normative obligations but often enter into social life primarily as facts which must be taken into account by actors. Institutionalization involves the processes by which social processes, obligations, or actualities come to take on a rule like status in social thought and action (Meyer and Rowan, 1977 p. 341).

Organisations are described to be structured by phenomenon (institutions), which surround them in their environment organisations tend to become isomorphic[8] with them. These institutions or ideas in the environment diffuse into the organisations that then take on these characteristics for two reasons; (1) the environment creates boundary-spanning pressure and organisations that incorporate these structural elements can manage that pressure, (2) organisations reflect a socially constructed reality. This diffusion has consequences for the organisation. Elements incorporated are legitimate externally, rather than being efficient, however, it is argued that a dependence on external institutions creates stability. Based on this, the authors argue that isomorphism promotes the success and survival of organisations (Meyer and Rowan, 1977).

When an organisation's success depends on isomorphism with institutional rules two problems arise; (1) technical activities that demand efficiency conflict with the inconsistencies in the legitimising of institutions that are not always efficient, (2) since these myths (as Meyer and Rowan (1977) calls them), can arise from different parts of the environment, the rules may conflict with each other, which leads to difficulties maintaining efficiency and tight coordination and control. A way to solve this problem is decoupling, which "enables organizations to maintain standardized, legitimating, formal structures while their activities vary in response to practical considerations." Organisations within one industry may be formally structured in the same way but the practice may differ. Decoupling and maintenance of face are mechanisms that maintain the assumption that everyone is acting in good faith, which will avoid inspection and absorb uncertainty. While helping the organisation keeping its facade, they help to make everything work out backstage through informal coordination that keeps technical activities running smoothly. Good faith is not fraudulent, according to Meyer and Rowan (1977) but may be the most reasonable way to make the people perform their best when institutionalised myths conflict with technical demands.

As a consequence of dissonance between what is really efficient, and what is only legitimate (Meyer and Rowan, 1977), the concept of couplings arouse within the new institutionalism. Couplings as a concept describes the relationship between institutionalised corporate elements, such as codes of conduct, or decisions, and the actual behaviour in organisations. We find this interesting since sustainability reporting can be seen as a corporate element that in previous research has not always reflected the actual behaviour (see for example Patten, 2002; Cho and Patten, 2007; Boiral, 2013). Therefore we see the concept of couplings as a good basis for analysing how the sustainability report reflects the objectives and goals within the companies.

[8] Isomorphism within social science has been defined by Hawley (1968) as "Units subject to the same environmental conditions, [...] acquire a similar form of organisation." p. 334

In the following section we will develop the types of couplings further based on the definitions provided by Orton and Weick (1990) and Brunsson (1989, 2002).

3.2 DIFFERENT FORMS OF COUPLING

Since we are interested in understanding how the reports reflect company objectives and activities, the concept of couplings will be used to structure our discussion. First we introduce the concept of couplings as it has been described within the theory of new institutionalism. In the next section, the concept will be modified and presented in relation to how they are used in this study.

Orton and Weick (1990) provide a comprehensive summary of four types of couplings; tight coupling, loose coupling, decoupling and non-coupling. It is based on the degree of distinctiveness and responsiveness between elements. Distinctiveness is defined as an element's ability to preserve its own identity when another element changes. Responsiveness is defined as the opposite; the element is affected by changes in another element (Orton and Weick, 1990). Brunsson (1989, 2002) develops a fifth type of coupling, called organised hypocrisy, which is similar to decoupling. Lipson (2007) uses the term counter-coupling for describing organised hypocrisy. See Table 1 for a summary of the couplings concept.

Table 1 - Summary of the couplings concept

	Distinctiveness	Responsiveness	Comment
Tight coupling	**N**	**Y**	
Loose coupling	**Y**	**Y**	
Decoupling	**Y**	**N**	
Counter-coupling	Y	N	With inverse outcome
Non-coupling	N	N	

Source: Adapted from Orton and Weick (1990), Brunsson (1989, 2002) and Lipson (2007)
This study will focus on the first thee types of couplings, see section 3.3

3.2.1 Tight Coupling

The concept of tight coupling was elaborated in Weick (1976). According to Weick (1976) tight coupling means that there is a dense coupling between elements in an organisation. Tightly coupled systems are integrated and responsive to each other (Weick, 1976). Coupled events are responsive but do not preserve their own identity since they do not act independently (Weick, 1976). Two factors characterise tight coupling; (1) If there is an action by element X, there will be a reaction in element Y, and (2) the shorter the time lag between the action and the response,

the tighter the coupling (Firestone, 1984). This is in line with the definition provided by Orton and Weick (1990), which state that tight coupling should be defined as a system that has responsiveness without distinctiveness.

Tightly coupled system - responsiveness *without* distinctiveness

3.2.2 Loose Coupling

The idea of loose coupling was examined in Thompson (1967) to address the inherent contradictions that organisational forms are designed to deal with. Thompson defines organisations as "open systems, hence indeterminate and faced with uncertainty, but at the same time as subject to criteria of rationality and hence needing determinateness and certainty" (Thompson, 1967 p. 10). The analyses at that time were simplified to either consider rationality and certainty and ignoring uncertainty, or consider spontaneous processes by ignoring rational actions. To deal with this simplification and include both rationality and indeterminacy to analyse a system, Thompson (1967) reasoned that the organisation will strive to minimise uncertainty in the technical core and thus increase rationality of the core. On the other end, uncertainty will be the greatest on the institutional level since the organisation has to deal with the environment over which it has no formal control.

Later definitions of loose coupling suggest that any system in any location of the organisation (top, middle, bottom) can be rational and indeterminate simultaneously (Glassman, 1973; Weick, 1976; Orton and Weick, 1990). Any system in any location can act on both a technical level (closed to outside forces) and an institutional level (open to outside forces) simultaneously (Glassman, 1973; Weick, 1976; Orton and Weick, 1990).

Orton and Weick (1990) state that loose coupling should be defined as a system that has elements that have both distinctiveness and responsiveness at the same time. Loosely coupled systems have some elements that are distinctive and some elements that are independent from other elements, but they are also responsive since they are connected (Orton and Weick, 1990).

Loosely coupled system - distinctiveness *and* responsiveness

3.2.3 Decoupling

Researchers have had more consensus on the term "decoupling" compared to "loose coupling". Decoupling appeared in Weick (1976) in discussions regarding loose coupling, but it was not expanded upon further. A year later, it appeared in Meyers and Rowan (1977) and was defined as a proposition; "Because attempts to control and coordinate activities in institutionalized organizations lead to conflicts and loss of legitimacy, elements of structure are decoupled from

activities and from each other" (p. 357). A prerequisite for decoupling to occur is thus that there is a conflict between institutional and technical requirements, if this is not the case, there is no need for decoupling (Johansson, 2002). Decoupling elements from each other enables organisations to maintain legitimate formal structures while their activities vary in response to more rational considerations (Meyers and Rowan, 1977 p. 357). As stated by Brunsson (2000), "the trick is to separate thinking from acting" (p. 180).

In line with this definition is the one provided by Orton and Weick (1990). They state that decoupling should be defined as a system that has distinctiveness without responsiveness. The elements are independent from each other and the technical level is isolated from influence from the institutional level (Orton and Weick, 1990; Johansson, 2002).

Decoupled system - distinctiveness *without* responsiveness

3.2.4 Other types of couplings

3.2.4.1 Organised Hypocrisy/Counter-Coupling

Organised hypocrisy signifies "a difference between words and deeds, the eventuality that organizations may talk in one way, decide in another and act in a third" (Brunsson, 2002 p. xiii). Lipson (2007) uses the term counter-coupling for describing organised hypocrisy. At first sight, it looks similar to decoupling since it has distinctiveness without responsiveness, but it differs in the way the elements are coupled (Brunsson, 2002). "Talk or decisions pointing in one direction reduce the likelihood of the corresponding action actually occurring, while actions in a particular direction reduce the likelihood of any corresponding talk or decision taking place" (Brunsson, 2002 p. xiv). He thus diverges from the other definitions of decoupling by describing an inverse, rather than just an absent, relationship between elements (talk and actions) (Brunsson, 2002).

Counter-coupled system - distinctiveness *without* responsiveness with inverse outcome

3.2.4.2 Non-Coupling

Non-coupling has not been widely used in previous research. A non-coupled system is a system where elements are separate and unresponsive (Orton and Weick, 1990). It is a system that does not have neither distinctiveness nor responsiveness and "the system is not really a system" (Orton and Weick, 1990 p. 205).

Non-coupled system – *no* distinctiveness, *no* responsiveness

3.3 DEVELOPMENT OF THE COUPLINGS USED IN OUR STUDY

In this section, the types of couplings that will be used in our study will be developed further and adapted to the purpose of the study.

The definitions of the different types of couplings refer to how one element affects another in terms of responsiveness and distinctiveness, which can be seen as connected to actions and processes. These exact definitions are not fully relevant for our study since we study representation as in classic new institutionalism. Instead of different combinations of distinctiveness and responsiveness, we will define coupling based on the degree of coherence between the description of our interviewees and the report. Based on previous research we have found three types of representations of the activities in the sustainability report; that the companies disclose what they do (Clarkson et. al., 2008; Herbohn et. al., 2014) or that they do not disclose what they do or do things that they do not disclose (Patten, 2002; Cho and Patten, 2007; Boiral, 2013). What has not been clearly found is a somewhat representation, where information is partly disclosed in an unstructured manner, where the information seem to have ended up there unsystematically. We think that this dimension should also be added for our types to be comprehensive. If connecting these findings to the couplings concept the ones we find relevant are; Tight coupling, Decoupling and Loose coupling. Tight coupling is defined as the report being a *clear* reflection of activities. Loose coupling is defined as the report being a *blurred* reflection of activities. Decoupling is defined as the report *not being* a reflection of activities described by the interviewees. We have thus chosen to group non-coupling, decoupling and counter-coupling under the same terminology since all of these terms refer to some degree of decoupling. Table 2 summarises the three types of couplings that have been developed.

Table 2 - The modified coupling types used in this study

Tight coupling:	The report is a **clear** reflection of activities
Loose coupling:	The report is a **blurred** reflection of activities
Decoupling:	The report is **not** a reflection of activities

Within the traditional view of management accounting, the owner sets the objectives and goals for the company that the company then fulfil through actions (Otley, 1999), reporting should then reflect the actions through transparency (Boiral, 2013). Otley's (1999) framework for management control is one articulation of this idea where he states that objectives are translated into strategies, plans, measures and rewards. There should be tight couplings between the elements and he assumes that the company has no will of its own but acts as a tool. Within the legitimising stream of research it has been found that when companies are put under

pressure from their stakeholders a decoupling between objectives and goals and the actions occur when the companies have to act on their own to gain or maintain legitimacy (see for example Deegan, 2002; Gray, 2010; Joseph, 2012). In the following section we will present our methodology for the study and how we use the three above defined coupling types to study how the objectives and goals and the activities of the three case companies are reflected in the report.

4 METHODOLOGY

In this section we will present the methodology used in this study to answer the research question. First we will describe why a multiple case study approach has been chosen, second the selection of case companies will be discussed, third, we will present the methods used for gathering the data, fourth the method used analysing the findings, and last we will finish with a discussion around the limitations of the study.

4.1 RESEARCH DESIGN

This section will describe the research design. First we will present the empirical method and research approach used; a multiple case study and an abductive research approach, and second, the approach used for selecting the case companies will be presented.

4.1.1 Empirical method and research approach

To answer our research question about couplings between the report, objectives and activities, a case study approach have been used. We have conducted an exploratory study, through the examination of the process of how the sustainability report is created. By using this method we believe that we can gain an understanding of how decisions are made, and how the people that work with the report reason around the content of the report. Within previous research both quantitative and qualitative research methods have been used to study the field of sustainability reporting. For our study, a qualitative case study methodology has been used since we explore couplings in-depth, and not whether they exist or not.

The case study methodology was chosen since this method allows us to examine the dynamics within a setting (Eisenhardt, 1989), which we find necessary for answering our research question that is based on how the report, objectives and activities are linked. Carmona and Ezzamel (2005) emphasise that case studies enhance the understanding of how and why companies act the way they do; “Case-study research can advance understanding about why, and more importantly, how certain accounting practices emerge, function and shape organizational activities.” (p. 137). The exploratory case study methodology goes beyond describing a phenomenon, towards an explanation of a phenomenon where new theory can be generated from the observed phenomenon (Otley and Berry, 1994). This type of study has also been requested in previous research where Adams and McNicholas (2007) suggest more empirical case studies that explore the impact of ownership structure on accountability and transparency of sustainability.

The setting in our study is aligned with what Fidel (1984) describes as a suitable situation for a case study approach. Fidel (1984) suggests that case studies are suitable when there is a large variety of factors and relationships, when there is no basic law that determines which factors and relationships that are important, and when the factors and relationships can be directly observed. In our study, a variety of factors and relationships exist, the owner has several and possibly conflicting demands to handle while the companies simultaneously have regular activities to take into account. Previous research in the field is limited, wherefore we have no indication of which factors and relationships that influences the couplings. It is therefore important for us to go in with an open mind and to be able to adapt along the process. The factors and relationships can be observed by studying the content of the report and how the interviewees talk about objectives and activities.

Based on the above mentioned reasons, we see a case study approach as a suitable method for this study. However, due to the limited research on ownership structure and the effects on sustainability reporting, a multiple case study approach has been used. A multiple case study approach is appropriate in a new topic area (Eisenhardt, 1989), which we argue that our study is since no similar studies of the topic has been conducted. Eisenhardt (1991) concludes in her study; "multiple cases are a powerful means to create theory because they permit replication and extension among individual cases" (p. 620). A multiple case study approach supports the researchers to see patterns when cases are added together, which creates a more theoretical complete picture (Eisenhardt, 1991). Through examining several cases we can draw on similarities and differences between the cases to find important factors that could affect the results. One critique to the multiple case study approach that has been brought forward by researchers is that the method is not in-depth and that single case studies build better cases due to the possibility of depth (Eisenhardt, 1991; Dubois and Gadde, 2002). Eisenhardt (1991) argues that the critique is misleading since many single case studies uses the method of a multiple case study when comparing with previous findings or using case-in-case studies. In our opinion, the multiple case study approach will support us in exploring the couplings and the ownership structure since we will have several cases to compare and draw conclusions from. A problem with all types of case studies is the limited generalisability where there is a risk that the findings are unique and only relevant for the specific case setting. This will be discussed further in section 4.4 below.

As a research approach we have used a systematic combination, which is an iterative and abductive process in which theory, empirical finding and case analysis is allowed to develop simultaneously throughout the research process, new concepts are being derived from the interaction with reality (Dubois and Gadde, 2002). Eisenhardt (1989) describes the importance

of an overlap between the data analysis and the data collection for building theory. This can be achieved through a running commentary to oneself of thoughts occurring and by thinking of what one is learning (Eisenhardt, 1989). The process of systematic combining is non-linear where empirical findings can find unexpected but related issues, which can be explored further in upcoming interviews (Dubois and Gadde, 2002). This is especially useful when conducting case studies since these studies are seldom a linear process (ibid). In our study, when there were new empirical findings, the interview questionnaire has been redesigned if necessary. When new factors that could potentially affect the study were found, questions regarding this have been asked in the other case companies as well, to have comparable data.

To conclude, a multiple case-study approach has been used as a method. This method is chosen since a case study method allows the researchers to examine the dynamics within the setting (Eisenhardt, 1989), and it is a way to study how accounting practises shape activities (Carmona and Ezzamel, 2005). The multiple case study approach has been chosen due to limited previous research in the field, and multiple case studies being a good way for researchers to find patterns in and between cases to construct new theory (Eisenhardt, 1989, 1991). As a research approach, a systematic combination has be used, which means that theory, empirics and analysis were conducted simultaneously.

4.1.2 Selection of case companies

This section will present the criteria for selecting the case companies. Previous research has to a large extent studied privately and publicly owned companies. Adams and McNicholas (2007) and Ahmed (2013) indicate that ownership structure affects sustainability reporting, which makes it interesting to study other ownership structures besides privately and publicly owned companies. We have selected case companies based on several criteria with the first requirement being that the company is owned by the Swedish government. Sweden was chosen as a case country since the Swedish government is one out of two countries in the world that require companies to report sustainability according to the GRI guidelines (EY, 2014). Sweden was also chosen due to the geographical location of the researchers.

The governmentally owned companies are an important part of the Swedish society, and the government has stated that they should not own companies that are active in a functioning market (VBFS, 2013). The companies owned by the Swedish government can be divided into two categories; those with and those without a social mission. Having a social mission means that the company has a mission decided by the parliament to have a business that aims for other effects besides financial return for the owner (VBFS, 2013). For these companies, the owner

follow, in addition to financial targets, also mission targets to monitor how well the mission is executed (VBFS, 2013; Ownership policy, 2014).

When conducting a multiple case study there is no ideal number of cases, however, Eisenhardt (1989) recommends 4-10 cases. Initially, we decided to conduct the study on four case companies, which were sampled based on theory. Four companies were identified and structured into four categories to get symmetry between the objects under study. The parameters chosen were; *size* and *social mission*. During the interview process, one company had to be dropped from the study due to issues with company access (see below for reasons and implications).

Size is a parameter often controlled for in research, for instance, Patten (2002) controls for firm size when studying the relation between environmental performance and disclosures. The author finds that firm size is a factor that appears to influence the level of environmental disclosures in annual reports. According to Patten (2002), larger companies tend to disclose more than smaller companies, which could be due to large companies being more visible. Similar findings were obtained in Adams (2002) that also identifies quality of disclosures to be positively related to firm size. These studies indicate, that the size could also affect the sustainability report's ability to reflect objectives and activities. Therefore, the selection of case companies will be based on size.

Social mission has been chosen as selection criteria since it affects how controlled the companies are. Companies with a social mission set by the parliament are more controlled than companies without a social mission. Having a social mission can also be seen as an active strategy of working with social sustainability. In previous research it has been common to control for sector (see for example Patten, 2002; Boiral, 2013) where often unsustainable and polluting sectors are chosen. It can be claimed that the companies without a social mission are similar to any other company with a different owner. However, in our opinion, there can still be a difference due to the company being an important part of the Swedish society. Our study will focus on both types of companies to identify differences and similarities between companies with and without a social mission.

Similar to Patten (2002), we have determined size as total income for the year 2013, which for Samhall includes the state compensation for additional costs. In 2013, 7 out of 50 governmentally owned companies contributed to 80.6% of the total income according the VBFS, 2013. We have therefore defined large companies as these 7, and the rest as small companies. Companies were contacted through e-mail to discuss interest in participating in the study. One company in each category were selected (see Table 3 – Case company data for 2013 and

Table 4 – Matrix of case companies) and interviews with selected individuals were scheduled (see more about this process below).

Table 3 - Case company data for 2013

million SEK	Total income	Social mission
Bilprovningen	703	No
Samhall	7 310[1]	Yes
Systembolaget	25 709	Yes

[1] Including state compensation for additional costs

Four case companies were originally participating in the study, however, after conducting two interviews with one of the companies, problems occurred and no more interviews could be conducted at this company. To keep the symmetry, the two conducted interviews could not make up for a whole case since the information would not be balanced with the other cases. Due to the limited time of the study, there was not enough time to contact a new company. Without this company, the category large size and no social mission has been lost. Apart from this, a fourth company would also have added to the number of study objects, which could have supported the theory building further. However, in our opinion, the three case companies have enough differences and similarities to create an interesting study and lay enough fundament for our findings. The three case companies participating in this study are Bilprovningen, Samhall and Systembolaget (see below for descriptions of the case companies).

Table 4 - Matrix of Case Companies

		Size	
		Small	Large
Social mission	Yes	Samhall	Systembolaget
	No	Bilprovningen	

To conclude, the study is undertaken at three governmentally owned companies; Bilprovningen, Samhall and Systembolaget. Samhall and Systembolaget have social missions set by the parliament while Bilprovningen is a regular company with no social mission. Systembolaget has been defined as a large company and Bilprovningen and Samhall have been defined as small companies. Size and social mission have been selected as criteria due to the influence of firm size identified in previous research, and the influence from social mission on owner control and company activities.

4.2 DATA COLLECTION

This section presents the data collection process, and how different sources have been used. As common in case studies, multiple data sources have been used (Eisenhardt, 1989). We will start by presenting the process of gathering the primary data, which was done through interviews, and then the process of gathering the secondary data from documents are presented.

As an approach for data collection, the process of creating the sustainability report has been studied. By studying this process, we were able to hear how the interviewees talked about the trade-offs made within the company, and how they talked about sustainability and the content of the report. Interviews have been conducted with people involved in the process of creating the sustainability report. This was complemented by interviews with people working in the operations and representatives of the owner, see appendix 1 for the questionnaire used. In our study we have interviewed people involved in the process of creating the report that might be far from the operations. This could potentially be a limitation of our study, especially in the case of Systembolaget since Systembolaget is a larger organisation where the people involved in the creation of the sustainability report might be further away from to the operations than in the other two companies.

A total of 21 semi-structured interviews were conducted with people in the case companies and representatives from the Ministry of Enterprise and Innovation (see Appendix 2). All interviews were held at the interviewees' respective offices, except for three interviews that were held by telephone calls. All interviews were recorded and transcribed. The interviews ranged between 25 minutes to 82 minutes with an average of 49 minutes. In the case of Samhall, several people from the finance department were interviewed since these people calculate many of the indicators for the report. In the case of Systembolaget and Bilprovningen, this was done by the project groups to a larger extent compared to the case of Samhall.

The interviewees were identified throughout the process and the selection was not random. An initial contact was established with the project manager for the sustainability report with which we had an on-going discussion throughout the study over which people to interview. We found no reason to believe that the project manager would hide any information or person, which could have affected our study. The order of the interviews were mixed and the interviews were conducted within the same timeframe (March and April 2015). To the extent possible, due to different organisational structures, interviews were held with people at corresponding positions between the companies. Within each company we interviewed at least two people within each group to see if opinions or views seemed personal, or if it was a general opinion within the company, see Table 5 – A thematisation of the interviewees.

Table 5 - A thematisation of the interviewees

	Bilprovningen	Samhall	Systembolaget	Ministry of Enterprise and Innovation
Project group	▪ Head of communications ▪ Head of environment and quality ▪ Head of HR	▪ Head of information ▪ Head of sustainability ▪ Head of environment	▪ Communicator ▪ Financial assistant ▪ Sustainability coordinator	
Finance department		▪ Controller ▪ Reporting specialist ▪ Accounting specialist ▪ Head of accounting		
Operations	▪ Operations manager ▪ Site manager ▪ CEO	▪ Market area director	▪ Project manager ▪ Store manager	▪ Company trustee ▪ Sustainability responsible
Number of interviews:	6	8	5	2

As supported by Eisenhardt (1989) the roles in the interviewing process were divided between the researchers, where one researcher was responsible for interviewing and the other for taking notes. The interviewer interacted with the interviewees in a personal way while the note taker kept a more distant view (Eisenhardt, 1989). This was also a way to make the interviews more similar and get a more comparable environment. It was also good since the note taker could actively listen and ask follow-up questions when needed.

The semi-structured interview approach was undertaken since it allows for flexibility in the interview situation and acts as a way to take advantage of the uniqueness found in each case (Eisenhardt, 1989). The interview questions were also slightly adapted when interviewing people in an operational position (i.e. not taking part in the sustainability reporting process) since these individuals had different relations to the sustainability report, and we wanted to understand how they worked with sustainability in their daily activities.

The interviews were held in Swedish since it is the mother tongue of the researchers and most interviewees, this made the interview situation more relaxed and the interviewees could easily more easily express themselves. The use of Swedish as interviewing language could compromise the quality of some quotations in our thesis, due to potential translation issues. It

was however deemed more important to get good and fair interview results, where the interviewees were not limited in their expressions.

To complement our interviews and further improve the design of our research, secondary data was used. The most important data source is the sustainability reports for the year 2014 for all companies. These have been used as comparison to the information obtained through the interviews (see section 4.3 for more information). The annual and sustainability reports for the years 2013 and 2014 have been important sources of information about the companies' financial information, background and activities. Documents describing the governmental corporate governance have also been studied to gain a deeper understanding of the demands that the government has for each company.

In addition to interviews, direct observations of one station and one store were conducted in the case of Bilprovningen and Systembolaget. During these visits, we experienced how they work with sustainability and how they display it to the customers. This was not possible in the case of Samhall since we did not visit any operational site.

To conclude, 21 semi-structured interviews were conducted with the majority of the interviewees working with the process of generating the sustainability report. The interviews were conducted in Swedish since this was the mother tongue of the researchers and most interviewees. In addition to conducting interviews, secondary sources of information were used, such as annual reports and governance documents.

4.3 Data Analysis

With a research approach of systematic combination, discussions and analysis were made on an on-going basis throughout the interviewing process (Fidel, 1984; Dubois and Gadde, 2002). Due to what Eisenhardt (1989) describes as "a staggering volume of data" (p. 540) when conducting case studies, within-case analyses were conducted in our study. Since our study focus on the process, the transcripts from all interviews were coded based on the process (who did what, what was measured and when was it done), but we also found it interesting to code for how they talked about sustainability and used the word sustainability within the organisation. Each case was first written separately to gain insights for each case, and to find unique patterns within each case before generalising across the cases (Eisenhardt, 1989).

The data from the interviews were complemented with information about the content of the sustainability reports from the year 2014. When all cases had been written and the researchers were familiar with the material, the analysis of the case findings begun. The sustainability reports were compared to the perceptions and descriptions made by the interviewees.

The analysis was divided into two parts that was adapted from Otley's (1999) management control framework, see figure 1. The first part examines the coupling between the owner's objectives and the report, and the second part examines the coupling between material activities and the report. To study the objectives we focus on the report according to the GRI guidelines, the ownership policy and the social missions, where the ownership policy states that the companies should have sustainability goals and report according to GRI. Therefore this part of the analysis has been structured around the following elements: GRI guidelines, the sustainability goals and the social mission. The coupling between how the report presents these three and how the interviewees describe them are then analysed case by case. To study the material activities we focus on activities that were identified in the report. This part of the analysis is structured around the observable elements: the indicators, the investment decisions, and the sustainability label. The coupling between how the reports present these three and how the interviewees describe them are then analysed case by case.

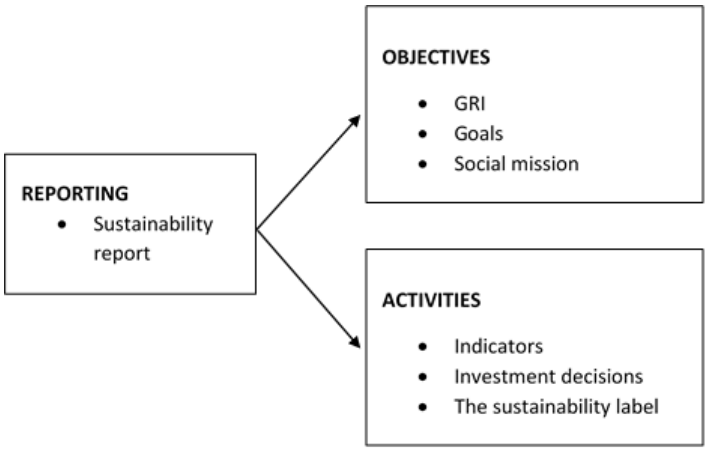


Figure 1 – Analytical framing

The concept of couplings has been used in the following way; when the report reflects the interviewees' descriptions, there is a tight coupling. For example, if the interviewees' talk about the importance of a social mission, and this importance is reflected in the sustainability report, there is a tight coupling. When the report is somewhat a reflection of the interviewees' descriptions, there is a loose coupling. For example, if the interviewees sometimes use the sustainability label internally, but the report reflects that they use the label more frequently, there is a loose coupling. When the report does not reflect the interviewees' descriptions, there is a decoupling. For example, if the interviewees' talk about follow up of social sustainability and not about follow up of environmental sustainability, but the report reflect that they follow up on environmental sustainability, there is a decoupling.

Each case was analysed individually, before a comparison was made between the cases (Eisenhardt, 1989). When the couplings had been found, a comparative analysis was conducted between the cases. Through the use of cross-case analysing, the probability to capture the findings that might exist in the data is enhanced (Eisenhardt, 1989).

4.4 Reflections on research quality

In this section we will discuss the reliability and validity of our study. Case studies have been criticised for lacking convincing and generalisability of results and conclusions (Otley and Berry, 1994; Dubois and Gadde, 2002). This is based on the more quantitative view of reliability and validity which is not applicable to case studies. Even though these definitions do not fit the case study approach, a discussion of actions that have been undertaken to increase the reliability and validity of our study will be made. First of all, the use of a multiple case study approach benefits from having cases that confirm relationships, because it can enhance the validity, and disconfirming cases are a possibility to refine and extend the proposed theory (Eisenhardt, 1989). The multiple case study approach has been criticised due to the lack of in-depth case description (Eisenhardt, 1991) it can however be seen as a more generalisable method compared to single case studies.

One common notion of reliability relates to whether the results of the study can be replicated by another researcher that reach the same results (Fidel, 1984). Since the conditions are not constant in a case study setting, this common notion of reliability is therefore not applicable on case studies, as argued by Dubois and Gadde (2002). The findings between two case studies will thus not be the same. Therefore, our approach to reliability is that other researchers should be able to see what we have done, and to be able to duplicate our study in the same way, but likely with other results. Therefore, to ensure the reliability in our study, a clear documentation with weekly journals about thoughts and observations have been written. In the interviewing process, recording and transcriptions of the interviews, as well as interview notes and the questionnaires used, have been kept. Furthermore, a list of interviewees, their roles, when and where the interview took place, and the duration of the interviews were created, see Appendix 2. Since the study is a multiple case study where most empirics were gathered through interviews it is reasonable to assume that different results could be obtained if replicated by other researchers. The information gathered through interviews is an important part of the data, which has the weakness of being obtained through human interaction. There is a possibility that the answers have been affected by the researchers when asking the questions, or on how follow-up questions were used. All interviewees allowed us to contact them again if we

had further questions, and all quotes in the thesis have been approved by the interviewees to make sure that the quotes are presented in a correct context.

The common notion of validity refers to whether the researchers have investigated what was intended to investigate. This has been claimed to be a problem in case studies due to subjective understanding (Fidel, 1984). Formulated in another way, the study has validity if the findings can be trusted and there is generalisability to the study. One way to improve the validity in case studies is to triangulate multiple sources of data used (Eisenhardt, 1989). This was not done in our study since we study how the interviewees perceive different areas related to sustainability. We have used multiple sources and compared them, but not used our sources to validate facts. Furthermore, both researches have participated in all interviews, and thus both have an understanding of the situation when analysing the cases. In the selection of interviewees, the un-random process could lead to biased answers. However, through conducting interviews with people at corresponding positions, both across and within the companies, a validation of data and structure was made so the data could later be compared.

The empirical section is to a large extent structured around quotations from the interviews and the sustainability reports. The reason for this is to allow the reader to understand what the analysis is built upon, but also to decrease the risk of misinterpreting or distorting information. The empirics and company information have been presented for the case companies at two occasions, to allow them to see that we show a true picture, and to make sure that we have not misunderstood the information.

Through clear case descriptions we hope that the reader can evaluate the generalisability of our study. Due to the context and operations of the companies, it has been decided that a full anonymity of the companies and their operations would make the study less relevant, due to the importance of company characteristics. We aim to provide theory on ownership structure and how being owned by the government affect the sustainability reporting. However, we are aware that governments in other countries might have different agendas for their companies, or that the business climate in general might make the generalisability of this study less plausible. It was discussed whether the companies' names should be disclosed or not, and we as researchers wanted to publish them since it might make the study more generalisable due to the reader knowing what we base our study on. The companies did not oppose, and therefore the company names have been disclosed. The interviewees have been anonymised for their comfort in the interview situation, and allow them to be honest and clear in their answers.

This study is based on the theory of new institutionalism and the concept of couplings. As mentioned before, the explicit use of the coupling concepts have not been used in this way before in the field of sustainability reporting. Another researcher might interpret the concept of

couplings differently, which might lead to different findings. We have tried to be clear with our interpretation through the usage of examples.

In our study, 21 interviews at three case companies have been conducted. We focus on the process for creating the sustainability report and interviewing people involved in this process. These people work with sustainability on a regular basis and are probably more interested in sustainability than the average within the organisation. These people might not know what goes on in the organisation to the same extent as people working on operational level. Different couplings might have been found if the study focused more on people from operational level.

Adding more cases to the study would help validate the results further (Eisenhardt, 1989). In our opinion, adding more cases could have provided a different view when comparing the cases, and could have made company specific issues more visible in comparison. The size dimension could have been investigated further by adding more cases.

Measures have been undertaken to increase the reliability and validity of the study. A careful documentation of the process has been made, and the section describing our empirical findings includes quotations to provide the reader the opportunity of interpreting the quotations. The research design has put our focus to the top of the organisations, meaning that more couplings might have been found due to the interviewees presenting the operations in a way that is closer coupled to the report, than maybe perceived by people on operational level.

4.5 CASE COMPANIES AND OWNERS

This section will present background facts that are necessary for understanding the empirical findings. First, the governance policies of the Swedish government will be presented, second, a brief description of the sustainability reporting guidelines GRI will be outlined, and last, a description of the three case companies will be presented. When presenting the case companies, the focus will be on company specific characteristics.

4.5.1 The Owner and the ownership policy

The Swedish government should own companies that are not on a well-functioning competitive market or if there are conditions that require a social mission. A social mission, as described in section 4.1.2, means that the company has a mission decided by the parliament to have a business that aims for other effects than financial return for the owner (VBFS, 2013). The governmentally owned companies should be role models when it comes to working with sustainability. “Companies owned by the government should act exemplary in the area of sustainable business and should act in a way that they receive public trust.” (Ownership policy,

2014 p. 3) The ministry of Enterprise and Innovation view sustainability as a competitive advantage that should be an integrated part of the corporate strategy (Ownership policy, 2014).

The Ministry of Enterprise and Innovation is the ministry that represents the governmental ownership. The ministry appoints the board of directors to the companies, and has at least one representative on the board. Apart from appointing the board, the companies are governed through the article of association, the governmental ownership policy, and in some cases when the company has a social mission, the owner's instructions (Ownership policy, 2014) At the annual general meetings, the owner decides financial and, in the case of social mission, social mission targets (Company Trustee).

Since the year 2013, it is the job of the board of directors to decide and set the sustainability goals. The sustainability goals should be strategic, clear, long-term and monitorable (Company Trustee). In the governmental ownership policy, the companies are prompted to talk about their sustainability work, both internally and externally.

4.5.2 The GRI guidelines - a framework for sustainability reporting

Since the year 2008, all governmentally owned companies are obliged to report sustainability in accordance with the GRI guidelines (Sustainability responsible, the Ministry). GRI stands for Global Reporting Initiative and promotes sustainability reporting as a way for organisations to become more sustainable and to work actively with sustainability (GRI, 2015). The GRI guidelines consist of indicators that the companies should report on, as well as instructions on how these should be reported. The indicators are divided into three sections; Economic, environmental and social performance (Sustainability reporting guidelines, 2006). See appendix 3 for topics covered by the GRI guidelines. The companies can select which indicators to report, however, the previous guidelines, the GRI G3, required a certain amount of indicators to be reported to get a specific rating. This led companies to disclose unnecessary information, just to reach a certain level (Financial Assistant, Systembolaget). The new guidelines, the GRI G4, have been updated to focus on materiality, where the companies can select content based on the principle of materiality (GRI G4 - Reporting principles and standard disclosures, 2013).

> While organizations may monitor and manage a far wider array of sustainability-related topics due to their everyday management activities, this new focus on materiality means that sustainability reports will be centred on matters that are really critical in order to achieve the organization's goals and manage its impact on society (GRI G4 - Reporting principles and standard disclosures, 2013 p. 3).

The report provided by Samhall is based on the GRI G3 guidelines, while the reports provided by Bilprovningen and Systembolaget are based on the GRI G4 guidelines. When comparing the

two guidelines, the GRI G3 and the GRI G4, only the quantitative indicators can be considered since these are the same between the guidelines. In the GRI G4, companies are allowed to add qualitative indicators, and company specific indicators if these indicators describe the business in a better way (Head of quality and environment, Bilprovningen).

4.5.3 Bilprovningen

Bilprovningen conducts periodic motor vehicle inspections in Sweden. The company has approximately 650 employees at 94 stations from Skurup in the south to Karesaundo in the north. The net income amounted to SEK 719 million for the year 2014 (Bilprovningen Annual report 2014). Bilprovningen is owned by the Swedish government and was founded in 1963 in order to increase road safety by means of periodic vehicle inspections. In the 1970's inspections also came to include environmental tests (CEO, Bilprovningen).

Bilprovningen had a monopoly for more than 50 years, before July 1, 2010, when the market was deregulated. Bilprovningen is still the largest player with 33% of the market. Fundamentally, all the companies on the market deliver the same service, and can therefore only differentiate themselves through service factors such as opening hours, customer service and location (CEO, Bilprovningen).

Bilprovningen, with its strong brand and reputation, has also chosen sustainability as a strategic theme for development and survival in the market. The board of directors has decided on three sustainability goals for Bilprovningen; S*afe vehicles*, to be an *Attractive employer*, and to be an *Environmental role model* (see Table 6 – Sustainability goals) (Bilprovningen annual and sustainability report, 2014).

4.5.4 Samhall

Samhall's core assignment is to create jobs that support the personal development of people with functional impairment. This is done through matching the right person to the right work assignment, all under competitive conditions. For year ending 2014, the company had on average 17 908 employees, out of which 15 618 were employees with functional impairment, 1 115 were professional employees, and 1 111 were employees from the job-development guarantee, and 72 were employees with a 75% sickness benefit. The operating income for the year 2014 was 7 451 million SEK (Samhall annual and sustainability report, 2014).

Samhall was founded in 1980 with the intention of taking over and coordinating the shattered labour political initiatives that were in place in Sweden, and make it more efficient, improve the financial position, and to fairly distribute the positions across the country (Samhall's web page, The history of the company). At this time, most job opportunities were in Samhall's own

factories, but today 90% of the employees work at client sites (Head of information, Samhall). Samhall offers services within cleaning, laundry, maintenance, manufacturing etc. (Samhall annual and sustainability report, 2014).

Samhall has a social mission from the government that is controlled by the owner's instructions, the article of association and by decisions at the annual general meeting. The Ministry of Employments sets the social mission targets since an employment at Samhall is a labour market policy initiative. The financial goals are set by the Ministry of Enterprise and Innovation by taking the social mission into account. Samhall receives compensation for additional costs from the government (approximately 65-70% of the total wage cost) to cover additional expenses, this money cannot be used to distort prices. The compensation for additional costs is received so that Samhall can cover the extra costs of employees that are between assignments, in training and to have activities on locations that might not be profitable, it is also related to the fact that Samhall does not dismiss employees due to lack of work (Samhall annual and sustainability report, 2014). The level of the compensation has been unchanged since the year 2009. Since Samhall has grown, a lower part of their income comes from the state, which has implied that the degree of self-financing needed to increase (Head of sustainability, Samhall).

Due to the article of association, Samhall is not allowed to give out dividends (Samhall annual and sustainability report, 2014). It can be questioned why a company like Samhall should have financial goals, and the reason for this is that Samhall should work in an efficient way and be like any other company. It is also important from a competitive perspective since the company receives governmental funds and should have similar requirements from the owner as the competitors. However, if Samhall cannot reach the financial targets one year, in favour of the social goals, it is not an issue according to the head of sustainability and the Company Trustee, but not for many years in a row. There is no tolerance for not having a balanced economy, and it would also affect their credibility as a supplier on the market (Head of Sustainability, Samhall).

The mission targets are number of employees measured in hours, transitions and recruitment from prioritised groups. 40% of the recruitments should be from prioritised groups, which is defined by Ministry of Employments. All employees within the labour market policy initiative have disabilities and lowered working capacity and cannot get a job anywhere else but in Samhall, and the prioritised groups are the people that need extra protection in society at the moment (Samhall annual and sustainability report, 2014). To reach this goal has not been a problem, but Samhall continues to monitor it every month and could not imagine not reaching it. Samhall has failed to reach the transition target some years, but it is a focus on reaching the target throughout the year, which is followed up weekly (Head of Sustainability, Samhall). Samhall has also set four sustainability goals, two social, one environmental and one economic;

Employees in work, *Dedicated employees*, *Reduced environmental impact*, and *Increased degree of self-financing* (see Table 6 – Sustainability goals) (Samhall annual and sustainability report, 2014).

4.5.5 Systembolaget

Systembolaget is the Swedish monopoly on retail sales of wine, spirits and strong beer. The monopoly has a social political background and Systembolaget has a purpose of informing about the damaging effects of alcohol and to sell alcohol with a good service. The net income for the year 2014 was 26 431 million SEK, with an average of 3 347 employees (Systembolaget responsibility report, 2014). Systembolaget was founded in 1955 when many local alcohol monopolies were brought together. The alcohol law, through an agreement between the company and the government and through an owner's instruction governs Systembolaget (VBFS, 2013). "The overall mission of Systembolaget is social political and can only continue as long as there is a parliamentary and public support. The citizen's support is essential for us to carry on our mission."(Systembolaget responsibility report, 2014).

Being a monopoly implies a brand neutrality constraint set by the European Union. For Systembolaget, this means that when buying products the company do not know who has produced the products and the employees have to be careful when recommending products to customers. The brand neutrality also makes it impossible for Systembolaget to premiere suppliers who work very well with sustainability, nor remove a supplier that is unsustainable, the only thing they can do is to keep a dialogue (Financial Assistant, Systembolaget).

Systembolaget has a social mission with social targets set by the Ministry of Health and Social Affairs, and financial targets set by the Ministry of Enterprise and Innovation. The social mission leads to another complexity within Systembolaget, to provide an excellent service with a large range of products (which is also due to being a monopoly), while at the same time working with sustainability, to lower the alcohol consumption, and to have an excellent service but not encourage additional sales. Systembolaget is not profit maximising, even though they have financial targets. Excess money should be invested in research and development based on societal needs, and so far this has been in line with sustainability (The sustainability coordinator). Systembolaget has a subsidiary that is called IQ with the intention that IQ should communicate the damaging effects of alcohol and inform the society. Systembolaget does not have specific sustainability goals, they are integrated in the strategic goals. In their opinion, it is better to include sustainability in the strategy since the operations and purpose of the company is about sustainability. The sustainability report has three focus areas; Sustainable options for the customers, Sustainable supply chain and Sustainable operations. The social mission goals, as

stated in the owner's instruction for Systembolaget (2015) are Satisfied customer index, Age controls and Alcohol index. The remaining four strategic goals that are not regulated by the government, have we decided for the purpose of this thesis to view as sustainability goals, and these are; *Lowered climate impact*, *Performance culture*, *Total sick leave* and *Quality supplier index* (see Table 6 – Sustainability goals) (Systembolaget responsibility report, 2014; Owner's instructions, 2015).

If comparing the basic facts about the cases, both Samhall and Systembolaget have social mission goals, relating to their social mission. Samhall and Bilprovningen have explicit sustainability goals while Systembolaget only has implicit goals. The only company with an economic sustainability goal is Samhall. The ministry representatives pointed out that the social mission goals and sustainability goals are considered when setting the financial targets, so they will not collide and that the social goals are more important than the financials in the short-term.

Table 6 - Sustainability goals

Bilprovningen	Systembolaget[1]	Systembolaget[2]	Samhall
Safe Vehicles	Sustainable options for the customers	Lowered climate impact	Employees in work
Attractive employer	Sustainable supply chain	Opinion index (OPI)	Dedicated employees
Environmental role model	Sustainable operations	Performance culture	Reduced environmental impact
		Total sick leave	Increased degree of self-financing
		Quality supplier index	

1) Sustainability focus areas - Systembolaget does not have explicit sustainability goals
2) Sustainability goals as adapted by the authors

5 EMPIRICS

In the following section, the empirical findings from the study will be presented. The empirics are structured as follows; the first section presents the content of the sustainability reports (from now only referred to as the reports), including how the reports are structured, and how the companies report according to the GRI guidelines. The second section presents the process of creating the report, how the companies decide the content and which trade-offs are made. Lastly, we will present a section on how the people involved in the process of creating the report talk about sustainability, and how the companies include sustainability into business processes.

5.1 THE REPORTS INCLUDE A LOT OF INFORMATION ABOUT SUSTAINABILITY

5.1.1 The structure is based on sustainability goals or areas

All three companies provide an integrated report, with the annual and sustainability report combined. However, the sustainability reports are presented separately from the annual reports. The interviewees describe that combining the reports has been important to show that sustainability is an integrated part of the business and not something on the side, that it is a way of doing business. Having integrated reports sends out a signal that sustainability is just as important as anything else, and that it is related to the core business. The interviewees from Bilprovningen emphasise that if they did not integrate the report, they would most likely write two almost identical reports.

The interviewees from Systembolaget describe that the year 2014 was the first year that they had an integrated report. Before, it was divided into two separate parts and documents. The financial assistant found it strange that it was divided into two parts, one part was more like a magazine and the other part was more financial. She felt that having two different reports send out mixed signals since having two parts do not emphasise that sustainability is such an integrated part of Systembolaget's business. In an attempt to make the report more integrated and accessible, the report for the year 2014 have only been be published in a digital format online.

The report provided by Systembolaget has three main headings *Our operations, Our responsibility,* and *Economic performance.* We will focus on the heading *Our responsibility* throughout the thesis. This heading consists of three sustainability focus areas that have been identified in relation to the social mission; *Sustainable choices for the customer*, *Sustainable*

supply chain, and *Sustainable operations*. The sustainability goals (see section 4.5.5) are included under these three focus areas.

The reports provided by Samhall and Bilprovningen could be described as a chapter in a regular annual report. The report from Samhall is structured around: *social*, *economic* and *environmental* sustainability. The sustainability goals (see section 4.5.5) are sorted under each of these topics. The report from Bilprovningen is structured around the sustainability goals (see section 4.5.3), and includes two additional sections; *Services*, and *Ethics and independence* (see Appendix 4).

All three reports include a section with information about the content of the report. This section includes a list with all GRI indicators that are reported, which guidelines that is being followed, and how the company has used company specific indicators. Each report explicitly states that the GRI guidelines have been followed to set the content of the report.

5.1.2 The content is related to sustainability commitments, investments and activities

Interviewees from all three companies describe that the content of the report is just a selection of all the sustainability work that occur throughout the companies. The market area director from Samhall describe the content of the reports; "The sustainability report is a summary of what we have done, what we do and the work we do". Interviewees from all three companies describe the importance of having a content that reflects true company activities. The financial assistant from Systembolaget emphasise the need for a true content; "We cannot communicate things that are not true". The communicator from Systembolaget continues; "…so we do not say that we work in one way and then we work in another way, it should be the same".

The reports provided by all three companies relate to information about achievements in sustainability. Commitments such as company missions, sustainability goals and targets are presented together with investments, indicators, and activities. In the report provided by Samhall, each sustainability goal is presented together with a target, and an explanation of what each target will achieve (see Appendix 5). For each section about a sustainability goal, important activities and strategies for that particular goal are presented. It can be more general statements such as "All forms of harassment and discrimination are prohibited." (p.27). It can also be descriptions of certain projects such as *My Vital Leadership*; "A long-term project is currently being conducted, at all levels of the company, to develop a strong company culture and leadership skills based on Samhall's fundamental values and leadership ideals." (p. 24) or the work with introducing the *Nordic Eco Label*; "A significant event during the year has been Samhall's cleaning services in the Växjö region fulfilling the criteria for Nordic Ecolabel

accreditation" (p.33). The report includes more detailed information about *My Vital Leadership* compared to information about the *Nordic Eco Label*. For example;

> A long-term project is currently being conducted, at all levels of the company, to develop a strong company culture and leadership skills based on Samhall's fundamental values and leadership ideals. The development programme My Vital Leadership reinforces first-line managers. In 2014, 260 of 600 managers had commenced or completed this leadership programme. The aim is to develop managers who, based on the company's targets and strategies, can develop employees, assignments and business, as well as operational efficiency (Samhall annual and sustainability report, 2014 p. 24).

Compared to the information about the *Eco Label;*

> Cleaning services is Samhall's largest product. Compliance by cleaning services to the Nordic Ecolabel initiates improvements in chemical use, waste amount and sorting for recycling and fuel consumption (Samhall annual and sustainability report, 2014 p. 33).

The report provided by Samhall presents more information about business operations for the two social sustainability goals compared to the environmental and economic goals. For instance, the report includes an explanation of the importance to be present nationwide, and almost one page dedicated to describing development positions. The development positions are a temporary assignment that Samhall has between the years 2012-2014, which aims to support "a target group of people with functional impairment whose sickness insurance days had come to an end" (Samhall annual and sustainability report, 2014 p. 23). In total, 8 out of 18 pages is dedicated to the social sustainability goals, 2 out of 18 pages are dedicated to the environmental sustainability goal, and 4 out of 18 pages are devoted to the economic sustainability goal (see Appendix 4).

The report provided by Systembolaget presents information related to the sustainability goals, under the three focus areas *Sustainable choices for the customer*, *Sustainable supply chain,* and *Sustainable operations.* Each focus area presents some sub-topics on important activities for the specific focus area (see Appendix 5). The first focus area is related to the social mission and presents how Systembolaget actively work with increasing the awareness, and the alcohol free product offering; "Customers that do not want to drink alcohol should always be able to find alcohol free options that suits every occasion" (Systembolaget responsibility report, 2014). The second focus area reflects a focus on environmental sustainability by emphasising the work with increasing the assortment of ecological (and ethical) products, the internal project of demanding low weight bottles[9] from suppliers to reduce CO2 emissions, improvements in

[9] A low weight bottle means that a glass bottle of 75 cl can weight a maximum of 420 grams.

recycling methods, and investments in environmental sustainability on store level. For example, the report includes a description of the positive implications from the low weight bottles project; "The climate gain from a conversion to low weight bottles for still wine can theoretically mean a decrease in CO2 emissions of approximately 10 000 tonnes." (Systembolaget responsibility report, 2014). The third focus area presented in the report is related to ethics, both to fulfil the requirements of the monopoly, where Systembolaget has to be brand neutral, but also regarding the audit process of the suppliers. The information in Systembolaget's report is not connected to, or commented on, earnings or costs.

The report provided by Systembolaget seems to present more information related to the environmental goal compared to the social goals. For instance, almost no information about the opinion index, total sick leave, quality supplier index or performance culture is provided in the report. However, a lot of information about lowering the climate impact is provided and information about other areas that are not related to any goal, such as ecological products, ethics, and diversity. To look at the number of pages in the report cannot be done in a meaningful way, since the report is only published in an online format.

The report provided by Bilprovningen has one section devoted to each sustainability goal. Each sustainability goal is presented together with a target, and how the target is measured (see Appendix 5). Each section presents information about specific activities to fulfil the goals. For example, the report includes information about how the sustainability goal of *Safe Vehicles* relates to the core business; "The vehicle inspections is the core in Bilprovningen's operations and is the company's most important contribution to improving traffic safety in Sweden." (Bilprovningen annual and sustainability report, 2014 p.12).

The report also includes information in relation to the goal *Attractive Employer*, where it is emphasised that the company has a thorough diversity work; "The ambition is [...] that the composition of the employees should reflect the customers'." (Bilprovningen annual and sustainability report, 2014 p. 20). Activities such as recruitment days for women, and collaborations with The Swedish Public Employment Service to offer employments and internships for people with different foreign backgrounds, are highlighted. The report also presents on-going activities such as to be a good employer, regular follow of employee surveys, and management visits at the stations.

In the section about the environmental goal, emphasis is put on the customers and how Bilprovningen can assist the customers with lowering the environmental impact from the cars. There is less emphasis on Bilprovningen's own operations since the operations "do not generate large flow of goods, waste or emissions." (Bilprovningen annual and sustainability report, 2014 p. 27). The emission control is presented as the "most important contribution to decrease the

effects on the environment." (p. 27). This section also highlights different cooperations with organisations that work with improving traffic safety, and an investment in defibrillators. The investment in defibrillators were described to be important since; "It should be safe to be a customer or employee from Bilprovningen." (p. 16). In total, more information relating to the social goals are provided in the report, and 11 out of 28 pages of the report are devoted to social goals compared to 4 out of 28 pages for environmental sustainability (see Appendix 4).

All three reports include many indicators, and most of them are based on the GRI guidelines (see Table 7 - Number of GRI indicators). The report provided by Systembolaget includes many company specific indicators that are reported in addition to the GRI indicators. The reports provided by Samhall and Bilprovningen include some modified GRI indicators that are adapted to the companies' businesses. The report provided by Systembolaget has many social indicators, and fewer economic indicators. Looking at the economic indicators, the report provided by Bilprovningen has a larger share of economic indicators compared to the other two companies. However, all three reports provide approximately the same amount of economic indicators in absolute numbers.

The report provided by Samhall has the highest relative and absolute number of environmental indicators (12 pcs, 32%). The interviewees from Samhall describe that social sustainability has always played a big role for the company, and the introduction of the GRI guidelines has affected the environmental sustainability to a larger extent. The report provided by Samhall is presented in accordance with the GRI G3 guidelines, while the other two companies present their reports in accordance with the GRI G4 guidelines. This might also affect the numbers of indicators reported and the differences among the reports.

Systembolaget and Samhall report more social indicators compared to Bilprovningen. In the case of Samhall, this was described to be due to the importance of social sustainability, social indicators have been measured for a long time. The interviewees from Systembolaget describe that their report has many social indicators since social responsibility is part of their core business.

Table 7 - Number of GRI indicators

	Bilprovningen		Systembolaget[1]		Samhall	
Economic		16%		8%		8%
Quantitative	3		1		3	
Qualitative	1		1			
Environmental		28%		23%		32%
Quantitative	4		1		12	
Qualitative	3		1			
Company Specific			4			
Social		56%		69%		60%
Quantitative	8		9		23	
Qualitative	6		1			
Company Specific			8			
Total GRI indicators	25	100%	26	100%	38	100%

Qualitative and company specific indicators are specific for GRI G4

[1]The qualitative indicator is the same in all three categories, Systembolaget has in total 24 unique indicators

All three companies provide a definition of their missions (see Table 8 – Mission presented by the companies). All these missions relate to their specific businesses and describe their commitment to sustainability. The mission provided from Bilprovningen focus on safe vehicles, the mission provided by Systembolaget focus on the harmful effects of alcohol, and the mission provided by Samhall focus on the employment of people with functional impairment.

Table 8 - Mission presented by the companies

Bilprovningen	Systembolaget	Samhall
With a sense of responsibility, proximity and customer focus, Bilprovningen is a guarantee for safe vehicles and a better environment.	To responsibly and with a good service sell alcohol and inform about the harmful effects of alcohol. The aim is to contribute to improving public health through limiting the harm of alcohol.	To develop and demonstrate the employability of our employees with functional impairment. Through work in our client assignments, we want to combat social exclusion and contribute to a sustainable Sweden.

Source: Adapted from the Annual reports, 2014

Interviewees from all three companies describe that reporting on the sustainability goals, indicators, investments, activities etc. is seen as a way to make sure that the report is a reflection of the operations, and valuable for the readers. The head of quality and environment from Bilprovningen emphasised the link between the report and the activities; "The sustainability report should not only be about window dressing, it should be something that you live up to and that you follow, a little bit like eating and sleeping". The idea of a report reflecting

the use of internal measures was articulated by the financial assistant from Systembolaget; “We don’t want a sustainability report that includes indicators that are not used by the company, we want to make sure that they are connected”.

5.2 THE REPORT CONTENT IS BASED ON STAKEHOLDER AND COMPANY INTERESTS AS WELL AS THE GRI GUIDELINES

5.2.1 A small sustainability project group

The process of creating the report usually starts during the second quarter of the year. The process for all three companies starts with a short evaluation of the previous year together with the external auditor. This includes a discussion of important aspects for the coming year, and an evaluation of pros and cons with the previous report.

To create the report, the three companies have small project groups that lead the work. Interviewees from all three companies emphasise the importance of having small project groups instead of a large sustainability department, since it is more efficient, and sustainability becomes more integrated into the operations. The head of sustainability from Samhall emphasised the flexibility aspect of small project groups; “It is approx. the same people that is involved in the process from year to year since it usually goes very fast in the end and therefore it is not possible to have many people involved”. However, the head of communications from Bilprovningen, articulates a concern for having a process that is more vulnerable since the process depends on a few number of people.

The project groups are gathered once again during autumn to generate a plan for the report that includes; a timetable for the process, the scope of the report, the number of pages, and the activities required to generate the content. All text and formatting, besides the exact numbers for the indicators, are roughly finished before the beginning of January. The last parts are put together when the numbers for the indicators are available, which is usually in the middle or end of January. This is the first time that the result from some indicators is available. Therefore, some texts may have to be rewritten since the result may deviate from the result that was expected when the text was written.

A project manager whose title varies across the companies leads the project groups. At Bilprovningen it is the head of communications, at Samhall it is the head of sustainability, and at Systembolaget it is the sustainability coordinator, neither of them are part of the management team but all are located centrally at the headquarter. The project groups are supported by other functions of the companies in data collection for the report (see section 4.2 for project group

composition). All three project groups work with sustainability and are responsible for creating the content to the report.

All three companies have appointed one person that has the overall responsibility for the texts and one person that is responsible for the fulfilment of the GRI guidelines. The interviewees from Bilprovningen articulate that it is important to have one person responsible for the fulfilment of the GRI guidelines since the guidelines are frequently updated.

5.2.2 The content is based on the stakeholder and company interests

To set the content of the report, both the project group and the management team of each company is involved. The management team officially takes the decision, but the project group develops the content. As told by the project group from Bilprovningen, the management team is more or less involved in deciding the content depending on the magnitude of changes in the report compared to the previous year. When there are large changes, and not business as usual, there are more discussions with the management team and the board of directors.

The process of setting the content starts when the project group of each company meet and discuss how much information that should be included in the report, and what topics that are interesting and relevant to address. The content is based on what have happened during the year, what the project group wants to emphasise and whether something is extra interesting to disclose that particular year. When deciding what to include, the project group tries to find a balance between describing what happened during the year and describing the overall long-term activities that the company focuses on. However, deciding the content is not a trivial task as articulated by the sustainability coordinator from Systembolaget; "What is it that we want to say[...], a balance between different questions[...], how do we get a red thread through all of this[...], it is a journey to get everything in place".

The interviewees from Systembolaget highlight that the content is based on data from interviews with key people in the company, the stakeholder dialogue, the materiality analysis and the GRI guidelines. The materiality analysis sets important areas to communicate from a company perspective and the stakeholder dialogue sets important areas to communicate from a stakeholder perspective. Both perspectives are considered when setting the content for the report. In Samhall and Bilprovningen, the materiality analysis and the stakeholder dialogue are also an important basis for the report, but this was not highlighted to the same extent in the interviews.

The stakeholder dialogue is sent out to the identified stakeholders of each company. All three companies have identified the owner, i.e. the government, as the main stakeholder of the report.

The interviewees from Systembolaget highlight the Swedish population as another important stakeholder due to the social mission and since the company operates under a monopoly; “We have everyone in Sweden [as a stakeholder]” (The communicator, Systembolaget). The interviewees from both Bilprovningen and Samhall identify clients and potential clients as other stakeholders since the report is used in procurements. Furthermore, the interviewees from Samhall identify decision-makers within politics, society and business as a last group of stakeholders because these groups have the possibility to change the opinion about people with disabilities.

Despite having identified the target audience, all of the interviewees believe that few of the stakeholders actually read the reports; “A problem with the sustainability report is that it is not a bestseller” (Head of HR, Bilprovningen). The interviewees believe that there are very few customers, suppliers and citizens that read the report, and the only readers are probably the board of directors and the representatives of the owner. One interviewee from Bilprovningen explained this to be due to the fact that the government owns the companies. Another interviewee from Samhall describes it to be due to the strict format of the reports that comes from following the strict GRI guidelines. The interviewee from Samhall explains that the stakeholders want different information, but the current format is “the lowest common denominator” for all the stakeholders. The interviewee continues with explaining that the current format fits the demands from the government very well since the government has a broad interest and wants broad information around all areas.

All three companies have made attempts to target the other stakeholders besides the government and the board of directors. The project group from Systembolaget have done it by publishing the report in a digital format. This is believed to make it easier and more accessible for other stakeholders to find and understand the information. The project group from Samhall has decided to have some of the less important GRI indicators reported separately on the homepage to make the report more readable for the wider society; “The environmental numbers from GRI are so boring and they are not relevant for us” (Head of sustainability, Samhall). The project group from Bilprovningen has printed pamphlets of a few pages that summarise the content of the report.

5.2.3 The content is based on the GRI guidelines

The interviewees from all three companies describe that they use the GRI guidelines to set the content of the reports. The GRI guidelines are used to decide which indicators to disclose in the report and to set a structure of the report. Interviewees from all three companies describe that using the GRI guidelines are a good way for finding material aspects, to report it in a structured way, and to find areas for improvements. The interviewees from Systembolaget point out that

they think it is a misconception that all processes need to be in place to not make the company look bad, they see the GRI guidelines as a way to be transparent and explain areas for improvements; "GRI is not so strange, if you want to be a transparent company then the requirements are not so strange, and I think that we realise this more and more in the organisation" (Financial Assistant, Systembolaget).

> So when Maud Olofsson [former Swedish Minister for Industry and Commerce] in 2008 demanded that we should make a sustainability report, she had a point in that it would have an effect in a positive direction for the companies. You see what you are good at or you see what you need to improve to become good and then it creates a pride within the company (Head of communications, Bilprovningen).

The head of sustainability from Samhall describes that the GRI guidelines have been a support to give the report a context and make the report more comparable. The head of sustainability from Samhall continues and explains that having a reporting norm affects how you follow up and what you actually do, the norm affects how you control the indicators. The CEO from Bilprovningen emphasises that if a framework would not exist, there would be a risk that the reports would only be about marketing, in which everyone would just say how good and sustainable they are.

The GRI guidelines are used in the selection of indicators, but the interviewees describe that it has been hard to understand how the GRI indicators should be measured, which has required some creativity from the people involved. The interviewees describe that they have adapted some GRI indicators to make the indicators more relevant and fit their company specific circumstances. The head of sustainability from Samhall emphasises the importance of relevance when selecting indicators; "What we cannot disclose is irrelevant for us and then it is hard to collect that data" (Head of sustainability, Samhall). The project group of Samhall has decided to report according to the GRI G3 guidelines and to disclose on B-level, which means disclosing a minimum amount of indicators. To make sure that the indicators are relevant for the company, some indicators that are selected from the GRI guidelines are adapted to fit the company specific circumstances. The head of sustainability from Samhall describes that the employee turnover is one such indicator; "We disclose employee turnover in a different way since it is good with high employee turnover for us compared to other companies where it is bad".

The project groups from Bilprovningen and Systembolaget have decided to follow the GRI G4 guidelines instead of the GRI G3 guidelines since the G4 guidelines allow them to report material indicators only. According to the interviewees, the adoption of the new guidelines has led them to change from disclosing what has to be reported, to what is really important and material to disclose. This means that the reports of Bilprovningen and Systembolaget do not have to include

a minimum amount of indicators as the report provided by Samhall that follows the GRI G3 guidelines, but that indicators can be chosen based on materiality. Before the new GRI G4 guidelines, there were several more indicators reported than actually used within Systembolaget and Bilprovningen. For example, the number of GRI indicators in the report provided by Bilprovningen has been reduced from 25 to 15 quantitative indicators as a result of the new GRI G4 guidelines.

Despite the widespread use of the GRI guidelines among the three companies, the GRI guidelines are not a perfect framework. Even though the G4 guidelines are better, there is still room for improvement according to the head of HR from Bilprovningen.

One disadvantage that the interviewees describe is that the GRI guidelines are written for manufacturing companies, which requires adaption to be able to report in a meaningful way. A reporting specialist from Samhall articulates this limitation as; "It felt like you had to push it [the information] into different areas". She describe that the business might not always fit into the indicator model, or some other measures might be more important. The head of communications from Bilprovningen also mentions that being a Swedish company, with no foreign business, makes some information less relevant, such as labour protection indicators, since all employees are covered by a collective agreement. Another flaw mentioned, compared with ISO certification for instance, is that the GRI guidelines are only about external reporting, it does not force the companies to develop or be more accountable. As the head of quality and environment from Samhall articulates; "You can show that you have become worse every year if you only use the standard, it does not require that you show any improvements".

All three companies had some kind of sustainability report before the GRI guidelines were introduced. In the case of Bilprovningen, the interviewees describe that some indicators were measured differently before the introduction of the GRI guidelines, and some indicators had to be adapted to fit the GRI guidelines' definition of how to report on the indicators. The interviewees from Bilprovningen claim that even if reporting according to the GRI guidelines were not required by the government, they would report on sustainability indicators, but probably not exactly the same way as today, and maybe not by applying the GRI guidelines. The interviewees emphasise that sustainability reporting has helped them to develop the company in a positive way. However, the head of communication concludes that now, when the company is more experienced, it might be better to have their own structure for sustainability reporting to better adapt the report to the specific company circumstances.

5.3 TALKING ABOUT AND WORKING WITH SUSTAINABILITY

5.3.1 The use of a sustainability label

Interviewees from all three companies describe that labelling the activities with the word "sustainability" is new and came with the requirement of following the GRI guidelines. However, implementing the label was a voluntary decision and not a requirement. When the GRI guidelines were being implemented, the companies had discussions on what to call the report and how to talk about these questions since there were some alternatives available. Within Systembolaget they decided to talk about "sustainability" but call their report "responsibility report" since many in the society do not always think of Systembolaget's mission as sustainability, but more as a responsibility. The word "responsibility" is described to be wider and cover more. "It is not really clear how we can express the social responsibility as a sustainability question" (The sustainability coordinator). Within Bilprovningen and Samhall they decided to call the reports "annual and sustainability report". In the case of Bilprovningen, this decision was motivated based on frequent external usage; "This terminology is used a lot in media and in external situations and we follow that train, but it is a journey to spread that terminology" (Head of communications, Bilprovningen).

The sustainability label[10] has been used throughout the reports (see section 5.3.2 below), but it has also been introduced into internal discussions, according to the interviewees. However, the interviewees describe that the activities of the companies have not changed with the introduction of the new label. This change of wording for the same operations was highlighted in many of the interviews. The site manager from Bilprovningen describes that sustainability has always been important, but it was communicated differently before; "I remember when I started here [1995], we had 'we work for safer traffic and a better environment' printed on our shirts, already then, so it has always been important". Within Samhall the change of label is articulated by the market area director as due to fashion; "We have worked with these questions for many years, but we have called it differently, sustainability is fashionable right now".

The interviewees describe that it has been a conscious process to integrate and put a meaning to the new sustainability label. The interviewees from Bilprovningen describe that before the introduction of the new label, the employees only used to talk about the specific sustainability areas, and used the name of each area when referring. For instance, when talking about the sustainability area *traffic safety*, the employees within Bilprovningen used this word. However,

[10] Throughout this paper, this is defined as usage of the word "sustainability"

the interviewees describe that during the last couple of years, they have worked with integrating the sustainability areas into the "diffuse concept of sustainability" (Head of quality and environment, Bilprovningen) to give the new label a company specific meaning.

The reports from all three companies provide a definition of how sustainability is interpreted within the companies. All three definitions emphasise that sustainability is about long-term commitments for their operations. The report provided by Samhall emphasise a broad definition of sustainability;

> For us at Samhall, sustainability means continual development. To accept responsibility for our operations and the arena we operate in; to create value that is greater than just the initial cost. In a changing world, a company with an assignment like Samhall's needs to be constantly at the forefront when it comes to sustainable development. Samhall does this (Samhall annual and sustainability report, 2014 p. 16).

A similar broad definition was provided in the report from Bilprovningen;

> When Bilprovningen today define the work for sustainable development it covers everything that the company is doing to be a long-term responsible and successful company. Sustainability work is about how the vision is put into practice in the daily work and about the customer's confidence in Bilprovningen's ability to be an independent player (Bilprovningen annual and sustainability report, 2014 p. 9).

The definition provided by the report form Systembolaget emphasise sustainability that is related to more company specific circumstances;

> Together with our customers, Nordic colleagues, suppliers and other stakeholders, we focus our sustainability areas where we see that we can make the most difference - whether it is about the harmful effects of alcohol, responsibilities towards people and the environment in the supply chain or ourselves within Systembolaget. Our sustainability work inspires others and we drive change in our efforts towards a sustainable society where there is no damages (Systembolaget responsibility report, 2014).

The interviewees describe that using the sustainability label provides them with an overall terminology to the activities that all of the companies have already been working with. However, the sustainability label is described to have some complications for the companies. One risk that has been identified from the interviewees from Bilprovningen is that people think that sustainability is something separate or that they are doing something new or different. However, "it is the old stuff that we have been working with for decades" (Head of quality and environment, Bilprovningen). Another problem with the sustainability label, which was identified by the project groups from Bilprovningen and Samhall, is that most people think

about the environment when they talk about sustainability, and not social sustainability such as traffic safety or creating jobs for people with disabilities. This was emphasised by the head of communications from Bilprovningen; "When people come to us and ask about our sustainability work, they are very focused on the environmental part of sustainability". However, the interviewees indicate that there seems to be a change in perception; "When you talk sustainability most people think about how many Earths we have and what our ecological footprint is, but we see a small change now" (Head of information, Samhall).

Initially, the company also focused more on environmental sustainability such as recycling, which today is perceived as important but not as highly prioritised as sustainability related to the core business. As the CEO from Bilprovningen describe;

> When we started with our sustainability work we focused a lot on the environmental part of sustainability, there was a large commitment around recycling, which is good, but that is not where we can make a difference, that is a hygiene factor.

When talking about sustainability internally, interviewees from all three companies, describe that they do not necessarily use the sustainability label. The interviewees from Samhall describe that the project group have had discussions on whether they should try to make the managers and employees respond to the word "sustainability", but decided to not focus on that since it is more important that managers and employees know the goals and what to do; "The basic idea is really sustainable, but we don't really talk about sustainability since that is our business idea" (Accounting specialist, Samhall). The interviewees from Bilprovningen and Systembolaget on the other hand, describe that the project groups have worked hard with introducing the sustainability label and to get the employees to understand what it means. In the opinion of the project groups from Bilprovningen and Systembolaget, it is important to spread the sustainability label within the organisation since that is the label that is used in the society.

Within Bilprovningen, *Sustainability* has become a core value, which was difficult to implement; "When we introduced sustainability as one of our core values, we worked very hard with understanding how we should interpret sustainability. It is not always so easy to define in all situations" (Operations manager, Bilprovningen). The head of quality and environment from Bilprovningen describes that they have come a long way in spreading the meaning of the sustainability label; "Today, I think most of the people that work in the company feel comfortable about the word sustainability and know approximately what we mean by that word". She continues by emphasising that the label is not what matters, it is to achieve the goals; "We use the word sustainability more often, and I think that it has started to settle now, but the most important thing is that the actual goals have settled, not the label". However, even if the project groups in Bilprovningen and Systembolaget work with spreading the sustainability label

internally, when the employees talk about sustainability they talk more often about the specific goals without using the sustainability label.

5.3.2 Sustainability as part of the business

From the interviewees' descriptions, it is evident that the interviewees see sustainability as part of company operations. The head of HR describe that everything about Bilprovningen is sustainability; "We say that everything we do is about sustainability; traffic safety, periodic motor vehicle inspections and reducing the number of killed and injured in traffic accidents". The sustainability coordinator from Systembolaget describe the meaning of sustainability and connect it to the purpose of the company; "We mean that sustainability has its origin from the purpose of our existence, it is a wider interpretation of sustainability, that it is a social cause". The head of information from Samhall went as far as to say that sustainability is everything for them, "If we are not sustainable we do not have any right to exist, it is everything". This was also said about Systembolaget; "We have identified our whole business as a sustainability work" (Financial Assistant, Systembolaget).

Interviewees from all three companies describe that the part of sustainability that is related to each company's purpose, should be the most important area to focus on. The head of information from Samhall clarify that social sustainability is their focus since it is aligned with the company operations and the social mission from the owner; "Sustainability is everything for us, but with focus on the social sustainability since our purpose is to create a society where everyone is seen as an asset and no one is left behind, that is why we exist". The financial assistant from Systembolaget also links sustainability with the social mission from the owner; "We will probably always focus on the mission, it would be very strange otherwise, [...] you cannot forget the mission that you have". The sustainability coordinator from Systembolaget explains that the companies should focus on the areas where they can make the largest impact, which is also what they do;

> You work with finding your unique questions, what in GRI language would be substantial and strategically important, where we have to make the difference, we will never do a big impact and be remembered for our excellent work environment in the stores and diversity even if these things are also important (Sustainability coordinator, Systembolaget).

The importance of social sustainability is reflected in the internal follow up processes of the three companies. All three companies follow up more closely and frequently on indicators related to social sustainability compared to indicators related to environmental sustainability. Environmental sustainability indicators are followed up once a year when the report is being

generated, while social sustainability indicators are followed up weekly or monthly in company target boards.

When the companies discuss investments, interviewees from all three companies describe that both sustainability and economic benefits are considered. Interviewees from all three companies talk about the cost of undertaking sustainability investments and neither of the interviewees perceive the cost as an issue. The head of communications from Bilprovningen articulated sustainability and profitability as a win-win;

> It is a win-win, that is what is so amazing about this [...] Many people think that it cost more than it gives, but that is really a wrong perception, that is the whole point of sustainability, that everyone's a winner and it leads to something great for everyone.

The interviewees also describe the importance of investing strategically in sustainability that is connected to profitability. The cost is described to not be an issue since sustainability is part of the core business and investments into the core business is related to economic benefits;

> It is a prerequisite that we connect this to the business, everyone can see that we earn money from our sustainability goals, everyone can see that we earn money from the first goal to increase the number of inspections, our second goals to decrease the employee turnover to 7%, yes, we earn money from that, diversity is harder to measure, but we think that we get more customers from more diversity by increasing the development in our groups, and the last goal, the environment, we save money if we can reduce our energy consumption [...] It is easy to understand if you connect this to our business, that the company earns money from this, the sustainability work (Head of HR, Bilprovningen).

The economic benefits of sustainability investments in other areas that are not related to the core business, such as environmental sustainability, is described to be less prominent, but as many interviewees emphasise, money can be saved when resources are not wasted. The interviewees from Bilprovningen describe it with the example of energy saving, if you reduce the use of energy you are more environmentally friendly and reduce costs at the same time. The same is the case if you have the best employees, since you do not have to recruit and train new employees as often. The interviewees from Samhall and Systembolaget describe a more evident trade-off between how much that can be invested in environmental sustainability, in for example a sustainable supply chain or environmentally friendly cars, when the focus should be on the social mission. These types of investments require more discussions before the decision can be made.

The interviewees from all three companies describe that all companies need to have a certain degree of profitability, and all investment proposals must be weighed against profitability. As the head of sustainability from Samhall articulates, the economic cycle has an effect on how profitability affects investment decisions; "During a general depression, the economic survival and goals become very important. But even then, the goals must be weighed against each other to safeguard that the company still works for the fundamental demands." The same line of reasoning exists among the interviewees from Bilprovningen where profitability is seen as important for survival, but is not prioritised on the behalf of the environment;

> We still have to make a positive result to survive as a company, but we do not save a lot of money on the environmental responsibility if I say so, that is an active part in the whole company thinking (Site manager, Bilprovningen).

However, calculating the gains of an investment in sustainability is not always trivial, the interviewees from Bilprovningen describes that certain reasoning is required around where the gain can be found;

> There can be things that we put money on that are difficult to motivate financially but we see that the brand is strengthened, to be an attractive employer is strengthened or the business is strengthened somewhere, and there must be a profit somewhere (Head of HR, Bilprovningen).

The interviewees from Bilprovningen provided one such example, when the project group considered buying defibrillators to the stations, the financial motivation was hard to find. However, the investment was seen as brand building by communicating that the company invest in safety, and cares about its employees and customers.

Since sustainability is perceived to be such a large part of the companies' identities and core business, all three companies have chosen to not have a specific sustainability department, but have a small project groups that coordinate the work (see section 5.2.1). Sustainability is described by interviewees from all three companies to spread within the organisation by making people part of the processes and anchoring decisions throughout the whole organisation. In the interviewees' opinion, sustainability cannot only be something that the management team talks and writes about, but it must be integrated throughout the whole company, which is achieved by including people in discussions, educating them, following up on decisions and explaining why it is important. "To get this to work systematically in the company it is important to get the divisions to understand their questions and how to work with it, then it is for real" (Sustainability coordinator, Systembolaget).

Interviewees from all three companies describe that sustainability is discussed within all levels of the company and is part of every decision, from the management team down through the whole company. The project manager from Systembolaget articulates the importance of integrating sustainability into the business; "It is a journey, to talk about sustainability is one thing but to change the way of working is another, to really have it with you in all decisions". The interviewees from Bilprovningen describe that sustainability is a part of the core business; "We try to focus on our core business and important aspects of that as well as making smart everyday choices" (Head of quality and environment, Bilprovningen). This is done through integrating sustainability into the regular processes; "Sustainability is built into many of our routines and processes" (Head of HR, Bilprovningen). The interviewees from Samhall emphasise that working with sustainability has become incorporated in daily routines. Therefore, it is not something that they think about daily.

5.3.3 Sustainability reporting is a way to differentiate the business

The interviewees provide two reasons for having a sustainability report; the first reason is to satisfy the mandatory requirement to do a sustainability report according to the GRI guidelines. This is more a "tick the box" than an actual purpose of the report since the interviewees describe that they did reports about sustainability before the requirement and would probably continue to do it even if it was not required. The second and more important reason according to the interviewees is that the report is a communication tool aimed towards all stakeholders. In the reports, important activities within the company, how they work with sustainability and what areas that have been prioritised during the past year, is reported.

The interviewees from Bilprovningen articulated that the report is a good tool to communicate that sustainability is a competitive advantage for them. According to the interviewees, the industry relies on high trust with the customers, and being able to communicate the sustainability work they undertake is supposed to attract customers. The interviewees describe that they try to communicate both social and environmental sustainability to the customers when interacting with them, such as through marketing campaigns and face-to-face in the stores. The head of communication from Bilprovningen describes that they focus on communicating that they are more sustainable than their competitors to attract customers;

> We try to emphasise that we are the sustainable option, and that is what many say as well, people think that we should say it more, that we are the best in our industry and that we are a role model.

The interviewees from Bilprovningen describe that they have not always been good with communicating the sustainability work that they do. With a deregulated market for vehicle

controls, it has become more important for them to communicate sustainability; “Traditionally, we have been more modest in explaining how many good things we do, and now we have to be better at explaining what we do, it is an important connection to our business” (Head of HR, Bilprovningen).

6 ANALYSIS

In this section we will use the concepts of tight coupling (the report is a clear reflection of activities), loose coupling (the report is a blurred reflection of activities) and decoupling (the report is not a reflection of activities) to analyse the empirical findings. The purpose is to understand the couplings between the report, company objectives and activities. The analysis is divided into two sections, see figure 1 in section 4.3. We will start by analysing how the objectives of the owner are reflected in the report. This section will focus on how the owners' objectives are written about in the report, and compare it with the interviewees' descriptions of objectives. The objectives of the owner that were identified in the empirics were the three following elements; the requirement of following the GRI guidelines, the requirement of having sustainability goals, and the social mission that Systembolaget and Samhall have. The second section will analyse how company activities described by the interviewees are reflected in the report. It will focus on three important elements that can be observed in the empirics; use of indicators, the process of making investment decisions and the use of the sustainability label. We will analyse how the interviewees talk about these objectives and activities, and whether this corresponds with the presentation in the report.

6.1 SUSTAINABILITY OBJECTIVES SET THE PATH FOR COMPANY ACTIVITIES

In this section we will analyse the couplings between the objectives of the owner and the sustainability report. The objectives of the owner have been divided into three elements; The use of the GRI guidelines, the sustainability goals, and for Samhall and Systembolaget, the social mission.

6.1.1 Tight coupling between the GRI guidelines and the report

As indicated in the methodology section, all three companies have a requirement from the government to follow the GRI guidelines to generate the reports (see section 4.5.2). How the guidelines should be followed has not been clearly explained by the interviewees from the government or the companies. The interviewees from the three companies support that the report is generated in accordance with the GRI guidelines (see section 5.2.3). However, the interviewees also described that they do not report strictly on all GRI indicators since it is not always relevant for their specific businesses. This is allowed with the new GRI G4 guidelines (see section 4.5.2). For it to be a tight coupling between the report and the interviewees' descriptions, the report should follow the GRI guidelines, but not strictly report on all GRI indicators.

All three reports have GRI indicators, and the reports explicitly state that they follow the GRI guidelines (see section 5.1.1 and 5.1.2). However, all the reports state that adaptions of the indicators have been made to fit the companies' specific businesses. In the case of Samhall, the report states that some GRI indicators are adjusted to fit the company and are reported based on their own definitions. Some GRI indicators are put into a separate document on the homepage instead of having them in the report since it is not found to be interesting nor relevant for the report (see section 5.2.2). This indicates a tight coupling between the report and the interviewees' descriptions of Samhall since the report is not strictly reporting on all the GRI indicators.

Both Bilprovningen and Systembolaget have gone from G3 to G4 reporting (see section 4.5.2). The report provided by Systembolaget includes company specific measures in addition to the GRI indicators (see section 5.1.2). In the case of Bilprovningen, the report includes some indicators that are measured in a different way than described by the GRI guidelines. The report states that the number of GRI indicators has been significantly reduced from 25 to 15 as a result of the new GRI G4 guidelines (see section 5.1.2 and 5.2.3). These findings from the reports provided by Systembolaget and Bilprovningen also indicate a tight coupling between the report and the interviewees' descriptions.

When comparing the report with the use of GRI, a tight coupling has been found in all three cases. All companies report according to GRI, but use company specific indicators to show their business in a meaningful way.

6.1.2 Mixture of couplings between the sustainability goals, the content and structure of the report

As indicated in the methodology, the owner requires the companies to have sustainability goals (see section 4.5.1). In line with this, the interviewees described that the sustainability goals play a central role in the companies' businesses. They also described a larger focus on social sustainability compared to environmental and economic sustainability (see section 5.3.2). For example, all three companies described that sustainability related to the purpose of their existence should be the most central, which is reflected in the number of social sustainability goals in comparison to the number of environmental sustainability goals. Bilprovningen has more social goals despite the lack of social mission, but the interviewees emphasised that the social sustainability goals are more important for them (see section 5.3.2). If the reports show the same focus on social sustainability goals, this would mean a tight coupling between the report and the interviewees' descriptions of the sustainability goals.

The sustainability report of Bilprovningen includes a lot of information that is not directly related to the sustainability goals, but related to their services and ethics. This is seen as other

aspects of sustainability and a way to provide more in-depth explanations of what they do and how the work is conducted, which would indicate a loose coupling. However, the report also includes a lot of information related to both social and environmental sustainability goals, and the social goals seem to dominate over the environmental goals. For example, one of the social goals is reflected in the description of the company mission provided in the report (see section 5.1.2). This focus on the social sustainability goals is not surprising since they only have one environmental goal and several social goals, which supports a tight coupling since the report reflects that the company has more social goals. In total, 11 out of 28 pages of the report are devoted to social goals compared to 4 out of 28 pages for environmental sustainability (see section 5.1.2). One explanation for having a larger number of social goals despite the lack of a social mission, could be their legacy, that they were founded to work with traffic safety, which is still their core business. It could also be that they see social sustainability more as a competitive advantage than environmental sustainability.

To look at the number of pages in Systembolaget's report cannot be done in a meaningful way, since the report is only published in an online format. However, through reading the sections defined as the sustainability report (see section 5.1.1), we see a tendency towards focusing more on the environmental sustainability goal, even though a lot of information is not related to any of the sustainability goals, such as ecological products. The social goals get less attention but are mentioned in the report (see section 5.1.2). This indicates that there is a loose coupling between the report and the goals since they provide information about their goals, but there is a lot of information that is not related to any goal.

In the report provided by Samhall, a large part of the sustainability report (8 out of 18 pages) is dedicated to the social sustainability goals (see section 5.1.2). Samhall has two social sustainability goals that are closely related to the business and gets more focus internally (see for example section 5.3.2). When talking about the economic goal, this goal was described to be linked to the social goals. For example, increasing the degree of self-financing leads to search for new jobs, which increases the hiring rate. Since the economic goal is described by the interviewees to be linked with the social goals, the social goals seem to be more important than the economic goal. This is reflected in the report since only 4 pages out of 18 are devoted to the economic goal. For the environmental goal, fewer pages are devoted to the environmental goal compared to the social goals (only 2 out of 18 pages) (see section 5.1.2). Thus, the economic goal and the environmental goals are described to be less important compared to the social goals, which is reflected in the report. This indicates a tight coupling between the report and the interviewees' descriptions.

All in all, when comparing the content of the reports to the goals described by the interviewees, the sustainability reports of Samhall and Bilprovningen seem to reflect the focus on social sustainability. Both companies have a report that reflects the relative importance of the goals described by the interviewees. The reports from these two companies are therefore tightly coupled with the interviewees' descriptions. The report provided by Systembolaget is not clear with the relative importance of the goals since the report presents a lot of information that is not related to any goal. This report is therefore loosely coupled with the descriptions of the interviewees.

When looking at the structure of the report, a report that is structured around the sustainability goals could also be seen as tightly coupled to the sustainability goals. In terms of structure, the sustainability report provided by Samhall is structured around the three sustainability areas that GRI is structured around; social, economic and environmental sustainability. Under each of these sections they have placed their sustainability goals. Even if the report is not structured around the sustainability goals, the goals are logically and clearly placed under each of the three areas (see section 5.1.2). The structure of the report is therefore tightly coupled with the interviewees' descriptions of the sustainability goals. The report provided by Bilprovningen is structured around the sustainability goals, but two additional sections are also included in the report. Despite having two additional sections, the report is focusing on the sustainability goals to a larger extent (see section 5.1.2). Since the report is structured around the sustainability goals it is tightly coupled with the interviewees' descriptions of the sustainability goals. Systembolaget has a report that does not have as clear structure as the other two companies, the report is structured around their three sustainability focus areas (see section 5.1.2 and appendix 4). The structure is clearly not related to their sustainability goals, but they write about some of the sustainability goals under the heading of each focus area. This indicates a loose coupling, in terms of structure, between the report and the descriptions of the interviewees.

When combining the content and the structure of the sustainability reports, we can see that the reports provided by Bilprovningen and Samhall are tightly coupled to the interviewees' descriptions of the sustainability goals. The interviewees from both companies describe that the sustainability goals are central in the companies' businesses and that the social goals are more important than the other goals, which is reflected in both companies' reports. The report provided by Systembolaget is loosely coupled with the descriptions by the interviewees. The interviewees describe that the sustainability goals are central in the business and that social goals are more important than the other goals, which was not evident in the report.

6.1.3 Mixture of couplings between the social mission and the report

As indicated in the empirics, the social missions of Samhall and Systembolaget are described to be the most important objectives of the owner. The interviewees describe that the social mission is the most important aspect for them to focus on (section 5.3.2). If the reports provided by the companies show the same focus on the social mission as described by the interviewees, there is a tight coupling between the interviewees descriptions and the report. This section will not analyse the case of Bilprovningen since the company does not have a social mission.

The report provided by Samhall includes a lot of information related to their social mission. The report dedicates the first 8 out of 18 pages of the report to describe how they work with getting their employees out on the labour market (see section 5.1.2). The information provided around the social sustainability goals is connected to how this also helps them reach their social mission, and to increase profits. The rest of the report is about economic and environmental sustainability, where the section about economic sustainability discusses the relation to the social mission while the environmental section does not to the same extent. This would indicate a loose coupling between the interviewees' descriptions and the report since the environmental section is not related to the social mission. However, the environmental section is such a small part of the report (2 out of 18 pages), while the social and economic sections combined are a large part of the report (14 out of 18 pages) (see section 5.1.2). Therefore, we claim that there is a tight coupling between the social mission and the report.

If looking at the report from Systembolaget, they write about matters related to their social mission, matters related to environmental sustainability and other social sustainability that is not related to their mission. There is equally much information about *Sustainable choices for the customer*, *Sustainable supply chain* and *Sustainable operations* (see section 5.1.2). However, it is only the section about *Sustainable choices for the customers* that is related to the social mission. The two other sections mostly relate to environmental and internal social sustainability and are not to the same extent related to the social mission (see section 5.1.2). When only dedicating one third of the sustainability report to the social mission, we claim there to be a loose coupling between the report and the social mission.

It is interesting that Samhall has a tight coupling between the report and the social mission while Systembolaget has a loose coupling, when interviewees from both companies emphasise the social mission as the most important matter for the companies.

Table 9 – The couplings between the objectives and the report

	Bilprovningen	Samhall	Systembolaget
GRI	Tight coupling	Tight coupling	Tight coupling
Goals	Tight coupling	Tight coupling	Loose coupling
Social mission		Tight coupling	Loose coupling

To sum up the section about objectives, we can see that the reports provided by Bilprovningen and Samhall both have a tight coupling with the objectives of the owner. The report provided by Systembolaget does not show the same picture (see Table 9 – The couplings between the objectives and the report). The report is tightly coupled with the interviewees' description of the GRI indicators but loosely coupled with the interviewees' descriptions of the social mission and the sustainability goals.

6.2 SUSTAINABILITY IS PART OF COMPANY ACTIVITIES

Having looked at the couplings between the owner's objectives and the report we will now analyse how the internal activities, as described in the interviews, are coupled with the report. The internal activities have been divided into the observable elements of; Indicators used, investment decisions and the sustainability label.

6.2.1 Tight coupling between the indicators and the report

Interviewees from all three companies described that social sustainability indicators are followed up more closely and frequently than the environmental sustainability indicators (see 5.3.2). Many of the environmental indicators are only followed up once a year when the report is being generated, while the social indicators are followed up weekly or monthly in the companies' target boards. If this is reflected in the report, the reports should emphasise social indicators to a larger extent than environmental indicators. This means that the reports should include more social indicators than environmental indicators for it to be a tight coupling between the report and the interviewees' descriptions.

Looking at Table 7 in section 5.1.2 one can see that all three companies report more social indicators than environmental indicators, both for the GRI indicators and company specific indicators. This indicates a tight coupling between the report and the interviewees' descriptions of indicator follow up.

6.2.2 Mixture of couplings between the investment decisions and the report

The interviewees from all three companies described that sustainability is important to consider when making investment decisions. When considering sustainability investments, the value and cost of a potential investment is included in the discussion (see 5.3.2). In Samhall and Systembolaget, the interviewees described that they separate between investments in social sustainability and environmental sustainability. They described a more evident trade-off between economic benefits and investments in environmental sustainability compared to investments in social sustainability. This separation is not done in Bilprovningen to the same extent since Bilprovningen claims to see both as a competitive advantage, and both types of sustainability is something that they talk about with their clients and in their marketing (see section 5.3.3). For investment decisions to be tightly coupled with the report, social sustainability investments should thus be highlighted to a larger extent in the reports provided by Systembolaget and Samhall, and equally much in the report provided by Bilprovningen.

In the case of Samhall, the report focuses more around social sustainability rather than environmental sustainability. For example, the report includes more information about employee development and investments such as *My vital Leadership* rather than environmental sustainability investments such as the *Nordic eco label* (see section 5.1.2). This indicates that the report is tightly coupled with the interviewees' descriptions of social sustainability being more important in investment decisions.

Both the report from Systembolaget and the report from Bilprovningen seem to focus equally much on investments in social sustainability and environmental sustainability (see section 5.1.2). The report from Bilprovningen highlights investments in *defibrillators at the stations* and *new services*, as well as activities related to the *periodic motor vehicle inspections* (both for safe vehicles and for reducing environmental impact), and to increase *diversity*. The report from Systembolaget highlights investments in *employees*, *low weight bottles*, and offering *ecological, ethical* and *alcohol-free products* to the same extent (see section 5.1.2). This indicates that there is a tight coupling between the report provided by Bilprovningen and the interviewees' descriptions since social sustainability and environmental sustainability investments are highlighted to the same extent in the report and by the interviewees. In the case of Systembolaget, there is a loose coupling between the report and the interviewees descriptions since the interviewees highlight social investments, but the report highlight both social and environmental sustainability investments to the same extent. The report does thus not reflect that social sustainability investments are more important than environmental sustainability investments. One could discuss whether there is a decoupling between the report and the

descriptions. However, a decoupling would mean that environmental sustainability investments were the only ones highlighted in the report.

Comparing the descriptions of the interviewees and the content of the report with regards to investment decisions, there is a tight coupling between how investments are discussed internally and what is included in the report in the case of Samhall and Bilprovningen. The report provided by Systembolaget indicates a loose coupling since investments around environmental sustainability are less important according to the interviewees, but get equally much attention in the report as social sustainability investments.

6.2.3 Mixture of coupling between the use of the sustainability label and the report

The interviewees described that they do not use the sustainability label very often when discussing topics related to sustainability (see section 5.3.1).[11] This was especially evident in the case of Samhall, where they seem to never use the sustainability label in internal discussions at divisional level. The employees in Systembolaget and Bilprovningen seem to use the sustainability label to some extent internally and within internal communication. For it to be a tight coupling between the interviewees' descriptions and the report, the use of the sustainability label should not occur too frequently in the reports.

The reports provided by all three companies use the sustainability label extensively. In all three reports, definitions of what sustainability means for the companies are provided, and all the reports discuss their business in relation to sustainability and describe how the companies work with sustainability (see section 5.3.3). In the case of Samhall, this indicates a decoupling between the report and the interviewees descriptions since they do not use the label internally to describe their operations. In the cases of Bilprovningen and Systembolaget, the interviewees describe that they talk about the word "sustainability" to some extent but they also talk directly about the different sustainability areas, such as diversity and do not always use the label. The report highlights to a large extent the label sustainability in the reports wherefore we see a loose coupling between the report and the word in Bilprovningen and Systembolaget.

Table 10 – The couplings between activities and the report

	Bilprovningen	Samhall	Systembolaget
Indicators	Tight coupling	Tight coupling	Tight coupling
Investment decisions	Tight coupling	Tight coupling	Loose coupling
The sustainability label	Loose coupling	Decoupling	Loose coupling

[11] The word "sustainability" is included in internal discussions among all companies project groups. However, this analysis focuses on company activities that occur out in the divisions.

To sum the activities section about, we can see that the reports provided by Bilprovningen and Samhall are both tighter coupled with the activities, while Systembolaget has more loose couplings (see Table 10 – The couplings between activities and the report). One decoupling has been found between how Samhall uses the sustainability label in their operations and in their report.

6.3 SUMMARY DISCUSSION OF ANALYTICAL FINDINGS

All three types of couplings have been identified for some activity or objective within at least one company (see Table 11 – Couplings found in the analysis). The reports provided by Bilprovningen and Samhall seem to be the reports that most closely reflect the objectives and activities of the two companies. However, an interesting contradiction has been identified from the interviewees in Bilprovningen. The company seems to emphasise social sustainability to a larger extent than environmental sustainability in some cases, but not in other cases. The company has more social sustainability goals, focuses on social and environmental sustainability equally in investment decisions but follows up more clearly on social indicators. This indicates an internal contradiction between the focus on social sustainability and environmental sustainability, which is not reflected by studying the coupling between the report and the interviewees' descriptions. In some cases, the interviewees described that environmental indicators are difficult to follow up on divisional level, which might explain this contradiction. However, a deeper examination of this contradiction is out of the scope of this study.

The report provided by Systembolaget is the report that, in comparison to the others, least reflects the owner's objectives and company activities. The company has a social mission, and the interviewees emphasise that social sustainability is the most important. However, the report does not reflect that since it focuses equally much on social and environmental sustainability. The lack of tight coupling between the report provided by Systembolaget and the objectives and activities described, could be due to a number of explanations such as; (1) Systembolaget is significantly larger than Bilprovningen and Samhall which means that the design of the study could have different effects since the people interviewed are further away from the operations than in the other two companies. If more people, or people in other positions had been interviewed the results could have been different, (2) size being an important factor that was captured by our study, (3) environmental sustainability could be seen as more important than the interviewees communicated during the interviews, or (4) Systembolaget might rely more on legitimacy from the public due to it being a monopoly, which requires Systembolaget to focus on environmental sustainability since this is the well-known form of sustainability in the society.

Table 11 - Couplings found in the analysis

	Bilprovningen	Samhall	Systembolaget
Objectives and goals			
GRI	Tight coupling	Tight coupling	Tight coupling
Goals	Tight coupling	Tight coupling	Loose coupling
Social mission		Tight coupling	Loose coupling
Activities			
Indicators	Tight coupling	Tight coupling	Tight coupling
Investment decisions	Tight coupling	Tight coupling	Loose coupling
The sustainability label	Loose coupling	Decoupling	Loose coupling

Between the sustainability label and the report, no tight couplings were found in any of the companies. In the case of Bilprovningen and Systembolaget there were loose couplings and in Samhall a decoupling was found. Interviewees from all three companies described that the label was chosen for the report even if it was not perfect for describing their specific businesses. The decision of labelling was a voluntary decision since neither the GRI guidelines, nor the government, require the companies to use the sustainability label. The interviewees described the choice of using the label as important, since it is used a lot in external situations. The choice of this labelling thus indicates an act to legitimise the companies' reports. Thus, both our case companies and the companies in previous research seem to implement the labelling in the report for legitimising reasons (see for example Deegan, 2002; Gray, 2010; Joseph, 2012). This indicates that the legitimising effect of the sustainability label is really high.

Furthermore, the interviewees described that they did not change any activities after the introduction of the sustainability label, they just changed the external talk. Here appears an interesting similarity with the findings in previous research. The case companies in previous research have introduced the sustainability label in new reports without any corresponding change in the activities (see for example Archel et al., 2009; Archel et al., 2011; Joseph, 2012; Cho et al., 2015a). However, there is an important difference between the companies described in previous research and our case companies. An important difference compared to previous findings is that our case companies did not change any activities since they *were already sustainable*. They already had their social missions and sustainable business models, which leads to sustainability in different ways. The companies in previous research did not change any activities but their activities *were not sustainable* from the beginning (see for example Patten, 2002; Cho and Patten, 2007). We see this as interesting and believe that this calls for a more nuanced view of decoupling. What has been found to be an insufficient integration between the report and the activities regarding the sustainability label presented in previous research is thus present in our case companies as decoupling or loose coupling. However, we can observe

that this has been done in a positive way and not in the negative way explained in previous research (see for example Patten, 2002; Deegan, 2002; Cho and Patten, 2007; Archel et al., 2009; Archel et al., 2011; Joseph, 2012). This finding suggests that the concept of decoupling needs to be broadened, or accompanied by a new concept that includes "positive decoupling". This finding needs further investigation, which is outside the scope of this study.

Interviewees from all three companies emphasised that sustainability is part of the core business. However, the interviewees from Bilprovningen labelled it differently compared to the other two companies. They labelled it as a competitive advantage that supports profitability (similar to what Porter and Kramer, 2011 refer to as shared value). One potential reason for this is that Bilprovningen does not have a social mission that is tightly connected to social sustainability like Samhall and Systembolaget.

7 CONCLUDING DISCUSSION

This thesis has investigated whether the sustainability report is a reflection of objectives and activities within three Swedish governmentally owned companies; Samhall, Systembolaget and Bilprovningen. The study has been conducted through a multiple case study to draw on similarities and differences between the companies. Three types of couplings have been used to problematize previous research and analyse the empirical findings obtained; *tight coupling*, *loose coupling* and *decoupling*. These types of coupling give a more nuanced view of the reports ability to reflect company objectives and activities rather than just yes or no as previous research have investigated the link between the report, objectives and activities. We find that in the case of Bilprovningen 4 elements out of 5 are tightly coupled, and 5 out of 6 elements are tightly coupled in Samhall. Systembolaget on the other hand only has 2 out of 6 elements that are tightly coupled. The only decoupling found was in Samhall, where the sustainability label is used in the report but claimed to not be used internally within the operations.

The design of the study differentiated between companies with a social mission and those without, and size. Comparing Bilprovningen and Samhall that are both small companies, one with and one without the social mission, indicated that the social mission does not affect the outcome, this is also supported by the difference found between Samhall and Systembolaget. Only one large company was part of the study (Systembolaget), however this company had deviating couplings, which could be due to the effects of size. This could be studied further since the design of our study limited the comparability of size.

As argued in previous research of sustainability reporting, one focus has been on predicting either a "failure" or a "success" of companies to account for sustainability and transparently reflect that in the report. In the classic view of management accounting, the fundamental is that the company do what the owner says a.k.a. a tight coupling between the report, objectives and activities. However, previous research argues for a decoupling to be common between the report, objective and activities. The findings from our case companies suggest that both the fundamental view of management accounting and the view provided in previous research are too simplistic. Our findings suggest that there is a mixture of couplings between the report, objectives and activities and not a case of "either or" as both views indicate. However, tight coupling occurred more frequently in our case companies compared to the other types of coupling. The report provided by Samhall is the report that corresponds the most with a tight coupling with the objectives and activities since this report had a tight coupling with the objectives and activities in 5 out of the 6 elements studied. The report provided by Systembolaget corresponds the least with a tight coupling with the objectives and activities and

had a tight coupling with the objectives and activities in 2 out of 6 elements studied. A number of reasons have been suggested for this lack of tight coupling. The size factor in relation to quality of reporting has been studied by Adams (2002), and her findings indicate that larger firms have a higher quality in their disclosures. This could be seen as a tight coupling wherefore our results are diverging, however, this comparison has its drawbacks. That the sustainability report is not to a large extent tightly coupled to the objectives and activities could be claimed to be low quality, but on the other hand, the report might include quality information that is not tightly coupled with the activities.

The assumption that previous research on sustainability reporting has mainly relied on, is that for-profit companies are required to implement sustainability for legitimacy reasons (see for example Deegan, 2002; Gray, 2010; Joseph, 2012). Few researchers have investigated organisations that might have other objectives, such as a quest for being accountable for sustainability. Adams and McNicholas (2007) suggest that the objectives of the owner matter for the company to be accountable for sustainability. These authors find that the ownership structure matters for companies to actually integrate sustainability into company activities. Our thesis finds that ownership structure seems to matter not only for accountability of sustainability, but also for transparency of sustainability. The owner of our case companies has an objective for the companies to be sustainable, which is translated into company activities and mainly reflected in the reports. Previous research on the other hand seems to identify a decoupling between the report, objectives and activities (see for example Patten, 2002; Deegan, 2002; Cho and Patten, 2007; Archel et al., 2009; Archel et al., 2011; Joseph, 2012). However, there are some limitations in comparing our findings with previous research. First of all, we have used a different research design, where we in a qualitative study have looked at the couplings between the report and the interviewees descriptions of objectives and activities, while much of previous research have studied either a quantitative relationship (see for example Patten, 2002; Cho and Patten, 2007; Clarkson et al., 2008) or how companies balance conflicting demands and how that affects the sustainability report (see for example Archel et al., 2009; Archel et al., 2011; Joseph, 2012). We have chosen a more nuanced approach, which might have affected the outcome. We have also made the decision to study governmentally owned companies, which as mentioned, is not the same study objects as previous research (see for example Patten, 2002; Cho and Patten, 2007; Archel et al., 2009; Cho et al., 2015a). A similar study to ours of for-profit companies might indicate a mixture of couplings between the report, objectives and activities, but with decoupling occurring more frequently.

In the cases of Bilprovningen and Samhall only one element is not tightly coupled, and that is the use of the sustainability label, which was not tightly coupled in Systembolaget either. The use of

the sustainability label for legitimacy reasons, as claimed in previous research (see for example Deegan, 2002; Gray, 2010; Joseph, 2012), was supported in our case companies through the loose coupling (Bilprovningen and Systembolaget) and decoupling (Samhall) of the label. However, an important difference was found between our case companies and the companies in previous research. Neither our case companies nor the companies in previous research changed anything after implementing the sustainability label into the reports, but our case companies *were already sustainable*, which the companies in previous research were not (see for example Patten, 2002; Cho and Patten, 2007). The limited integration between the report and the activities regarding the sustainability label presented in previous research is thus present in our case companies, but in a positive way and not in the negative way explained in previous research. This finding suggests that the concept of decoupling needs to be broadened, or accompanied by a new concept that includes "positive decoupling". However, future research could empirically investigate the existence of "positive decoupling" further.

The findings of our study could be improved further through a symmetric study, where both people on operational level and the people involved in creating the sustainability report are interviewed to an equal extent. This could show a more diversified view of sustainability actions and how they are reflected in the reporting. It would also be interesting to further develop our design to investigate the importance of size. Due to our different findings in Systembolaget, that is a large company, it could be interesting to further study the size effect. Previous research has indicated that sustainability often comes second after profitability (see for example Archel et al., 2009; Archel et al., 2011; Joseph 2012; Cho et al., 2015a). It would therefore be interesting to duplicate this study in a time of economic instability to see how the governmentally owned companies act when there is a crisis, and if it creates a difference between the companies with and without a social mission. We also find it interesting to include other stakeholders besides the government, to in a symmetric way study the perception of sustainability reporting and the information included. To broaden the scope, future research could also investigate other ownership structures besides for-profit companies further. One could select organisations either based on some specific ownership structure, such as owned collectively by the employee's, partner-owned companies, NGOs. One could also study for-profit organisations that produce a product that is sustainable or have a sustainable business model, such as solar panels, ecological clothing, and compare these companies with companies that have less sustainable business models.

This thesis has indicated that change towards more accountability and transparency has to come from the inside of companies and their owners. External reporting frameworks such as the GRI guidelines cannot be expected to change companies significantly towards more

accountability and transparency since the companies will adapt to the objectives of the owner and to the pressures from other stakeholders. Therefore, the debate around accountability and transparency for sustainability has to shift to focus around changing the objectives of owners rather than increasing the external pressure and imposing requirements on companies. When the objectives of the owner do not allow for the pressures in society, it has been shown to lead to a strive for legitimacy and decoupling (Joseph, 2012). It must be realised that it is not the companies that want profits for themselves, it is the owners, and the owners must realise that strategic sustainability leads to profitability (Porter and Kramer, 2006, 2011). To strategically incorporate sustainability into the operations is a win-win situation.

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9 APPENDIX

9.1 APPENDIX 1 – INTERVIEW GUIDE

This is the guide used as a base for the interviews. Depending on the position of the interviewee it was slightly adapted. These are the questions that the adaption was made from.

Introductory questions regarding position and sustainability

- What is your position within company X?
- What is included in your working assignments?
- Do you take part in the process of creating the sustainability report?
    - If yes, how?
    - What is your contribution to the sustainability report?
    - To what extent does your work involve the creation of the sustainability report?
- How do you define sustainability?
- Why do you think it is important to work with sustainability?

Sustainability in Company X

- How would you say that you work with sustainability?
- Would you say that sustainability is a competitive advantage for you?
- Does it happen that you have to make trade-offs between sustainability and profitability?
    - When does sustainability enter into decision making processes?
- Does the owner think that it is important that you focus on sustainability?

Goals and KPI's

- What KPI's are important in your job?
    - How are they connected to the strategic overall goals?
    - How are they followed up and how often?
- Do you have sustainability goals that you work with?
    - Who decides the sustainability goals, how are they set?
    - Do you break down the sustainability goals into indicators that are divided/distributed into the organisation?
- How do you work with scorecards within the organisation?
    - Does sustainability targets enter into the scorecard?

- Which goals do you focus on? (Environmental, social, economic)
    - Why are these important?
- Which goals are put into focus externally? (Environmental, social, economic)
    - Why are these important?

Sustainability reporting

- Can you describe the process for creating the sustainability report?
    - Who are involved?
    - What time frames do you have?
    - Who is responsible for the compliance with GRI?
    - How do you work with proof reading, cross-referencing etc?
- Why do you have a sustainability report?
    - What is the purpose of it?
    - What is it that you want to show?
- In the process of writing the sustainability report, do you use it to identify your strengths and weaknesses, as a follow up for the sustainability work that you do?
- Who do you make the sustainability report for? Who is the intended reader?
    - Do you get any feedback from the readers?
        - What and from whom?
    - How interested is the government in reading your sustainability report?
        - Do they give you feedback on the report?
    - Do you get questions about your sustainability report?
        - What types of questions and from whom?
- Why have you chosen to integrate the sustainability report into the annual report?
- What challenges do you see with the sustainability report?
- Have you changed how you work with sustainability since you started to report in accordance with GRI?
- What do you think of GRI as a framework?
    - Is there any part of GRI that you think is more important than another?
- Do you think that you can present your sustainability work in a good way by reporting according to GRI?

- How would you say that the sustainability report is connected to how you work with sustainability in the business?

Communicating on sustainability

- How would you say that you communicate sustainability internally and externally?
    - Why do you communicate sustainability?
- How do you use the stakeholder dialogue in you suitability work?
- How and in what situations do you talk about sustainability?
    - Do you talk about how much it costs?
    - Do you calculate on sustainability? Is it required?
- Do you think that the people working in the operations are aware of that you work a lot with sustainability?

9.2 APPENDIX 2 – CONDUCTED INTERVIEWS

Company	Position	Date	Length (min)	Location	Medium
Bilprovningen	CEO	2015-03-20	53	Stockholm, Sweden	Face-to-face
Bilprovningen	Head of communications	2015-03-13	50	Stockholm, Sweden	Face-to-face
Bilprovningen	Head of environment and quality	2015-03-11	79	Stockholm, Sweden	Face-to-face
Bilprovningen	Head of HR	2014-03-27	50	Stockholm, Sweden	Face-to-face
Bilprovningen	Operations Manager	2015-04-01	36	Stockholm, Sweden	Telephone
Bilprovningen	Site manager	2015-04-01	47	Stockholm, Sweden	Face-to-face
Samhall	Head of Information	2015-03-19	59	Stockholm, Sweden	Face-to-face
Samhall	Head of Sustainability	2015-03-06	71	Stockholm, Sweden	Face-to-face
Samhall	Accounting Specialist	2015-03-17	25	Linköping, Sweden	Face-to-face
Samhall	Head of accounting	2015-03-17	40	Linköping, Sweden	Face-to-face
Samhall	Reporting specialist	2015-03-17	37	Linköping, Sweden	Face-to-face
Samhall	Controller	2015-03-17	27	Linköping, Sweden	Face-to-face
Samhall	Market area director	2015-03-20	48	Malmö, Sweden	Telephone
Samhall	Head of environment	2015-03-25	36	Mariestad, Sweden	Telephone
Systembolaget	Communicator	2015-03-24	60*	Stockholm, Sweden	Face-to-face
Systembolaget	Financial Assistant	2015-03-24	60*	Stockholm, Sweden	Face-to-face
Systembolaget	Project manager	2015-03-24	37	Stockholm, Sweden	Face-to-face
Systembolaget	Store manager	2015-04-07	45	Stockholm,	Face-to-

				Sweden	face
Systembolaget	Sustainability coordinator	2015-03-24	82	Stockholm, Sweden	Face-to-face
The Ministry of Enterprise and Innovation	Company trustee	2015-04-24	70	Stockholm, Sweden	Face-to-face
The Ministry of Enterprise and Innovation	Sustainability responsible	2015-03-11	30	Stockholm, Sweden	Face-to-face

* The interview was conducted jointly

9.3 APPENDIX 3 – CATEGORIES AND ASPECTS IN THE GRI GUIDELINES

TABLE 1: CATEGORIES AND ASPECTS IN THE GUIDELINES

Category	Economic		Environmental	
Aspects[iii]	• Economic Performance • Market Presence • Indirect Economic Impacts • Procurement Practices		• Materials • Energy • Water • Biodiversity • Emissions • Effluents and Waste • Products and Services • Compliance • Transport • Overall • Supplier Environmental Assessment • Environmental Grievance Mechanisms	
Category	**Social**			
Sub-Categories	**Labor Practices and Decent Work**	**Human Rights**	**Society**	**Product Responsibility**
Aspects[iii]	• Employment • Labor/Management Relations • Occupational Health and Safety • Training and Education • Diversity and Equal Opportunity • Equal Remuneration for Women and Men • Supplier Assessment for Labor Practices • Labor Practices Grievance Mechanisms	• Investment • Non-discrimination • Freedom of Association and Collective Bargaining • Child Labor • Forced or Compulsory Labor • Security Practices • Indigenous Rights • Assessment • Supplier Human Rights Assessment • Human Rights Grievance Mechanisms	• Local Communities • Anti-corruption • Public Policy • Anti-competitive Behavior • Compliance • Supplier Assessment for Impacts on Society • Grievance Mechanisms for Impacts on Society	• Customer Health and Safety • Product and Service Labeling • Marketing Communications • Customer Privacy • Compliance

Source: GRI G4 - Reporting Principles and standard disclosures, 2013 p.9

9.4 APPENDIX 4– TABLES OF CONTENT

Disclaimer: The tables of content for Bilprovningen and Systembolaget are written in Swedish. Since the information is described in the text the content will not be translated.



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The sustainability report

Source: Bilprovningen Annual and sustainability report 2014



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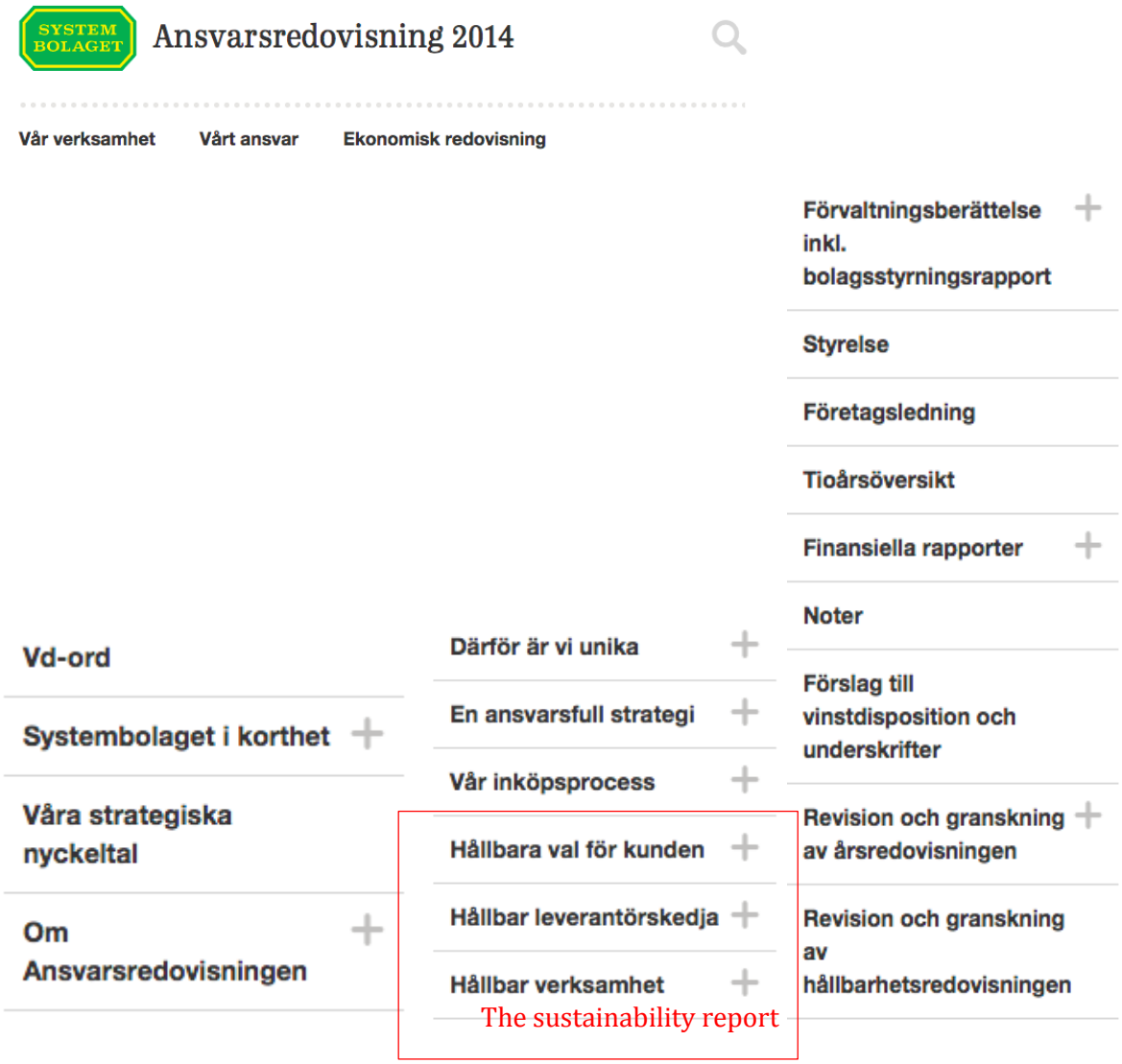
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The sustainability report

Source: Samhall Annual and sustainability report 2014



Source: Systembolaget responsibility report 2014

9.5 APPENDIX 5 – SUSTAINABILITY GOALS AND FOCUS AREAS

Bilprovningen's sustainability goals

Safe Vehicles	**Attractive Employer**
The operations of Bilprovningen aim at safe vehicles and a better environment. When more people chose the complementing services offered by Bilprovningen we contribute to this even further. At the same time our earnings increase. Safety, independency, trustworthiness and quality are conditions for having customers pick us and our services. The board of directors have decided that safe vehicles should be a strategic target for Bilprovningen.	*The competition of manpower has increased on the inspection market. To recruit and retain skilled employees that develop and thrive at the workplace is crucial for high productivity, cost efficiency, good quality and professional customer service. The board of directors have set, as a strategic goal, that Bilprovningen should be an attractive employer.*
Measurement:	**Measurement:**
▪ Doubling of additional services	▪ Employee turnover of max 7% (in 2016) ▪ Percentage of female inspection technicians, at least 12% (in 2016) ▪ Percentage of inspection technicians with a foreign background , at least 17% (in 2016)

Environmental role model
The activities within Bilprovningen aims at decreasing the environmental impact through vehicle inspection and information to the customers. Both external and internal focus is on emissions, energy and the climate. The trustworthiness increases if the internal environmental activities are communicated and reflected in the customer experience. Bilprovningen has defined the following as one of the company's three strategic sustainability goals:
Measurement:
▪ Climate impact: lower with 80% (year 2006-2050) ▪ Energy consumption: Accumulated decrease by 2% per year (kWh/inspection)

Source: Adapted from Bilprovningens' Annual and sustainability Report, 2014

Samhall's sustainability goals

Employees in work	**Dedicated employees**
The sustainability target "employees in work" means raising the proportion of employees in paid client assignments.	*The sustainability target "dedicated employees" means employees feel committed to their work. This is measured by the annual employee survey.*
The target achieves:	**The target achieves:**
▪ A growing proportion of employees in client assignments and the opportunity to employ even ▪ More competitive assignments and tasks; in other words business growth. ▪ Better ability to match employees with the right tasks; in other words combining employee development and business development.	▪ Pride in one's own efforts and of working for Samhall. ▪ Dedicated employees taking greater responsibility for their own development. ▪ Dedicated employees with greater focus on clients
Increased degree of self-financing	**Reduced environmental impact**
Sustainability target "more Samhall benefit per tax krona" or an increased degree of self-financing, means that business operations need to cover a greater proportion of total costs and thereby relieve state coffers, without jeopardising the fulfilment of the labour market policy assignment.	*The sustainability target "sustainable environment" means Samhall must increase the proportion of environmentally friendly vehicles in its fleet by two percentage points and thereby reduce CO2 emissions.*
The target achieves:	**The target achieves:**
▪ Business growth ▪ Efficient use of resources ▪ Increased productivity	▪ Reduced CO2 emissions ▪ More efficient use of the fleet of vehicles

Source: Adapted from Samhall's Annual and Sustainability report, 2014

Systembolaget's sustainability focus areas

Sustainable choices for the customer	**Sustainable supply chain**
Systembolaget offers products and information that enables choices that are better for the individual and the society. In means that we invest in ecological and ethically produced products, but also products with lower alcohol level and products without alcohol.	*The sustainability impact that the operations of Systembolaget has, apart from what is connected to the consumption of alcohol, is highly related to the sales of agricultural products.*
Sub-topics:	**Sub-topics:**
▪ Alcohol and health ▪ Ecological an ethical products ▪ Meeting with the customer	▪ Working conditions and human rights ▪ Lowered climate impact ▪ Ethics and anti-corruption

Sustainable operations
Systembolaget builds a sustainable working environment where employees and leaders have the possibility to perform well and feel good, both in the long and short term. We are actively working with equal treatment, working conditions and aim to have a resource efficient business - which means that we think sustainability in all of our processes.
Sub-topics:
▪ Knowledge, responsibility and awareness ▪ Equal treatment ▪ Health and working environment ▪ Internal environmental activities

Source: Adapted from Systembolaget's Responsibility report, 2014