Sustainable business conduct as business model or business identity - a stakeholder review of a potential trend towards a new normal

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Abstract

The objective of the thesis is to analyse how stakeholder influence has transformed sustainability work from being primarily risk management into becoming an integral part of business conduct and even business identities of today. To detect this trend I gather theoretical information that elaborate on the meaning and drivers of sustainable business conduct, sustainability as corporate identity, relevant stakeholders and ways of communicating to stakeholders. A case study of Ben & Jerry’s ice cream company is conducted, as an example of a market leader on sustainable business conduct. By demonstrating the extensive sustainability work that Ben & Jerry’s do, I argue that it has had a clear bottom-up influence on the trend for sustainable business conduct. Together with recent regulatory demands as a top-down influence in markets, I argue that there is evidence of a trend where sustainable business conduct and/or sustainability as business identity is becoming the new norm.

Key words: Stakeholders, sustainability identity, sustainable business conduct, CSR, sustainability reporting, Ben & Jerry’s
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1. Introduction

1.1 Background & Problem statement

Historically the role of business has been a simple one. Creating profit for its shareholders. Slowly this has changed and corporations are no longer only considered accountable to their shareholders but to all their stakeholders. (Grafström et al., 2008, p. 22; European commission strategy, 2011, p. 5) Creating profit is not enough any more. Stakeholders expect companies to behave socially responsible. Besides following applicable rules and regulations, companies are to a much higher degree expected not to harm the environment, respect human rights, be transparent and ethical, maintain a sustainable supply chain, and preferably be a positive force in society. This work is often referred to as sustainable business conduct or corporate social responsibility, CSR. (Lundgren, 2015; European commission strategy, 2011) This is a fascinating change with likely multiple reasons to it.

Initially CSR activities primarily consisted of the voluntary actions companies take in addition to the rules and regulations they are legally obliged to take. There are a number of international guidelines available with advice on how to behave sustainable as a company and how to communicate this behaviour to your stakeholders, but they are all voluntary. (E.g. UN Global Compact, OECD multinational enterprises, ISO 26000 etc) (United Nations Global Compact, 2010, chapter 1) Recently however, there has been a regulatory development towards more legal mandatory requirements for companies of a certain size. Especially regarding how companies communicate their sustainability work to their stakeholders. (See for example the UK Modern Slavery Act and the EU Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups) Consequently there has been an increased push from the regulatory stakeholder on expectations on companies to behave in a socially responsible way. (United Nations Global Compact, 2010, chapter 1)

The increase of socially responsible companies is not just explained by changes in relationships with, and expectations from, stakeholders. Some companies in fact have had sustainability as part of their core business strategy and even business identity. Success stories of social entrepreneurs with socially responsible business models such as Ben & Jerry’s ice cream company shows that this strategy can be a unique selling point, which gives the
company a competitive edge. Today Ben & Jerry’s are considered a global leader in sustainable business conduct and an important influence on others. (Edmondson, 2014b)

Both regulatory policy changes and inspiration from success stories such as Ben & Jerry’s are likely to have influenced and keep influencing how corporations conduct its business, engage in sustainability work and communicate with its stakeholders. The question is how we see the market going forward. What should companies do to stay ahead of the curve instead of constantly having to adapt to new regulations? Are the companies with sustainability as part of their identity and core business models the leading star on the market as other corporations now have to adapt to new regulations as well as a shifting norm in business conduct? Can it be that sustainability as part of the business identity and core business strategy is moving from being primarily risk management, or certain niche companies’ unique selling point, into becoming the new normal? This is an important and on going discussion, as corporations must know how to stay current, how to engage with all stakeholders and continue to maintain the ever changing expectations on their role in society in order to stay competitive in an ever changing market.

1.2 Purpose of paper

The purpose of this paper is to analyse how stakeholder influence has transformed corporate sustainability work from being primarily risk management into becoming an integral part of business conduct and even business identities of today. The paper aims to show that stakeholder relationships are important factors for why businesses engage in sustainability work. Focus will be on how recent regulatory changes potentially act as a top-down influence for integrating sustainability into the core business model. The paper also aims to show how the success stories of niche companies who have had sustainability as part of their business identity and unique selling point work as a bottom-up influence and role model for other companies today.
1.3 Disposition

The paper first provides a theoretical background on different aspects of corporations and sustainable business conduct. The theoretical framework is divided into four main topics:

- Sustainable business conduct / CSR
- CSR as a part of corporate identity
- Stakeholder involvement
- Sustainability reporting as a tool to communicate with stakeholders

These main topics describe what sustainable business conduct mean and different drivers and motivations for companies to work with sustainability. The meaning of corporate identity is explained, as well as why a sustainability identity can be considered advantageous. After that the stakeholders are described based on Freeman’s (1985) stakeholder model, exhibiting the network of stakeholders influencing a company and its relevance in a sustainability business conduct. Lastly the relevance of communication with stakeholders in a sustainable business conduct is presented. The theoretical chapter is concluded with a theoretical summary / model of analysis of how to use the relevant theories in order to analyse the empirical observations.

Secondly the paper describes the method of analysis. This includes a description of choice of method, choice of case study company and what material was used to gather and complete the study. Reliability and validity of method is questioned and finally the analysis method used to describe how I analyse the empirical findings with the help of the analysis tool.

Thirdly the empirical section follows, which present the case study company Ben & Jerry’s through the lens of the four main theoretical areas. The section includes drivers for working with sustainability, how sustainability is part of the company identity and how it uses its own form of sustainability reporting in order to interact and communicate with relevant stakeholders.

Finally the empirical findings are analysed based on the analysis tool and conclusions are provided along with implications of the study and suggestions for further research.
2. Theoretical framework

This section provides necessary and central information regarding what sustainable business conduct and CSR is, and what motivates it, in order to comprehend how this has evolved over time both in understanding and manifestation. After that, sustainability as identity is studied to illustrate its importance and potential influence on core business models. Then Freemans stakeholder theory is presented, as it is one of the most recognized models when it comes to understanding companies networks and the interdepended relationships in an organization. It also becomes especially significant to identify when taking into account the shift from simply economic growth as a business model caused by changes in stakeholders. Because of new policies being enforced, regulator as a stakeholde... why sustainability reporting has become an important tool to communicate with stakeholder.

2.1 Sustainable business conduct

Since the 1950’s scholars have argued about the role of companies’ and if they have a social responsibility (Grafström et al., 2008, pp. 29-30). Up until the 1990’s corporate focus was to maximize profits for the owners and very few, quite niched companies were concerned with voluntary social activities. In today’s world this has changed. A company that does not reflect on its social and environmental impact and responsibility faces a lot of challenges and risk being outrun by its competitors. This section discusses the theory behind sustainable business conduct and corporate social responsibility, CSR, with a focus on the motivations for companies to engage in CSR activities. For the purpose of this paper, the terms sustainable business conduct and CSR are used interchangeably.

2.1.1 Sustainable development

The theoretical framework for sustainable business conduct emanates from the concept of sustainable development. The concept sustainable development was made public and popularized by the UN initiated Report: Report of the World Commission on Environment and Development: Our Common Future (1987). The report defines sustainable development as: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. (1987, p. 41) On a subsequent UN conference in 2002, it was further specified that sustainable development consist of three dimensions - economic, social and environmental development. (United Nations, 2002, paragraph 1)
In September 2015 the United Nations agreed on a new global and universal development agenda where 17 new sustainable development goals where identified for the world to strive towards until 2030, the so-called 2030 Agenda. (United Nations, 2015) Governments, companies, citizens and civil society will all have to act together in order to achieve the 2030 Agenda. The global sustainable development goals also function as incentive for companies to conduct their business sustainably and thereby contribute to achieving the goals.

2.1.2 Corporate Social Responsibility (CSR)

The concept of corporate social responsibility (CSR) is complex and unlike the concept of sustainable development, there is not one definition in use. One researcher found 37 different definitions of CSR in practical use (Dahlsrud, 2008). Some researchers state that it is up to all companies to make their own interpretations of what is supposed to be included in their social responsibility (Grafström et al., 2008, p. 38), which implies that there are even more definitions are in practical use today. The European Commission Strategy of 2011 describes CSR as the “responsibility of enterprises for their impact on society”. CSR engagement initially started out as voluntary commitments by companies to manage potentially negative consequences of their business, both on an environmental and social level. Over time this has moved towards cooperation and coordination between companies in the same line of industry, between industries and with the public sector. (Grafström et al., 2008, p. 29ff)

2.1.3 Drivers for sustainable business conduct / CSR

A highly debated issue in CSR theory is whether sustainable business conduct is profitable or not. According to Friedman, companies should be focused on profit for the shareholders and stay away from philanthropic matters. (Friedman, 1970) If CSR activities are seen as purely philanthropic activities completely separate from the core business idea, some argue that CSR only diminishes the profit for shareholders and thereby goes against the whole purpose of the company. (Lundgren, 2015) Others argue that corporate social responsibility is an essential condition for companies’ profitability. (Grafström et al., 2008, pp. 31-32)

The corporate social responsibility trend can be seen as an adaptation to new market conditions as corporations and individuals alter their behaviour and consumptions because prices and salaries change. (Lundgren, 2015) In theory it is hard to prove that it is specifically the CSR activities that create profit since they are hard to isolate from all other factors that influence a company’s profitability.
In the following sections some of the most important factors that function as drivers and motivations for companies to work with sustainable business conduct are presented.

Risk management
An early and still valid reason for working actively with CSR has been to avoid risks. It is general knowledge that corporate scandals are bad for business and research show that industries that risk criticism for example for not respecting human rights in their supply chain, often are ahead of the game in CSR strategies (Grafström et al., p. 43; 155) Being proactive and identifying potential risks in relation to their stakeholder minimizes the risks of a scandal and consequently the loss of business. (European commission strategy, 2011)

Reputation and trademark
Managing potential risks is closely connected to managing the company’s trademark and reputation. A good reputation and a strong trademark can further lead to growth. (European commission strategy, 2011) Reputation also builds trust, which is important in relation to the company’s stakeholders. Strong stakeholder relationships take time to build and are consequently a potential competitive advantage. (Grafström et al., p. 157) The importance of a good reputation and a strong trademark has become especially true considering the technological development. Through the Internet and social media, a company’s stakeholders can instantly and constantly find information on different companies. (Deloitte & WBCSD, 2016, p. 8) Blacklisting of companies can give the affected companies a bad reputation and boycotts from customers. (Grafström et al., 2008, pp. 36-37) Easier access to information makes it more important for companies to make sure that they have nothing to hide and thereby keep a good reputation.

Consumer demand – new business potential
There is a current trend towards growing consumer interest in buying ethically and environmentally sound products. Thanks to this trend, companies can through conscious social and environmental work potentially attract new customers by working actively with sustainability. (Lundgren, 2015) Research suggests that consumers today even expect corporations to do more sustainability work. (Cone, 2012; Eccles et al., 2012) Many consumers are even willing to pay more if companies engage in CSR. (Lundgren, 2015, p.10)
Investor demand

During the 21st century, the investors’ perspective has become yet another reason for companies’ interest in working with social and environmental responsibilities. (Grafström et al., 2008, p. 157) Especially for companies listed on a stock exchange looking to attract external capital. The number of sustainability ratings available is ever increasing and research indicate that a number of institutional investors are looking into moving their resources away from industries such as oil, gas, arms or alcohol, into more sustainable enterprises. (Kopnina & Blewitt, 2015, p. 175) Consequently, sustainable business conduct becomes a factor in order to attract capital.

Being an attractive employer

Working actively with CSR can also be a way to keep current employees, attract new and continuously motivate and stimulate employees to doing a good job. (Lundgren, 2015) Studies show that potential for voluntary work is an important factor to consider when choosing employer and that many consider societal responsibility and clear values attractive features in an employer. (Grafström et al., page 156)

Favourable regulatory environment

An additional driver for engaging in voluntary CSR activities and create and adhere to voluntary guidelines regarding corporate social behaviour, could be to avoid an even stricter mandatory regulatory framework with harsher requirements regarding the company’s environmental and social impact. (Lundgren, 2015)

2.2 Sustainability as corporate identity

The papers sustainability identity focus is based on Stewart Albert & David Whetten’s term Organizational Identity, originated in 1985 to describe the aspects of an organization considered to be central, enduring and distinctive. (Whetten, 2013, p. 559)

2.2.1 Company identity

A company’s identity is made up of many different aspects, a few examples are; the activities, quality, culture, location, line of work, size and history. The identity of a company is also based on others identities, such as it’s stakeholders, and its relation to them. Balmer (2008) adds to the notion of organizational identity, by Albert & Whetten (1985), that the characteristics of a company are not static but flexible and therefore evolving over time.
Companies demonstrating a social responsible identity can gain competitive advantage through its trustworthy image and reputation. (Heikkurinen & Ketola, 2012)

Heikkurinen, P. & Ketola suggests that the notions of corporate image and reputation are more shallow concepts and that corporate identity is what lies underneath (2012, p. 327). In a case study made by Heikkurinen in 2010, it said that when companies embraced a responsible identity they were also able to display a more responsible image and reputation. By doing so they could also have a competitive advantage from other companies. (Heikkurinen, P. & Ketola, T., 2012, p. 327; Heikkurinen, P., 2010)

2.2.2 Sustainable entrepreneurs

Certain companies are founded with a different agenda than pure profit maximizing. The business idea and the founders’ – so called sustainable entrepreneurs - actual purpose with starting the company is not simply to make money, but to drive society towards a more sustainable direction. (Ottosson & Parment, 2013, p. 88) One could say that sustainability lies in the core business identity. Social entrepreneurs are a kind of sustainable entrepreneurs who have a explicit social mission with the business idea of their company. (Dees, 2011, p. 25) Sustainable entrepreneurs play an important role in providing leadership for sustainable business conduct. Leadership is for example stated to be an important factor for transforming the global economy into being more environmentally friendly. (World Economic Forum, 2016, p. 4)

All corporate leaders are not ready for the changes needed for business to be sustainable, or creative enough to find ways past the quarterly report-based business approach and to integrate green and social solutions in the strategic framework of the business. (Lundgren, 2015) Social entrepreneurs can potentially provide the necessary leadership. Create new types of sustainable products, jobs, services, institutions and methods and thereby try to drag the entire market in a direction where all market actors must acknowledge and respect ecological limits. (Kopnina & Blewitt, 2015, p. 223) The driver for this type of change is often the people in charge of the company. Some authors argue that the people in control – management – are the most important safeguard in order to maintain the company’s social mission. (Page & Katz, 2012) Others take the view that leadership for sustainability in business is more about committed people at different levels than about heroic leaders at the top, even though they also exists. (Kopina & Blewitt, 2015, p. 211)
2.2.3 Challenges with keeping sustainability as the corporate identity

One challenge with keeping a sustainable identity over time can be profitability. (Lundgren, 2015) Evidence indicate that it is problematic for a “green-niche” company to maintain an environmental objective while being profitable when the company grows, due the pressure on profit margins that grows when competition increases. (Banerjee 1999, p. 25)

Another challenge to keeping sustainability as the core company identity can be in the case of a drastic shift in stakeholders for example in mergers or acquisitions, due to higher management controls and structural changes. (Frostenson, 2012, pp. 90-91) In Frostensons chapter on Internal Legitimacy for Change in Mergers & Acquisitions, he states that: “after the merger, a new common identity must be constructed”. (2012, pp. 92-93) He argues that an acquiring company’s understanding and acceptance of its target company’s values will help improve their attitude towards their new owner.

2.3 Stakeholders

After having considered the theory and most important drivers behind sustainable business conduct, this section looks closer at the relationship with the company’s different stakeholders and contributes to a fuller picture of how and why sustainable business conduct develops.

A company’s social responsibility is defined and developed through interaction with its stakeholders. (Grafström et al., 2008, p. 65 ff) By managing relationships with its stakeholders companies make sure the stakeholders are happy, form a reputation for the organization and thereby add to the organizational legitimacy. How the stakeholders perceive and think of a company plays a big role in the company’s reputation and validity. Luoma-aho & Vos (2010) state: “actors are defined by their relations with others in the network”, consequently a company must be defined by its stakeholders. The surroundings and stakeholders are constantly fluctuating causing a company to make various and complex strategies to handle it. Luoma-aho & Vos (2010) suggest there is a need to perceive organizations in a more dynamic way since the global environment is continuously moving and the stakeholders changing with it.

2.3.1 Stakeholder theory

Freeman (1984, p. 25) defines stakeholders as “Any group or individual who can affect or is affected by the achievement of the firm’s objectives”. Based on this definition he depicts a
Stakeholder view of Firm, seen in figure 1 below, as a way of looking at, and categorizing, central stakeholders of a company. The model gives a simplified image of a company’s network and is presented as a stepping-stone for firms when mapping the stakeholders in its network. However, the model has over time become the standard for corporations when categorizing stakeholders. (Crane & Ruebottom, 2011) The categories generalizations can assist the organizations in becoming more effective and each category can also be broken down into subgroups to display a more complicated and realistic understanding of a firm’s relationships.

Fig.1 Stakeholder View of Firm  
Source: Freeman (1984, p. 25)

The idea of stakeholder view of firm suggests that companies need to take into consideration and integrate the relationships with each and every stakeholder to be successful in the long run. It shows that a company is not independent but interdependent as others define the success of the firm, thereby the stakeholders need to be managed and integrated into the firms’ purpose. (Freeman & McVea, 2001)

The stakeholder theory by Freeman (1984) was meant to provide a simplistic image of a company’s stakeholders; therefore several scholars have noted the lack of dynamics in the
model, especially during turbulent times as stakeholders shift and the understanding of the company’s network changes. (Fassin, 2010) It should be noted that since stakeholders and their relation to companies are constantly changing, the stakeholder model does not completely accurately depict the complex nature of a company’s stakeholder network. (Mitchell et al., 1997)

The stakeholder theory imply there is need to create value for all stakeholders involved as they are all part of the company, this understanding correlates with Porter & Kramer’s (2011) thoughts on creating shared value. Porter & Kramer (2011, p. 66) define shared value as: “policies and operating practises that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress” As time changes society and business change with it, a company’s purpose can no longer solely be on profits and must instead shift towards creating shared value and long-term goals to once again gain legitimacy and trust. (European Commission, 2011)

The companies that manage for its stakeholders, and not just its shareholders, deliver additional value than originally required from its relationship. Combining this with fairness and ethical principles will lead to relationships with stakeholders that are based in trust, respect and mutually beneficial exchanges. The stakeholder theory by Freeman (1984) has often been used as a way of supporting socially responsible companies and its actions. (Harrison, 2013, p. 765)

### 2.3.2. Regulator as central stakeholder

Governmental organisations are central stakeholders for any company as they set the rules and regulations, as well as promote voluntary guidelines and standards, for business conduct. (Grafström et al., 2008, p. 77) The threat of regulations can be an incentive for corporations to make additional changes to stay one step ahead of policies. (Lundgren, 2015) When it comes to sustainable business conduct, governmental organisations and coalitions of governments have taken an increased role in trying to establish companies’ societal responsibility. (Grafström et al., 2008, p.77; United Nations Global Compact, 2010, chapter 1) There is a growing body of intergovernmental cooperation in the form of voluntary guidelines and standards with advice and recommendation on how to behave as a socially sustainable company, such as UN Global Compact, OECD MNE, ILO tripartite and UN guiding
principles business and human rights. (European commission strategy, 2011) Private actors also contribute by creating guidelines and standards for how to behave sustainably, such as ISO 26000, and how to communicate the work to its stakeholders through sustainability reports, such as the Global Reporting Initiative (GRI). (OECD, 2009, chapter 6)

Recently however, there has been a shift in the regulatory development towards more legally mandatory requirements for companies of a certain size. Especially regarding how companies communicate its sustainability work to their stakeholders. In 2015 the United Kingdom created legislation requiring companies of a certain size to report on what measures they have taken to assure that there has been no slavery or human trafficking in their supply chain. (UK Modern Slavery Act, 2015) This means that these companies in practice will be required to conduct a due diligence of their supply chain in order to assure that no such activities occur and is a very concrete example of a higher expectation from a regulator to take responsibility for its societal impact. Another example is a recent change in a EU Directive regarding disclosure of non-financial information, which require member states to assure that companies of a certain size disclose information of their non-financial activities, i.e. sustainability work. (Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups). The directive recommends but does not require that certain recognised international standards for reporting are used. This directive is currently under way of being implemented into Swedish law. (DS 2014:45)

2.4 Communicate with stakeholders and share values

Recognizing the interdependence and effect of stakeholders on corporations is essential for the sustainability of companies to thrive over time. (Perrini & Tencati, 2006) Since the relationships with stakeholders’ become crucial for a firm, Freeman & McVea (2001) also state that the stability changes depending on the firm’s ability to share core principles or values.

Grafström et al., (2008, p. 144) argue that communications of companies’ social responsibility work in form of “constantly continuing talk with different stakeholders” increases the trustworthiness for companies in their CSR work. They also refer further to the researchers Morsing & Schultz (2006) who proposes three different strategies to communicate CSR: The one-way communication strategy, the stakeholder response strategy and the stakeholder involvement strategy. The third strategy being applicable in maintaining stakeholder
relationships as it includes the company working proactively together with its stakeholders. The company is not only concentrated on informing or influencing its stakeholders, but is also open for the possibility of being influenced by the stakeholders. By involving stakeholders in the sustainability work, the company gains knowledge of their needs and demands and increases trustworthiness, at the same time as it gets stronger relations to the stakeholders.

There are a number of ways to ensure the quality of a company’s sustainability work and communicate this to its stakeholders; two examples are certification and sustainability reporting.

2.4.1 Voluntary standards and certifications

To prove that a company stands for its communicated quality and values it sometimes use different types of quality- and environmental management systems, such as voluntary standards or certifications. These are often used in combination with third-party-accountants verifying its authenticity. Companies can for example use quality control system brands (like ISO 9000) and environmental control system brands (like ISO 14000 and EMAS), or guidelines for public social responsibilities and CSR - Company Social Responsibilities (like ISO 26000). (Swedish Standards Institute, 2015) They can also use ecological or environmental friendly verification brands (like the KRAV-brand in Sweden and FSC,), and socially aimed brands (like Fairtrade) (Fairtrade, 2015; FSC, 2015), where external verification organizations guarantee that the products are in compliance with certain criteria. Since those criteria are transparent and communicated, both media, NGOs, customers and other stakeholders can be sure about the inherent values of the companies’ products, regarding what is socially or environmentally branded.

2.4.2 Sustainability reporting

Simply certifying products is not sufficient to communicate the full scale of a company’s sustainability work. One way of communication, which has become more and more common and significant today, is through sustainability reporting. (European commission, 2011)

In a global and digital world where information is accessed instantly and constantly available, any immoral and unjust corporate actions are easily exposed. These technological advances also make it more important to communicate with stakeholders. (Deloitte & WBCSD, 2016, p. 6) Easy access to information through the Internet as well as the growing importance of shared value-creation, good reputation and trademark are considered motivators for
sustainability reports. (Grafström et al., 2008, pp. 36-37) Through sustainability reporting all stakeholders can find information on what sustainability activities a company takes. The sustainability reporting also caters to the different drivers for sustainable business conduct. For example it helps the reputation, builds trust, communicate to the consumers that the companies are acknowledging their demands, as well as shows investors what makes them attractive. To make sure companies are reporting the correct things, different types of quality- and environmental management systems, such as voluntary standards or certifications, become important along with third-party authentication.

In the GRI’s Combined Report 2014 - 2015: Leading for a new era of sustainability (p.11, 23), the Global Reporting Initiative reported that over 19,100 GRI Reports had been published all over the world. This in the period from June 2014 to June 2015, and it was an increase of 4203 new reports from previous year. The ISO, which is represented by one organization per country, reported a number of 162 members in their network of national standards bodies in 2015. (ISO members, 2015)

2.5 Analysis tool

Based on the theoretical framework, I have identified and described four central factors as the analytical tool for this case study of sustainability business conduct and/or identity. They are; the sustainable business conduct, sustainability as corporate identity, the stakeholder theory and stakeholder communication efforts. The empirical findings of Ben & Jerry’s, as an example of market leader on sustainable business conduct, are analysed through these four lenses.

3. Method

To gain a deeper comprehension of sustainable business conduct as identity for corporations, this paper has a large theoretical section to study the meaning and drivers of sustainable business conduct, relevant stakeholders and ways of communicating to stakeholders. The purpose was to grasp the many aspects of a company with sustainability as its business identity as well as its influence on the market. The paper also studies Ben & Jerry’s ice cream company, a market leader on sustainable business conduct.
3.1 Choice of method

The theoretical section was divided into four main sections to describe and explain the transformation of corporate sustainability work and stakeholder influences. To be able to describe a trend in sustainable business conduct it was important to have an understanding of what sustainable business conduct is and what it is not, as a way of defining the subject. To then see if there is a clear trend there was need to find what potential driving forces are influencing corporations to work with sustainability. Since the main reason for changing behaviour is because of stakeholders, there was a need to understand the stakeholder relationships and I did that through Freemans (1984) original stakeholder theory. Since recent regulatory changes affect corporations of a certain size in markets, regulator as a stakeholder was developed further and certain new regulations exemplified. As stakeholders are recognized as influencing corporations I also look at how it can communicate with its stakeholders in order to influence them as well as demonstrate its sustainability work.

It was important to have a comprehensive theoretical description of the subject to demonstrate that there has been development and thereby potentially illustrate a trend. Not until learning about the primary driving forces and stakeholder influence could I see a change and potential trend.

By conducting a case study of Ben & Jerry’s, a company with sustainability at its core business identity and well-renowned sustainability work, I wanted to gather data and review it as a best practise example of sustainable business conduct which could inspire other companies.

The research design of the paper is of qualitative approach as it is used to study participants’ meanings and their relationships as well as making sense of the studied phenomenon – the trend towards sustainable business conduct as being part of core business and business identity. (Saunders et al., 2012, p. 163; Muysken et al., 2010, p. 25)

The case study gives room for different approaches of finding and exploring data depending on the scenario at hand. The focus in a case study lies more on the process, understanding and the meaning behind the events rather than the result or product. (Merriam, 1994, p. 35) Therefore a case study is the method of choice for the purpose of this paper.
In the study secondary data is gathered, as the purpose is to analyse the company based on its sustainability reports and “image” that is available to everyone. Interviews with an employee of Ben & Jerry’s was previously scheduled but cancelled due to subjects sudden and long sick leave. The interview subject did however say that any information he could provide on their sustainability work is presented on the website due to transparency policies. Therefore the information gathered online and in books is recognized to be the best way to find the wanted qualitative data regarding the company.

3.2 Choice of case study company

Ben & Jerry’s is an example of a company with a starting intention to integrate sustainability into its corporate identity and its founders could therefore be identified as social entrepreneurs. The company is considered to be one of the first companies in the world to successfully incorporate sustainable objectives and stakeholders, into the enterprise strategy level. (Banerjee, 1999, p. 25) Early in CSR history, Ben & Jerry’s is described as a prime example of a company with active social responsibility. (Dennis et al., 1998, p. 387) Ben & Jerry’s has experienced a dynamic process in terms of stakeholder relationships, for example through the sale to the multinational company Unilever in the year 2000, including both successful sustainability work as well as failures. (Edmondson, 2014b) Ben & Jerry’s were also among the first companies in the 1990’s to start the trend of publishing assessment reports on its social and environmentally conducts, in efforts to display more than just financial results to its stakeholders. (Freeman et al., 2010, p. 252) Therefore it is the perfect subject company for this case study of a market leader on sustainable business conduct with sustainability at its core business model.

3.3 Study approach

To gain a better understanding of Ben & Jerry’s specific situation I briefly present its history in relation to the company’s sustainability identity by studying Edmondson’s (2014a) book: “Ice Cream Social: The struggle for the soul of Ben & Jerry’s” as well as provide additional sources for validation. Describing the events leading up to the sale to Unilever in 2010 and what happened after, to depict the changing environment and stakeholder influence affecting the company’s sustainability identity over that time. The book is selected based on its knowledge of the company, recognizing the “soul” of the company, and the credibility of the author, privy to first-hand inside information directly from the relevant actors within Ben &
Jerry’s. The information on the company’s history taken from the book, and other sources, are relevant due to the nature of a company with sustainability as its business conduct and identity. It is important to know what the company actually does, how it does it and the efforts it takes to maintain and communicate the sustainability work to comprehend its bottom-up influence.

The book by Edmondson (2014a) depicting Ben & Jerry’s history is read as an electronic book, meaning there are no pages available to refer to in the text. Instead there are locations as in-text references to guide the reader to the correct place in the book. When reading an electronic book through mediums, such as Kindle, searches are made from locations not pages.

To show the company’s communication with stakeholders, as well as understand its sustainability work, information from their Social & Environmental Assessment Reports (SEAR Reports) are presented as its sustainability reports and tool of communication with stakeholders.

3.4 Reliability & validity

The qualitative data collected from Edmondson (2014a) has the potential to be bias, as it is presented from the company’s perspective and from an author with close linkage to Ben & Jerry’s. However that is also why the book is relevant, as the author has close connections with people involved and has made an extensive qualitative study of the company and its sale to Unilever. The potential bias is acknowledged by corroborating the data with additional sources.

This paper does not study company turnover, profitability or consider any other economical aspects of the case company. Nor does it look at consumers’ purchase behaviour regarding the company’s products.

The information presented in Ben & Jerry’s sustainability reports are assessed by a third-party accountant firm to make sure that certain indicators presented in the reports are in accordance with the actual facts. Still, it is a selection made by the company itself, and could be biased. However, since the company is transparently presenting both good and bad results in the reports, and the company is in close contact with NGOs and media, the risk for bias is considered small.
There is criticism toward qualitative methods, as data gathered can be analysed and interpreted differently by different people. (Saunders et al., 2012, p. 381) As the case study is meant to show different aspects of a company’s sustainability identity, the chosen four theoretical factors have been the guiding influences on which information is presented and analysed. There is a lot of information in the SEAR reports and the chosen excerpts are meant to provide as holistic image of the sustainability work for others to learn from. Other people could however find and analyse additional information in the reports that I did not incorporate as well as make different conclusions from the gathered data. But because of the chosen approach I consider the internal validity high as the studied findings do measure what was wanted and described in the purpose statement.

The external validity is difficult to determine as the case study is made on a single company. Findings can therefor prove to be helpful for others and possibly transferred to other contexts but can not be perceived as generalizations, which is a limitation of the paper.

3.5 Analysis method

To analyse the empirical findings of Ben & Jerry’s, the company is analysed by correlating the theoretical information from the four main factors acknowledged: sustainable business conduct, sustainability as corporate identity, stakeholder theory and stakeholder communication efforts.

4. Ben & Jerry’s – A sustainable ice cream company

In the following chapter the empirical findings gathered from the case study are presented. Firstly the company’s objective and background is described as well as its struggles in maintaining sustainability as corporate identity. Then to show how it communicates with the stakeholders, a selection is presented of what can be found in the sustainability reports (SEAR).

4.1 Ben & Jerry’s sustainability work and stakeholders

To gain a better understanding of Ben & Jerry’s identity over time, the company’s core objective is depicted in the following text.
4.1.1 Ben & Jerry’s as social entrepreneurs

All of the sustainable and social efforts Ben & Jerry’s achieve started from the idea of “linked prosperity”. By that it means that the company is to make sure that if it is successful others will prosper as well. Not only the shareholders should gain from the company’s business, but the aim was that all stakeholders who have a hand in its success, such as employees, customers, suppliers etc, should all receive benefits as well. (Edmondson, 2014a, location 266; Linked Prosperity, 2013)

To execute this idea Ben & Jerry’s set up three missions correlated with each other:

1) Make the world’s best ice cream
2) Pursue progressive social change
3) Provide fair compensation to employees and shareholders alike

Through the three-part mission they built a company that gained trust from its stakeholders and created change in a harsh business world where the previous motivator for most companies was solely profit. (Edmondson, 2014a, location 266; Our Values, 2015)

Ben & Jerry’s also perform certain classic CSR activities i.e. sustainability work not directly connected to the company’s line of business. This can be philanthropy funding, where the company support activities with money; and activism, where the company support activities with direct involvement in actions, by mobilizing people to do volunteer work, demonstrate etc. These activities are both social and environmental in nature. Some of the philanthropy funding is for example done by yearly disbursements to the Ben & Jerry’s Foundation, which in turn sponsors different groups and organizations applying for funds regarding social or environmental issues. Other non-profit organizations receive royalty payments based on certain ice cream flavours’ sales during the previous years and the organizations also sponsor social and/or environmental activities. (SEAR, 2010-2013)

4.1.2 Challenges in maintaining a sustainability identity due to changed stakeholders

This pioneering company, that wanted to build and contribute a new way of doing business with social responsibility at its core, proved to be a struggle to implement and maintain over time. Both financial and managerial issues played a big part in why it sought out and was
forced to sell to Unilever in 2000. (Edmondson, 2014a) Numerous twists and turns had throughout the years put the company in a situation where the business outgrew the board’s competence and it became too complicated for them to handle. (Edmondson, 2014a, location 2516)

The company took a number of measures to assure that the sustainability identity was preserved even after the sale to Unilever. A unique sales agreement with Unilever allowed an independent Board of Directors at Ben & Jerry’s to retain responsibility for the company’s social mission and integrity of the brand. (Edmondson, 2014a, location 2423; 3336) The Board of Directors was given legal rights to make sure the sustainability work would continue. (Edmondson, 2014a, location 2398) Certain safeguards were put into place to keep the three part mission working, such as giving the board power over the CEO to keep him/her from changing standards, introducing new products or changing marketing materials. (Edmondson, 2014a, location 2432) Regardless of the safeguards, Ben & Jerry’s still experienced struggles with Unilever on its sustainable business conduct. (Mirvis, 2008)

Several surrounding factors played a role in how the fight to retain the social responsibility objective unfolded. A new head of Unilever’s ice cream division came into play, Unilever’s general manager began to see the value in the sustainability work, NGOs started making loud and widespread protests about humane cage-free eggs, among other things. (Edmondson, 2014a, location 2982) Unilever also hired a new CEO, Paul Polman to shake up the company. After this many aspects in structure and attitudes changed toward the better for Ben & Jerry’s social mission, as the new CEO placed a lot of emphasis on corporate social responsibility. Through all this a new way of communicating began amid the actors at Unilever and Ben & Jerry’s. (Edmondson, 2014a, location 3077; Polman, 2014)

With Unilever backing them and listening to the guidance of the Board of Directors the social responsibility started working again. The company restarted the living-wage policy, social activism began again with support to causes such as same-sex marriage and it started setting up more long-term goals, for example to remove GMO ingredients from its products. (Edmondson, 2014a, location 3157) The company was once again on track with implementing its idea of linked prosperity.
4.2 Communication with stakeholders – sharing values

This section describes how Ben & Jerry’s have communicated its work to its stakeholder by different certifications and assessments as well as its sustainability reporting.

4.2.1 Voluntary certification and assessment systems

Ben & Jerry’s is focused on a selected number of certification and/or verification brands, guaranteeing that the suppliers’ ingredients for ice cream are produced in a certain way. Ben & Jerry’s also use a sustainability brand for the packaging of products, a scheme made for controlling indicators of sustainability (QoR) and a program for assessing its suppliers involvement in sustainability issues. The company uses an external accountant firm to assess the quality of the company’s sustainability efforts, according to the QoR indicators. This and more is presented in the SEAR reports, accessible on the company’s website. Below follows a selection of information that can be found in the years 2010 - 2013.

*Caring Dairy* is a certificate program established by Ben & Jerry’s in order to certify that the milk based ingredients in the company’s ice cream are from Caring Dairy-certified producers. The company works with the dairy producing farms regarding eleven indicators: *animal husbandry, biodiversity, energy, farm economics, impact on local economy, nutrients, pest management, social human capital, soil fertility and health, soil loss, and water.*

Ben & Jerry’s support farms in implementing sustainable farming practices that benefit the livestock, land and the farmers. The farmers pledge not to treat their cows with hormones, learn how to conserve water, enrich the soil and run their farms better. Ben & Jerry’s pay a premium for the dairy and make long-term commitments to its dairy suppliers.

*Non-GMO* conversion was pledged by Ben & Jerry’s in 2012 for North America. In Europe and Asia, Ben & Jerry’s already follows local requirements for non-GMO ingredients (Genetically Modified Organisms). The conversion is for the company’s chunks and swirls, and is expected to be completed in 2014.

*Fairtrade* is used to certify that the sugar, cocoa, vanilla, banana, coffee, nuts and other ingredients in the company’s ice cream are produced according to Fairtrade International’s criteria. Ben & Jerry’s pledged full Fairtrade conversion of ingredients in 2014.
**FSC Certification** is used to certify that the company’s packaging and ice cream cups are based on paper produced of wood coming from forests grown in a sustainable way, according to the Forest Stewardship Council’s (FSC’s) regulations.

**Internal programs and program assessment**

**Livable Wage Policy** is used by Ben & Jerry’s for paying a premium to the personnel. The company established a method for calculating a liveable wage benchmark in 1995. The liveable wage is adjusted annually to ensure a sustained relative value and was $16.13 per hour in 2013, compared to the minimum wage in Vermont of $8.60/hr and the national minimum wage of $7.25/hr.

**Quality of Results (QoR)** is Ben & Jerry’s scheme to follow-up on 13 indicators/priorities of business, measuring the company’s social and environmental performance during the years, and comparing it with the company’s goals. The QoR system started in 2010 and is revised annually.

**Third-party accountant assessment** is being used to control the QoR system verification the company’s sustainability. Ben and Jerry’s have had three different accounting firms during 2010-2013, and 2011 they received a disclaimer due to lack of information for revising the QoR. The independent board confirmed the disclaimer in the SEAR Report and discussed ways of improving the system in the year to come.

Ben & Jerry’s use a **Values Led Sourcing (VLS)** program for its suppliers and started a process in 2012 reviewing this program, to more clearly define its VLS criteria, for it to be implemented in 2014. The company’s goal is that all of its suppliers shall play significant roles in creating social, economic and environmental benefits, in line with the Ben & Jerry’s mission and core values.

**4.2.2. Ben and Jerry’s sustainability reporting**

Ben & Jerry’s was among the first companies in the 1990’s to start the trend of publishing assessment reports on its social and environmentally conducts, in efforts to display more than just financial results to its stakeholders. (Freeman et al., 2010, p. 252) The SEAR report starts off with a CEO letter in which the Chief Executive Officer comments on the company’s sustainability work. Normally it is an encouraging text with both success and failure stories from the year past. One example of low, but also a display of transparency, is when the CEO
wrote that the company failed reaching their goal for full Fairtrade and Non-GMO conversion of ingredients in 2013, and stated that the new goal was full conversion in 2014 instead.

After the CEO letter follows a short description of Ben & Jerry’s production related sustainability work. The SEAR report for example includes reporting on \textit{CO2 emissions and offset}, which is treated as a focus indicator due to climate change.

Ben & Jerry’s have invested aggressively in energy-efficient technology from cooling systems to lighting to water and waste management systems at the manufacturing plants. All waste is recycled, reused, composted or sent back to local suppliers’ farms, to be put into methane digesters with other farm waste - where it generates energy to power the farm. Also the packaging is a focus area, where Ben & Jerry’s decided to use Forest Stewardship Council (FSC)-certified paperboard and globally reached 98% FSC-certified paperboard in 2013. Due to food contact regulations recycled paper can not always be used, but boxes used for Ben & Jerry’s ice cream bars in the U.S. are made of 100% recycled paperboard.

The SEAR reports provide a detailed description of the product related sustainability work for the most commonly used ingredients in Ben and Jerry’s products. An example is dairy, or milk products, that are a vital part of the company’s supply of ingredients. To make sure the dairy is of a certain quality, Ben & Jerry’s started its own certification program: Caring Dairy, which was presented previously. All suppliers of dairy are encouraged to be a part of the certification program, which basically guarantee that the suppliers’ production is sustainable. The company also strives to use only Fairtrade products for other ingredients such as eggs and sugar, nuts cocoa etc, and non-GMO by the original seed source.

\section{Analysis}

\subsection{Applying the analysis tool to results}

The empirical findings of Ben & Jerry’s, as an example of market leader on sustainable business conduct, are analysed through the four main topics presented in the theoretical section: the sustainable business conduct, sustainability as corporate identity, stakeholder influence and stakeholder communication efforts.
5.2 Sustainable business conduct

There are many different drivers when it comes to conducting sustainable business, as are presented in the theoretical section 2.1.3. Since solely creating profit for your shareholders has become an out-dated concept in today's society, these drivers for CSR activities are becoming more and more important to take into consideration. All the different drivers for sustainable business conduct such as reputation, trademark, consumer demand, and being an attractive employer, coincide with the notion to accommodate all stakeholders in your network. Therefore, having a sustainable business conduct seems to be a very good way of catering to your stakeholders as well as the changing demands of the market.

When looking at Ben & Jerry's sustainable business conduct there is a willingness to accommodate all its stakeholders through the idea of linked prosperity and the three part mission. (Edmondson, 2014a, location 266; Our Values, 2015) The first mission, to make the world's best ice cream, is a way to create a desirable product as well as profit. The second mission, to pursue social change, is a proof of the founders being social entrepreneurs. It places the company on the forefront of the CSR movement (Grafström et al., p. 43), builds trust with stakeholders through reputation and trademark (Grafström et al., p. 157; European commission, 2011), and complies with a growing customer demand to name a few. (Lundgren, 2015) The third mission, to provide fair compensation to employees and shareholders alike, not only makes it an attractive company for employees and investor, but can also impact their reputation and trademark. Especially now more than ever when technology makes it possible for people to find information and spread it widely. (Deloitte & WBCSD, 2016, p. 6)

Voluntary regulations are highly instrumental as bottom-up influences on markets, and Ben & Jerry’s has made many of its own. By creating its own certification programs, like Caring Dairy, the company holds itself and its products accountable to certain standards and require its suppliers to do the same. Not only is that a clear influence on suppliers, but it also sets a strong example for others with programs like the liveable wage policy, and it presents all its efforts for linked prosperity in the sustainability reports. (SEAR, 2010-2013)

5.3 Sustainability as corporate identity

A corporate identity is influenced by many different aspects, such as the identity of other stakeholders in relation to that corporation. Although identity is a complex issue,
organizations have the ability to choose what kind of company they want to be. (Whetten, 2013, p. 559) A responsible image and a good reputation are presented as clear incentives for a sustainability identity and a great competitive advantage for a corporation. (Heikkurinen, & Ketola, 2012, p. 327) Different stakeholder are all starting to expect more from corporations as we can see with the new regulations, consumer demands and from other companies that are in the organizations network. This is where the identity can provide a competitive advantage.

Social entrepreneurs wanting to influence society towards a more sustainable direction can play an important role on their stakeholders and Kopina & Blewitt (2015) emphasized the importance of leadership in this movement. This is clearly the case when it comes to analysing Ben & Jerry’s success story and its sale. The company had a product others wanted, not only the delicious ice cream but also the identity of the company and its trademark was highly valuable. Even though there was an internal push towards selling the company people were also pulling towards them, something that enabled the highly unique contract they procured from Unilever. (Edmondson, 2014a, location 2398) Not only was this a formal way of continuing the company’s values and sustainability work, but the agreement also made it possible for Unilever to actually purchase the essence of the company, which at its core was the sustainability identity.

The dedicated actors involved in the vision of what Ben & Jerry’s should be, stepped in and became a crucial part in the success story. The Board of Directors, and the employees, stood up and fought for a company they knew could be possible. (Edmondson, 2014a, location 2892) At the same time society and Unilever started paying more attention to climate issues and socially responsible work, such as CSR. Attitudes were changing, the people wanted more responsible corporations and Ben & Jerry’s stood for exactly that. (Edmondson, 2014a, location 3077; Polman, 2014) It now seemed like instead of adjusting Ben & Jerry’s to Unilevers way of doing business it was the other way around. Unilever started allowing Ben & Jerry’s to again become the company that first caught their interest. Not only were Unilever letting Ben & Jerry’s do what it does best but there was also a new mentality in the way Unilever conducted their business. (Confino, 2012) They both created a new identity after the sale. (Frostenson, 2012, pp. 92-93)

Even though a lot of different aspects played its part in Ben & Jerry’s journey with Unilever, their turnaround and success comes down to the social entrepreneurs involved. The
perseverance of the people fighting for and still believing in all the good a company like Ben & Jerry’s could do and the management at Unilever for allowing them to fulfil their potential.

The trend in sustainability work as well as regulatory enforcements indicate that companies who embrace sustainability as part of their business identity will be on the forefront of this movement instead of constantly having to catch up and change with every new regulation. Therefore, if companies maintained a sustainability identity they will never fall behind on new regulations since regulators seldom are the ones leading the charge.

5.4 The influence of stakeholders

Freemans (1984) argument for long-term success is to integrate all stakeholders related to a firm. This is something that will likely promote a sustainable business conduct. Involving stakeholders and having interdependent relationships with them will require the company to create shared value in today’s society. (Porter & Kramer, 2011) Ben & Jerry’s sustainability identity which was presented in its work and linked prosperity (Edmondson, 2014a, location 266; Our Values, 2015) clearly show that it is involved and attentive to its stakeholders. During, and after, the time of Ben & Jerry’s sale to Unilever many stakeholders relationships changed in their associations with the company. The stakeholders, such as the owners, suppliers, employees and NGOs also alter their involvement over that time, displaying a highly dynamic environment affecting the company. The changing stakeholder relationships therefore correlate with the changing sustainability identity. (Luoma-aho & Vos, 2010) Going from an incredibly high sustainability identity to decreasing as stakeholders shifted from the core mission, to again increase as people involved in the company fought for the sustainability vision at the same time as the owners and the environments attitudes altered. The idea of linked prosperity that Ben & Jerry’s wanted to embody through its actions was something the company spread to all its stakeholders, as its way of doing business both encouraged and forced others to join them for example through programs like VLS. (SEAR 2010-2013) Linked prosperity essentially acknowledges the importance of the different stakeholders presented by Freeman (1984), and recognizes the connection and influence each decision has on all of them. This is an indication of a bottom-up influence towards sustainability as identity.

There is always a risk that the regulator adds additional mandatory requirements on corporations in order to make them share the social and environmental costs they create through their business. The recent trend of more regulatory demands makes this risk high.
New mandatory requirements often come with an adjustment cost for the companies. By internalising these costs into the core of the business model companies can stay ahead of the game and avoid the risk of unexpected costs from new regulation.

The current stakeholder changes that occur because of new regulations, like the UK Modern Slavery Act (2015), are clear top-down influences on corporations and a definite stakeholder conversion that impacts all corporations of a certain size. By enforcing actual policies that corporations must follow it sends an important message to the business world where the future is headed, and indicate that a sustainability identity is becoming the new norm. When these kinds of top-down regulations are enforced companies like Ben & Jerry’s are in a good position as they way ahead of the curve when it comes to sustainability conduct, therefore it does not need to make costly adaptations because of new regulations. (Grafström et al., 2008, p. 107; Lundgren, 2015) Apart from having sustainability as its business model Ben & Jerry’s have its extensive and highly praised reputation today as a unique selling point so it will probably not completely loose its edge in the market. However one could argue that the company has lost part of its niche, as what was previously only a small group of companies’ unique selling point is now starting to be enforced by regulations.

5.5 Communication with stakeholder, reporting and certification

Sustainability reports are considered a good way of communicating with stakeholders, which many corporations today do for example with the Global Reporting Initiative (GRI’s Combined Report 2014 -2015) Because of technological development and growth, information can be accessed at all times and in all places. This technological expansion is an additional indicator that reporting and communicating sustainability work will continue to play an important role for corporations.

Communicating with stakeholders is an area where Ben & Jerry’s have one of its key advantages, because of the way it communicates its core business strategy and sustainability identity to its stakeholders. The company has a rigorous certification and assessment process system in place using both available external certification systems, as well as invents its own, and communicate this in the SEAR reports. (SEAR, 2010-2013) The reports show how Ben & Jerry’s is actively supporting its suppliers to engage in sustainable activities, for example through the Caring Dairy program, its conversion to Fairtrade and Non-GMO ingredients, its use of FSC-certified packaging materials as well as the lobbying for rBGH-free cows. The company supports several NGOs’ activities directly and even more through the philanthropic
support to Ben & Jerry’s Foundation and other non-profit organizations. It is proactive in searching for new partners in the sustainability community. Regardless if it is a mobilization against hormones for cows or a support for young social entrepreneurs, Ben & Jerry’s shows it is open for both conventional and unconventional cooperation.

When it comes to legislation, Ben & Jerry’s not only following the laws, the company employs sustainability actions and activities far beyond the regulations, and even attempts to change laws in a more sustainable direction.

It is evident that Ben & Jerry’s is successful in managing its sustainability communication system. The company is outsourcing sustainability work to its suppliers but is also supporting them in reaching their sustainability goals and paying premium for the sustainable ingredients. Ben & Jerry’s is using eco-labels, certifications and third-party assessment to brand the company and its products in a sustainable way. The linked prosperity aspect of the firm is solid, as employees get significantly higher wages than their counterparts in other companies, suppliers get premium payments and also the rest of the society reap the benefits of the company’s support through social and environmental activities. Even the SEAR reports appear sustainable. They are transparent and account for both failures and successes, show progress and goals, and is endorsed through an assessment of an external accounting firm.

After assessing the SEAR reports (2010-2013) Ben & Jerry’s strategy seem to correlate with Morsing & Schultz (2006) *stakeholder involvement strategy* as it both influence others and allow others to influence it. Thereby Ben & Jerry’s demonstrate how it keeps up with the market and the different demands to be able to stay current and create valuable relationship with others.

**6. Conclusion**

This paper has examined and analysed the influence of stakeholders on corporate sustainability work and their growing importance in business models and even business identities today, by evaluating Ben & Jerry’s as a bottom-up influence and new regulatory changes as a top-down influence. To understand the complexity and different efforts that sustainable business conduct and sustainability identity entails, the analysis tool was divided into four dimensions. First; an understanding of what sustainable business conduct is, second; what it means to have CSR as part of the corporate identity, third; understanding the
stakeholder theory and fourth; the importance of sustainability reporting as a tool to communicate with those stakeholders.

The study shows that Ben & Jerry’s is a company managing its sustainability work in cooperation with its stakeholders. The company’s stakeholder-based system for both company-related and external sustainability activities is solid and encompasses as well as supports the company’s core identity as a sustainability company. The use of certifications for guaranteeing the company’s and its products’ sustainability, and the transparent reporting is other aspects used for reinforcing the core identity.

Ben & Jerry’s can, through gaining an understanding of its extensive social responsibility work, be considered a good example of a company that embodies sustainability as its business model and identity. Through its work it also pushes others to rise to its level in terms of sustainability work and show that a company can be successful while contributing to society. Some practical implications, based on Ben & Jerry’s struggles to maintain its sustainability identity, can be identified and provide knowledge of how other corporations can handle stakeholder changes while preserving a socially responsible mission. Important factors proved to be: passionate people not giving up on the core objective, owners’ attitudes regarding the sustainability approach, different stakeholder wanting more social responsibility, and the fact that it involved its stakeholders in the sustainability work both internally and externally.

There are limitations to how generally applicable these factors are since all companies are influenced by their own particular situation and surroundings. However these factors were significant for Ben & Jerry’s to maintain its sustainability identity and can provide guidance for other companies in their efforts to uphold socially responsible conducts. Hopefully demonstrating what Ben & Jerry’s sustainability identity consists of, as well as what factors were significant when it experienced struggles in its social mission, it can be a best-practise example that help other organizations.

The theoretical study shows that by incorporating all their stakeholders, companies can learn to adapt more quickly. The corporations are not as susceptible to market fluctuations if they are used to changing and adapting. Companies need to become more multifaceted and integrating because the market and different stakeholders are becoming more complex. Embracing sustainability as business identity may not be a simple task, as can be shown by the struggles of Ben & Jerry’s, but it is an excellent way of staying relevant and ahead of where the market and people in it are moving.
By demonstrating the extensive work that Ben & Jerry’s do I argue that it has had a clear bottom-up influence on its stakeholders as well as the sustainability trend. By embracing a sustainability identity it not only influence others to do “better”, but also to step up to its level in terms of more socially responsible business conduct. Together with the fact that governmental institutions have started issuing further regulations for corporations, this implies that simply doing sustainability work might no longer cut it in the market. The top-down influences that the regulatory institutions have and the bottom-up influences from corporations like Ben & Jerry’s suggest there is a societal shift in sustainable business conduct.

I therefore argue that the evidence indicates a trend in sustainability work, that it is evolving into where companies that have sustainable business conduct and/or sustainability as business identity are becoming the new norm. This change in business focus is a way for corporations to stay current and ahead of new regulations or fluctuating stakeholder demands. Not adapting to this business model today can prove to be more costly for corporations tomorrow.

Where does that leave companies business models today? If this trend is accurate many corporations will need to readjust their business model and follow in the footsteps of companies like Ben & Jerry’s. Perhaps not all corporations have the ability to change or exist in a context that allows them to change. This could be an interesting subject to look into for future research and as a factor in how the sustainable business conduct will continue to grow. Furthermore it becomes interesting to see what happens when what was previously only a small group of companies’ unique selling point starts becoming the new normal. Will corporations with sustainability identity loose its competitive edge as this trend grows?

Another angle that can be interesting to do further research on, is the amount of money and resources that go into sustainability work in relation to the size of the corporation. This could be a way of determining how much sustainability work a corporation does in relation to its size. A smaller company might be founded by social entrepreneurs and do a lot of sustainability work compared to a large corporation but that can be difficult to conclude from simply reading sustainability reports.
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Appendix 1: Swedish abstract

Syftet med denna uppsats är att analysera hur intressenters inflytande har förändrat hållbarhetsarbete från att primärt vara riskhantering till att bli en väsentlig del av företags handlingssätt och t.o.m. företags identitet i dagens samhälle. För att påvisa denna trend presenteras information angående; betydelsen och drivkrafterna bakom företags hållbarhetsagerande, hållbarhet som företagsidentitet, relevanta intressenter och sätt att kommunicera med intressenterna. Jag gör en fallstudie av glassföretaget Ben & Jerry’s, som ett exempel på en ledare inom hållbarhetsagerande för andra företag. Genom att visa det omfattande hållbarhetsarbete som Ben & Jerry’s utför, hävdar jag att det har ett tydligt ”bottom-up” inflytande på hållbarhetsrenden. Detta tillsammans med nya aktuella regler för företag av en viss storlek som är ett ”top-down” inflytande på marknaden, påstår jag att det finns bevis för en trend där företags hållbarhetsagerande och/eller hållbarhet som företagsidentitet håller på att bli den nya normen.