A case study of the CSR communication strategies in the Nordic coffee industry

Sofie-Marie Katter

A case study of the CSR communication strategies in the Nordic coffee industry
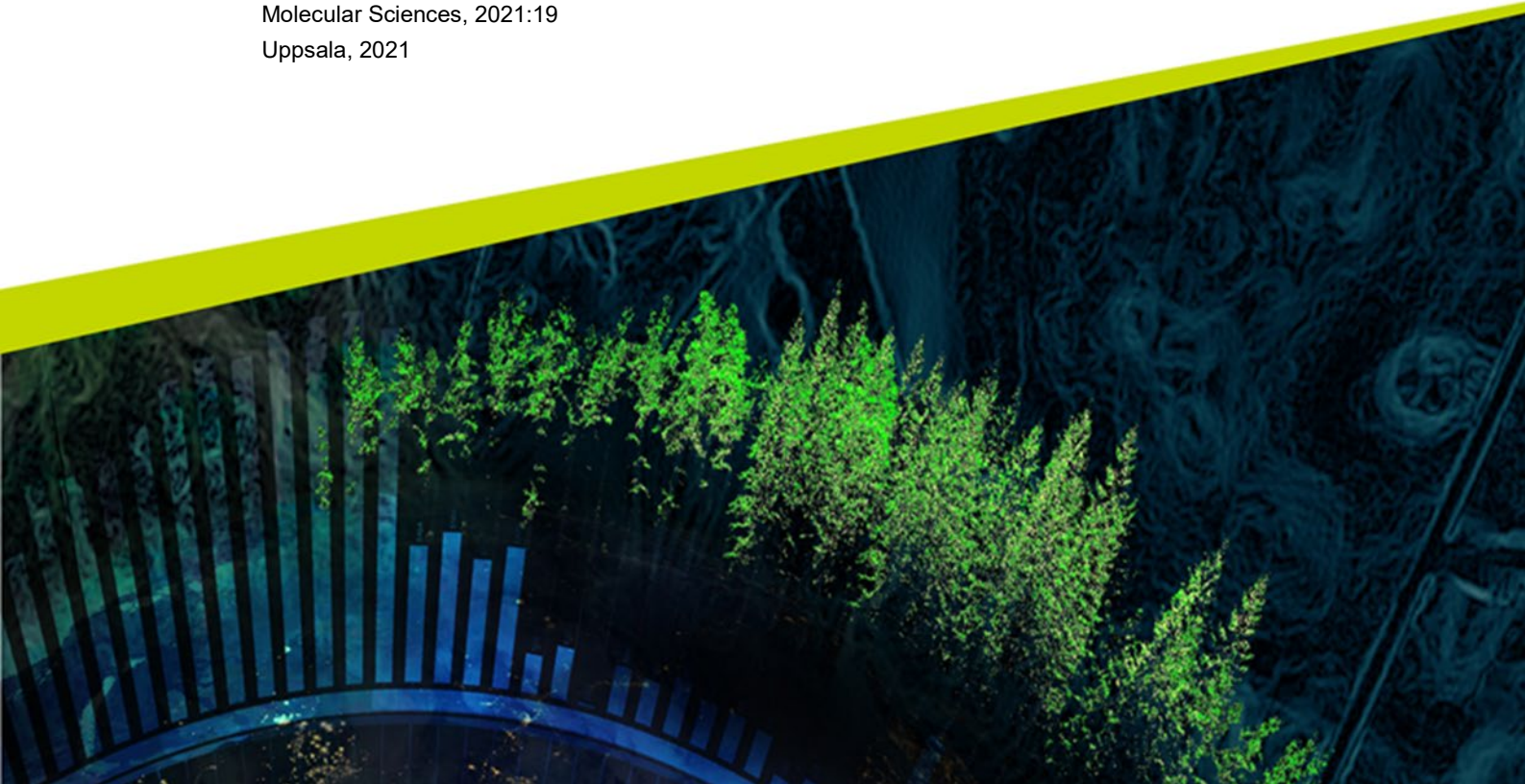
Sofie-Marie Katter

Publishing and archiving

Approved students' theses at SLU are published electronically. As a student, you have the copyright to your own work and need to approve the electronic publishing. If you check the box for **YES**, the full text (pdf file) and metadata will be visible and searchable online. If you check the box for **NO**, only the metadata and the abstract will be visible and searchable online. Nevertheless, when the document is uploaded it will still be archived as a digital file. If you are more than one author you all need to agree on a decision. Read about SLU's publishing agreement here: https://www.slu.se/en/subweb/library/publish-and-analyse/register-and-publish/agreement-for-publishing/.

☒ YES, I/we hereby give permission to publish the present thesis in accordance with the SLU agreement regarding the transfer of the right to publish a work.

☐ NO, I/we do not give permission to publish the present work. The work will still be archived and its metadata and abstract will be visible and searchable.

Summary

The global coffee industry faces many sustainability challenges of which serious adaptation and transformation techniques is required in order to get it back on the right path. The climate changes have already and will continue to affect the current coffee cultivation areas so much that some of the geographical location used for coffee cultivation today cannot be used for coffee cultivation in the future. At the same time the social sustainability challenges within the coffee industry are severe as the coffee farmers earn less money from coffee cultivation and many of them remain living in poverty.

The stakeholders of companies are increasingly demanding that companies take CSR responsibility along the whole value chains. The aim of this study was to look at how Nordic coffee roasting companies are communicating around their corporate social responsibility and in which way the companies are seeking legitimacy from their stakeholders. This was done through studying the communication in the sustainability reports of the companies as well as through email interviews with sustainability professionals from the company.

The coffee industry is considered a pioneer within the sustainability field as they have been working to improve the sustainability for decades already and companies within the coffee industry tend to work with sustainability in homogenous ways. Through the findings from the study, it was identified that the studied companies communicated in rather similar ways around taken sustainability actions. Besides this, the companies recognized that they do not have sufficient knowledge to solve the biggest sustainability issues in the coffee industry as it looks like today.

This case study serves as an example of how companies active in the Nordic coffee industry tend to communicate CSR and which aspects they tend to focus on. It shows how companies through different strategies tend to inform and involve their stakeholders. It also shows that CSR communication strategies in the Nordic coffee industry is mostly succeeding with achieving cognitive legitimacy, indicating that the Nordic coffee industry tends to communicate with CSR in rather homogenous ways.

Keywords: coffee industry, CSR, global value chains, legitimacy, stakeholders

Table of contents

Abbreviations

1. Introduction

Chapter 1 gives an overview of the problem background and the problem that this thesis is focusing on. It then continues with presenting the aim and the outline of the study. Last, the delimitations that was made in this study is included.

1.1. Problem background

Our global food system is facing serious threats and for us to be able to feed the world and meet future demands the whole system needs to adapt (Koep & O'driscoll 2014). Consumers are increasingly starting to put pressure on companies to act in a sustainable manner, making them act responsively along the whole value chain (Maloni & Brown 2006). This is done through corporate social responsibility (**CSR**), where companies are taking additional actions to further the social good of society, activities which are not connected to the "normal" business tasks (Suprawan 2011).

It is a challenging task for companies to satisfy their customers and stakeholders demands through their CSR communication (Koep & O'driscoll 2014). CSR communication that is done in a transparent and trustful way helps to increase the legitimacy of companies, something which is seen as the license to operate for the companies (Ellerup Nielsen & Thomsen 2018; Suchman 1995). However, if the communication is done in a disingenuous way or too extensively for the consumers preferences – the risk is that the company loses legitimacy and gains lots of critical attention from the stakeholders (Bager & Lambin 2020; Morsing & Schultz 2006). Richards, Zellweger and Gond (2017) write that it is especially challenging for companies operating in industries with social injustice to achieve legitimacy. It requires extended efforts to succeed with first taking the sufficient CSR actions and second communicating these actions in a successful way to the environment.

The global coffee industry is an example of an industry which has been in the spotlight regarding sustainability issues and challenges already for decades (Levy, Reinecke & Manning 2015). The global coffee value chains are associated with a number of sustainability challenges, related to environmental, social and financial problems. These problems include increase in climate changes, declining coffee prices and poor living standards for smallholder coffee farmers (Ruben & Zuniga-Arias 2011). As global prices keep declining, small scale coffee farmers earn less than a dollar per day and are often forced to sell their coffee beans below their production costs. Because of this the majority of the farmers live in impoverished conditions, struggling to have their basic human rights met (Bacon *et al*. 2008; Millard 2017; Levy, Reinecke & Manning 2015). The smallholder coffee farmers supply around 70% of all the coffee globally, showing the immense role they play in the coffee value chains. Climate change is expected to affect the coffee industry a lot as many of the coffee cultivation areas will be unsuitable for coffee production in the future (Bager & Lambin 2020).

1.2. Problem

The global coffee industry has been working with improving sustainability for a long time. Bianco (2020) lists some of the sustainability actions taken by the coffee industry like obtaining different certifications, improving economical sustainability for producers and actively working with empowerment and against child labor. The majority of the big global coffee companies have certifications and standards as a proof of sustainability in order to be able to say that they source sustainable coffee (Levy, Reinecke & Manning 2015). It has been shown that there are many issues working with certifications, since many of the smallest coffee-farmers cannot afford working with them and since the extra value of the certifications are sometimes attributed to other places of the coffee value chain, such as certifying agencies and large global companies (Borrella, Mataix & Carrasco-Gallego 2015; Samper & Quiñones-Ruiz 2017; Levy, Reinecke & Manning 2015). However, since it is the most common way of creating legitimacy in the coffee industry, the majority of the coffee companies take use of working with them and communicating with the use of the certifications. Through studies regarding the sustainability work of the coffee industry, it has also been shown that the majority of the coffee companies fails to address the issues with climate change issues – understating the negative impacts that climate change actually has on the industry (Bager & Lambin 2020).

The coffee value chains are long and consist of many middlemen, it is a long way from the beginning of the coffee value chain at the coffee farmer level to the end where the coffee roasting companies are active. Busse *et al.* (2017), points out that it is not possible for global buying companies to manage all of the parts of the supply chain in a sustainable way. It is also not possible for companies to succeed in satisfying all stakeholders demands and requests. It will therefore always be a situation of prioritization – the manager needs to decide on which audiences and stakeholders' requests to satisfy.

Even though the coffee industry has worked with taking CSR actions and communicating this to the environment for a long time – the situation within the coffee value chains are worse than ever. There is therefore a need to critically review the ways coffee companies communicate around their CSR activities and in which way they try to legitimize their actions. The bigger coffee companies need to recognize their responsibility in transforming the coffee value chains into more sustainable ones. They need to find new solutions and ways to make sure that the actions taken are enough in order to change the coffee value chains. This will be especially challenging now with the extra challenges that the COVID-19 pandemic opens up (Guido, Knudson & Rhiney 2020).

1.3. Aim and deliminations

The aim of this project is to explore corporate responsibility communication in the coffee industry. It highlights how shared value is created and how corporate actions are communicated when firms are sourcing and buying globally.

In order to reach the aim key research questions have been set up:

- In which ways are the companies involving their stakeholders in their CSR communication?
- How are the companies trying to legitimize their CSR activities?

1.3.1. Delimitations

Clear delimitations were needed to be made in the study in order to succeed with the aim of the study. This was done in order to be able to make more successful conclusions. This study included the latest sustainability reports, one annual report and data gathered directly from the companies around their sustainability work. The information that was used for the study was very focused on the message that the company chooses to communicate to the public and external stakeholders' opinions on the company's sustainability work was therefore excluded. It is however noted that including external opinions could have changed the findings from the study.

A good deal of literature was reviewed around the concepts of CSR, CSR communication, stakeholder information strategies and legitimacy. The theories used for the study was primarily legitimization theories and stakeholder information strategies. The case companies take sustainability responsibility on multiple places in the value chains; however, it was chosen to exclude the social responsibility that the companies take outside their own company or the coffee value chain as well as the economical sustainability actions that the companies accounted for. The case companies are also active in other industries than the coffee industry, however all communication around these value chains or sustainability improvements regarding this was excluded.

1.4. Outline

This study contains of a total amount of seven chapters. It starts with the introductory chapter which presents the background to the problem, the aim of the study and the potential delimitation of the study, to the reader. It then continues with a chapter which argues for the methodological choices made in the study, from where it evolves into the theoretical framework, arguing and explaining of which theories that was of relevance for the study. The fourth chapter gives the needed background information for chapter number five, the empirical study. The study then continues on analyzing the findings from the empirical study. It then concludes in a chapter which further discusses the findings from the analysis, ending in conclusions and reflections around what could have been improved with the research and suggestions for future research.

Figure 1. Outline of this study

2. Method

This section explains the methodological choices that are used in the study and argues for their relevance and contribution for succeeding with the project. The chapter begins by explaining the relevance of the literature review and from where data will be collected, then continues with explaining the design of this research and which methods that were chosen based on being most suitable for the design.

2.1. Literature review

According to Creswell and Creswell (2014), the meaning of a literature review is to identify the relevant research on a topic and to use it to highlight the current issues and problems in a field. According to Bryman (2016), there is always a need to study the existing literature in order to find out what has already been studied about the topic and which theories that historically have been used to study the topic. "*A traditional literature review involves systematically identifying, locating and analyzing documents containing information related to the research problem*" (Robson & McCartan 2016, 52) Through the literature review, suitable research questions can more easily be identified and formulated, and this was the case for this study (*ibid*.).

It is naturally impossible to study all existing literature within a field; therefore, it was of utmost importance to identify the key literature, manage the findings from it in order to move forward (Bryman 2016). The focus of the literature review in the beginning was to identify issues within the coffee industry. Therefore, search terms such as "coffee CSR", "coffee certifications" and "coffee sustainability" and the central sustainability issues within the coffee industry were easily identified. After this, a separate literature review focusing on theoretical concepts that were of relevance for this study was done. Here the search terms were "corporate social responsibility communication", "corporate social responsibility", "legitimacy", "codes of conduct" and "stakeholder theory". The literature review was done in Primo and Google Scholar. A lot of relevant literature was found throughout the introductory literature review, in what is known as a snowballing process. Through reading relevant literature, other relevant literature was identified. Also, the fields of CSR, corporate social responsibility communication and legitimation theories was studied in depth as it was of relevance for the aim of the study.

2.2. Research design

Since the empirical problem in this study is related to the specific CSR communications of the corporations studied and the data collected for the purpose of this study was done through documents and interviews, it made sense to choose a qualitative approach. This approach is suitable when the researcher wants to study phenomena of the social world (Robson & McCartan 2016). It is reasonable to use the qualitative approach when the researcher is not trying to generalize big findings but trying to deeper investigate a specific context and the participants of that context (*ibid*).

Besides the qualitative approach, a flexible research strategy was used for data collection. Creswell and Creswell (2014) write that the flexible research approach is suitable in order for the researcher to be able to make changes to the researched material. The flexible approach

enables making changes in the research questions if needed (Bhattacherjee 2012). This was highly desired since all of the decisions of the research process were not able to be determined before the start of the study. The project process can be described as an iterative process that gradually leads to a deeper understanding of the phenomenon – enabling working simultaneously with collecting data and doing analysis of the data (Bryman 2016). This was done throughout the whole process, going back and forth, constantly changing and developing the earlier parts. This research builds on an abductive approach, with a combination of a literature review and an empirical case study. The abductive approach is according to Robson and McCartan (2016) a way of moving from theory to the observations and from the observations to theory throughout the research process.

When choosing a research design, it is of importance that the author shows being aware of the possible problems with the approach. Bryman (2016), explains that one limitation is that the researcher themselves chooses what is important and what to include in the study. This can lead to a situation where information that could have been relevant for the study is left out. Another weakness of the qualitative research approach is that it is difficult to replicate the findings from the research to another research. The third and fourth issue with the qualitative approach is the lack of transparency and generalizability of the study. As already mentioned above, generalizability was never the goal of this study, but to investigate deeper into a specific context and looking at how.

2.3. Case study

The case study research is a way of investigating a particular context through using many sources of evidence (Robson & McCartan 2016). Bhattacherjee (2012) points out that the most important part is studying the phenomenon, and that there are many different ways of collecting data for case research such as; interviews, observations and pre-recorded documents to mention a few. The common trait of the definitions is that the case study collects information from multiple sources in order to do the most accurate examination of a specific phenomenon. According to Bryman (2016), it is easier to understand the social phenomenon when we choose to look at two similar cases. In order to deepen the understanding of the studied phenomena the choice of comparing two cases to each other was therefore made.

A comparative case study is according to Bryman (2012) a suitable choice when looking into the activities of organizations since it makes it easier to connect the theory to the findings from the study. Bryman (2012) also argues that we can better understand a social phenomenon, when we compare and look at two similar cases. In this project, a comparative case study was focused on how Nordic coffee companies work with communicating CSR actions. It makes sense to compare the communication methods of two companies in order to get a broader understanding of the situation. The case study is also a flexible approach, which gives room for possible adaptations if found to be needed along the way. This fits well with the overall approach of the study already mentioned and was part of the reason for making this choice.

2.3.1. Choice of case and unit of analysis

The choice of examining the coffee industry was made since coffee is one of the most traded agricultural commodities in the world – while similarly it is one of the most endangered

industries for the future (Bianco 2020). Despite the sustainability threats related to the coffee production, the industry is seen as a forerunner in communicating CSR issues and one that has been working with implementing sustainability through different certifications and standards for decades already (Bianco 2020; Levy, Reinecke & Manning 2015). Through understanding how these companies work with stakeholders and communicating CSR was identified as needed in order t

For this study, the choice of unit of analysis was based on selecting a context where coffee is an important food product from a cultural point of view. According to the Swedish Environmental Protection Agency (2015) the annual per capita consumption of coffee in Sweden amounts to eight kilos and the equivalent number for Finland amounts to between nine and ten kilos (Valkila *et al.*, 2010, 258). Even though Sweden and Finland are small countries on a global scale, the consumption patterns of coffee in these countries have an impact on the global coffee industry. CSR sustainability actions taken by big coffee companies active in the Nordic countries can potentially have large effects on the whole value chains. An additional reason for investigating companies active in the Nordic region was that consumers in the Nordic countries tend to expect from companies that they take responsibility actions that go beyond the company's direct shareholders (Morsing & Schultz 2006).

The selection of cases studies (Table 1) was based on insights about coffee consumption in the Nordic countries, but also a number of criteria that made particular coffee processing companies particularly interesting.

Table 1. Criteria and justifications for the selection of case companies

Criteria	Justification
Companies operating in the Nordic coffee industry	The Nordic coffee market was of interest and therefore two of the biggest coffee roasting companies operating in Sweden and Finland were chosen
Companies working with coffee certifications	Companies working with coffee certifications such as UTZ, Fairtrade, Organic since this was of importance for the analysis
Companies with a yearly revenue over 1.5 billion sek	Bigger companies have more power to impact the value chains and were therefore chosen
Officially published sustainability reports	Since a content analysis was done for the existing contents, it was needed for the companies to publish annual sustainability reports

Two case companies were identified and selected based on the criteria listed in Table 1. Both of the companies, Paulig and Löfbergs serve the Nordic market but their headquarters are in Finland and Sweden respectively. Both of these companies are communicating to a high extent around several different CSR activities that they are involved in, both through their website and through the annual sustainability reports.

Paulig is a family-owned Finnish company active in the food and beverage industry operating in Finland, Sweden, Norway, the Baltics and Russia. The company has published annual sustainability reports since 2010, however in 2020 they integrated the sustainability report into the annual report and only published a combination of the reports. The company's webpages are already very focused on communicating sustainability with terms like

"sustainability", "traceability "coffee for the future" being found on multiple places of their webpages.

Löfbergs is a family-owned Swedish coffee roasting company, operating in about ten markets in Northern Europe. The company has been active since 1906 and have been publishing sustainability reports for many years. Löfbergs is on their website communicating with words such as sustainability, next generation and responsibility from bean to cup (Löfbergs 2021). Acknowledging taking responsibility along the whole value chain made the company an interesting unit of analysis for this case study.

2.4. Data collection

In order to get an as comprehensive overview of the case study as possible, data were collected from different sources in order to increase the reliability of the findings of the study (triangulation). The two different ways of collecting data was through publicly available documents and through interviews with sustainability/communication managers at the companies. The primary data used for the empirical chapter came from the company documents and the answers gathered from the interviews served as an extra add-on to the findings from the studied documents. The following sections argues for the relevance of the chosen data collection methods.

2.4.1. Documents

According to Creswell and Creswell (2014), a normal way of gathering data in qualitative research is through using public documents. Documents are referred to as something which can be read, and which have not been produced for the purpose of the research (Bryman 2016). When studying documents, Robson and McCartan (2016) points out that it is important to remember why the document was produced in the first place. It is also important to keep in mind that the author of the document might not have been able to show the whole truth in the document (*ibid*.) due to limited amount of resources. Therefore, some relevant parts can be left out from the content, impacting the outcome of analyzing the contents.

Parts of the data collection for this research was done through studying the annual corporate social responsibility reports of the case companies. The sustainability reports used for this study were publicly available on both of the companies' websites. These were observed already before the primary data collection in order to ensure that they would work as a good base for the analysis. According to Creswell and Creswell (2014), looking at the sustainability reports gives an understanding of the language companies use in their communication.

2.4.2. Interview

Interviewing the case companies and hearing them speak about the topic of relevance can give a more trustworthy picture of the company's operations and also some relevant insights into the issues the company perceives (Bryman 2016). The choice was to conduct the interviews

through email, in order to give the participants of the interview the possibility to carefully think about their answers and give a deeper insight into the topic (Bryman 2016).

Before sending out the interview questions, it was carefully considered what information was needed in order to answer the research questions of the study. A combination of questions generally about the CSR communication, how the companies recognize and involve their stakeholders and around how the companies works with trying to improve the sustainability throughout the value chains was asked. One of the interviews were in Swedish, due to the interviewee's preference, and the quotes and information from that interview was translated to English. The other interview was directly in English and the quotes were directly transferred from the interview to the analysis. Table 2 gives an overview of the participants in this study.

The interview guide used in order to make sure that the questions for the study were of relevance, can be found in appendix 1. This made it possible to connect the findings from the interviews with the analysis of this study.

Table 2. Participants in the study

Participant	Corporation	Position	Validation	Date of validation
Eva Eriksson	Löfbergs	Head of Sustainability	X	2021/05/17
Pirjo Hästbacka	Paulig	Communications Manager	X	2027/05/21

The position of the professionals was a little different, however these were the employees that were successfully contacted and therefore chosen to be interviewed in the study. Both of the professionals had expectational insights into the sustainability activities and communication of the company they worked for. The participants of the study were provided with the opportunity of validating their inputs into this study, but it was only possible to get validation from one of the companies.

2.5. Data analysis

All of the data collected for this study was analyzed with the use of content analysis. The content analysis has typically been recognized as an effective way of analyzing documents and therefore it was chosen as the method for analyzing the collected data (Robson & McCartan 2016). Vaismoradi, Turunen and Bondas (2013) write that the content analysis is a suitable way for looking at who is saying what and to whom - and what the effects of this is. Bengtsson (2016), talks about the need to find meaning from the data that is used and that through grouping the data into different categories it becomes easier to analyze and understand it. Since the sustainability reports/annual reports used in this thesis contain a lot of different information, it made sense to analyze the information found with the use of content analysis.

Additonally, the choice of using thematic analysis was made since thematic content analysis allows for the researcher to look for specific patterns and themes within the data, which is wanted in this research (Vaismoradi, Turunen & Bondas 2013). Braun and Clarke (2006) explain that the content analysis is a flexible approach and that in order for the content analysis to succeed, the researcher should repetitively be explaining about what is being done and which steps that are taken. In order to be able to identify themes in the contents studied, it is needed to clarify what a theme is. According to Bryman (2016), the theme is a category which the researcher identifies, and which is of relevance for the study conducted. The themes can be identified in different ways, but through finding repetitions in the literatures, searching for similarities or differences or missing data in the contents analyzed is example of some ways of identifying themes (Bryman 2016).

The steps of the thematic content analysis according to Braun & Clarke (2006, 87) are; 1. Familiarizing with data, 2. Generating initial codes, 3. Reviewing themes, 4. Defining and naming themes and 5. Producing the report. These steps were followed throughout the creation of this report and in order to successfully identify themes.

A couple of potential pitfalls exist with the thematic content analysis that need to be accounted for in order to avoid making these mistakes. Robson and McCartan (2016) writes that when conducting a content analysis, it is always of importance to keep in mind the reason for why the content of analysis has been created in the first place. The contents being analyzed in this study, has been created to serve a purpose for the organization - showing the organization's stakeholders how the company is taking their responsibility. The answers that were gathered from the interviews also gave the corporation the possibility to communicate in a positive way. The aim of the study was however not to decide whether or not the actions taken by the corporations are truly sustainable, but to look at how the communication of the company is managed. This was continuously kept in mind while the content analysis was made in order to avoid making false assumptions from the data. The choices of the themes was also done with careful consideration, making sure that the themes worked together with the selected research questions, which was of importance according to Braun and Clarke (2006).

2.6. Quality assurance in the process

Ensuring the quality of the research and showing that the findings from the research can be trusted was of importance. Riege (2003) writes about four different criteria that usually are used in case studies when making sure that the quality of the study is high enough. These are: confirmability, credibility, transferability and dependability (Riege 2003). These four criteria were chosen to be used here as an alternative criterion to ensure the trustworthiness of the study. A table with clear explanations and applications to this study was created below (table 3).

Table 3. Techniques for establishing conformability, credibility, dependability and transferability in the study (Riege 2003, 83-84 with authors own modifications)

Design test	Examples of techniques	Application in this study
Confirmability	Use of confirmability audit during the data collection and data analysis phase research	Writing down notes about the data collected
Credibility	Triangulation techniques, multiple sources of evidence for data collection	Triangulation techniques, multiple sources of evidence for data collection
	Taking into account the researchers' assumptions, worldviews and theoretical orientation	Taking into account the researchers' assumptions, worldviews and theoretical orientation
	Use of peer debriefing techniques such as presenting the data analysis and conclusions to colleagues	Other students commenting and giving suggestions for improvement on the work along the way
Dependability	Arguing for the choices that are made, clear research questions and careful consideration for choices made	Arguing for the choices made on different places
Transferability	Achieved when the research shows similar or different findings of a phenomenon amongst similar or different respondents or organizations, that is achieving analytical generalization	The theoretical framework could be used for studying other industries as well

In order to make sure that this study achieved conformability, a systematic way of collecting the data, writing down notes for all data that had been collected for example, was done (Riege 2003). Credibility was ensured through triangulation - using multiple sources of collecting data: email interviews and documents. According to Robson and McCartan (2016), keeping a record of the data that is collected all of the time makes it possible to make better and more valid choices in the analysis of the study Bryman (2016) writes that a common critique against the case study is that the researchers own preferences easily can affect the content that is included and analyzed in the study. Dependability was therefore achieved through explaining and arguing for choices made throughout the study in order to decrease the amount of bias in the study (Riege 2003). Transferability is achieved when the research shows similar findings as earlier research or can be connected to prior theory. This case study is only applicable to the coffee industry and the findings from it. However, the theories used in this study could be used for studying CSR communication in other industries as well.

3. Theoretical framework

This chapter presents the theoretical framework that was used to conduct the study. It begins with an explanation of the concept corporate social responsibility, following with an introduction to the concept of corporate social responsibility communication. The chapter continues with a description of stakeholder theory, legitimacy theory and the concept of shared value, three theories that all will be used in the study and that are needed to be described and explained in order to succeed with the aim of this study.

3.1. Corporate Social Responsibility

Corporate Social Responsibility is a widely used concept of which there are many different definitions. In order to get a sense around which of the definitions that were central for this study, a table with definitions was created. There are many competing definitions to CSR such as *"corporate citizenship", "corporate social responsiveness", "corporate philanthropy"* and *"codes of ethics"* for example (Suprawan 2011). It was chosen to focus only on CSR in this study even though other concepts could have served the purpose of the study as well.

Table 4. Includes seven different definitions to CSR together with the perspective of the definition

Perspective	Definition
Economic perspective	"To make as much money as possible while conforming to the basic rules of society, both those embodied in law and ethical custom" (Friedman 1970; 122)
Socio-political Perspective	"It means that social responsibility begins where the law ends. A firm is not being socially responsible if it merely complies with the minimum requirements of the law, because this is what any good citizen would do." (Davis 1973, 312-313)
Managerial perspective	"The social responsibility of business that encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time" (Carroll 1979 500)
Voluntary perspective	"A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (Commission Of The European Communities, 2001, 7)
Stakeholder	"Corporate social responsibility is the overall relationship of the corporation with all of its stakeholders. These include customers, employees, communities, owners/investors, government, suppliers and competitors. Elements of social responsibility include investment in community outreach, employee relations, creation and maintenance of employment, environmental stewardship and financial performance" (Khoury 1999, in Dahlsrud 2006)
Supply Chain, Industrial context	"Supply chain responsibility is the chain-wide consideration of and response to, issues beyond the narrow economic, technical and legal requirements of the supply chain to accomplish social and environmental benefits along with the traditional economic gains which every member in that supply chain seeks" (Spence & Bourlakis 2009, 295)

The different definitions of CSR can also be related to different theories/perspectives of the concept. Suprawan (2011) clusters the CSR definitions into three different groups: economic, socio-political and managerial. Garriga and Melé (2004) studies the different CSR theories and creates four different groups of theories: 1) instrumental theories, 2) political theories, 3) integrative theories and 4) ethical theories.

In the instrumental theories by Garriga and Melé (2004) and the economic theories by Suprawan (2011) – the main purpose of an organization is simply to create profits and make an economic performance and through making this it will contribute to the society as needed (Suprawan 2011). In the political theories by Garriga and Melé (2004) and the sociopolitical perspective by Suprawan (2011) – the corporation has political power and is through its CSR actions entering the political arena and has responsibilities of political manner, making them responsible for political development in society (Palazzo & Scherer 2006 p 78). The theories that has an integrative approach are connected to the concepts of social legitimacy and stakeholder management theories (Garriga & Melé 2004). This is similar to the managerial perspective that Suprawan (2011) introduced, which mainly includes the approach of considering the stakeholders as an important cornerstone in the CSR work of the company. Society is interacting with businesses in this approach, and the management of the corporation should take this into account when developing CSR for the firm that confirms with the society's expectations (Garriga & Melé 2004). The fourth group of theories is connected with ethical values, viewing CSR as an ethical obligation that the company has towards the environment (*ibid.*).

CSR definitions offered in table 4 give a wide range of areas of application and interpretations. In this research project perspectives of CSR, the socio-political perspective by Davis 1973 with an understanding of the importance of an industrial context as introduced by Spence and Bourlakis (2009). To land in a definition that suits the aim of this study, the socio-political perspective by Davis (1973) with an understanding of the importance of an industrial context by Spence and Bourlakis (2009) was used.

3.2. Corporate social responsibility communication

In order to achieve a positive reputation about the company – CSR needs to be communicated in a successful way. Successful communication increases the legitimacy, stakeholder awareness of the company and gives the company a positive reputation in society.

Morsing, Schultz and Nielsen (2008, 97) writes about the "catch 22" of CSR – the general opinion by the public is that they expect companies to take CSR actions – however they do not want them to communicate too loud or too much about this. The existing skepticism of the stakeholders need to be reduced and the stakeholders convinced that the communicated message is legitimate and true (Du & Bhattacharya 2010). If communication of CSR is not aligned with the true actions taken by the company – the company can risk getting accused of greenwashing (Schultz, Castello & Morsing 2013). The worst case is if companies is accused of hypocrisy which is "*purely the calculated gap between very limited effort and intensive communication*" (Fassin & Buelens 2011, 595)

The most common channel for communicating CSR to the public is through sustainability reports or other non-financial reports (Morsing & Schultz 2006; Du & Bhattacharya 2010).

Press releases is another common way of communicating the actions that the company is taking, and this is a channel usually used for trying to attract the public media's attention and get them to write about the company. Companies can also use parts of their website to write about their responsibility actions (Du & Bhattacharya 2010). Public media is considered an external stakeholder to the corporations and according to Edelman, they are usually skeptical towards the messages communicated from the corporation. Therefore, succeeding with getting public media to publish press releases or other CSR reports, has a positive impact on other stakeholders of the company (*ibid.*). Schultz, Castello and Morsing (2013) writes that social media has become a new tool for communication, which can also be used for communicating responsibility actions.

It is of importance that companies continuously change and develop their CSR communication to updated expectations (Morsing, Schultz & Nielsen 2008). When a company succeeds with CSR communication it has many positive benefits for the company. Youssef *et al.* (2018) states that it can improve consumer attitudes, consumers purchase intention, loyalty and satisfaction - all of which are important for a company's success. The communications of CSR have successfully been achieved when consumers appreciate the positive benefits that the company's CSR has on the natural environment, making a progress towards a more sustainable society (Du & Bhattacharya 2010).

3.3. Legitimacy strategies

Legitimacy is a central concept for the survival of organizations - organizations need to be perceived legitimate by its environment in order to survive and perceived legitimacy is seen as the "license to operate" for the organization (Baumann-Pauly 2013). When an organization succeeds in being perceived as legitimate, it will also be seen as valid, trustworthy and meaningful (Suchman 1995; Bitecktine & Haak 2015). Suchman's definition to legitimacy serves this study: "*Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed systems of norms, values, beliefs and definitions*" (Suchman 1995, 574)

Suchman (1995) differentiates between three different terms of legitimacy: pragmatic, cognitive and moral. Pragmatic legitimacy is achieved when individuals with a self-interest in the corporation's activities perceive the company as legitimate (*ibid*). Pragmatic legitimacy can therefore be judged by the key stakeholders of the firm (Palazzo & Scherer 2006). "*Pragmatic legitimacy is connected to instrumental CSR and framed as the exchange between an organization and its stakeholders according to self-interested benefits*" (Ellerup Nielsen & Thomsen 2018, 494) The motivations to pragmatic legitimacy, comes from wanting to behave in a way that pleases the audiences of the firm, trying to gain a positive reputation from them (Bowen 2019). "*Individuals will ascribe legitimacy to the corporation as long as they perceive that they will benefit from the corporation's legitimacy – e.g., through payment or cost reduction, or at least indirectly through the output of the macroeconomic system as a whole*", Palazzo and Scherer (2006, 72) writes, thus indicating that the pragmatic legitimacy can be achieved through self-interest and not with the true greater good of the society in mind.

Cognitive legitimacy is based on norms, values and beliefs and is achieved when these are the same for the organization and the individual making the judgement (Baumann-Pauly 2013). The cognitive legitimacy operates at the subconscious level, which makes it more challenging

for the corporation to directly take actions that would affect this legitimacy (Palazzo & Scherer 2006). By adhering to standards and mainstream practices for businesses, cognitive legitimacy can be achieved. (Ellerup Nielsen & Thomsen 2018) Suchman (1995) calls this a "taken-for-grantedness" – which implies that the stakeholders are expecting from the companies that they should take the sustainability actions that they are taking.

Moral legitimacy is a judgment of whether or not a certain activity is the "right thing to do" (Baumann-Pauly 2013; Suchman 1995) Moral legitimacy is achieved when the corporation takes a more political role in society, striving for creating change to imbalances and injustices in society (Baumann-Pauly 2013). Richard, Zellweger and Gond (2017) writes that it is especially challenging for firms that are active in industries with social injustice to succeed with creating and keeping moral legitimacy. This because these industries are more often exploited for consumer criticism and boycott campaigns, which affects the legitimacy of the firms negatively.*"It differs fundamentally from pragmatic legitimacy because it focuses on ethical foundations of an organization or activity, and the reciprocal responsibility norms generated between an organization and its stakeholders"* (Bowen 2019, 262) Palazzo and Scherer (2006, 76) argue that *"the politization of the corporation is an unavoidable result of the changing interplay of economy, government and civil society in a globalizing world"*.

3.4. Conceptual framework for CSR communication

In order to be able to analyze the findings from the study, it was chosen to land in a theoretical framework which combines the corporate responsibility communication strategies by Morsing and Schultz (2006), with the different legitimization strategies proposed by Suchman (1995). The corporate responsibility communication strategies are the stakeholder information strategy, the stakeholder response strategy and the stakeholder involvement strategy (Morsing & Schultz 2006) and the traits of the different strategies is explained in table 4 below. The three different legitimization strategies are cognitive, pragmatic and moral legitimacy (Suchman 1995). Through combining these theories, it was possible to analyze and judge the message content of the companies in a successful way.

Table 5. CSR communication strategies by Morsing and Schultz (2006, 326) with minor modifications

Type	*The stakeholder information strategy*	*The stakeholder response strategy*	*The stakeholder involvement strategy*
Communication ideal	One-way communication	Two-way asymmetric communication	Two-way symmetric communication
Stakeholder role	Stakeholder influence: support or oppose	Stakeholders response to corporate actions	Stakeholders are involved, participate and suggest corporate actions
Identification of CSR focus	Decided by top management	Decided by top management. Investigated in feedback via opinion polls, dialogues, networks and partnerships	Negotiated concurrently in interaction with stakeholder
Strategic communication task	Inform stakeholders about corporate CSR decisions and actions	Demonstrate to stakeholders how the company integrates their concerns	Invite and establish frequent, systematic and pro-active dialogue with stakeholders
Corporate communication departments task	Design appealing concept message	Demonstrate to stakeholders how the company integrates their concerns	Invite and establish frequent, systematic and pro-active dialogue with stakeholders, opinion makers, corporate ethics, the media etc.
Third-party endorsement of CSR initiatives	Unnecessary	Integrated element of surveys, rankings and opinion polls	Stakeholders are themselves in

The stakeholder information strategy. Morsing and Schultz (2006) claims that the communication is always one-way, going out from the organization to the stakeholders. In this strategy, the company wants to educate and inform the public about the organization and the actions it takes. Stakeholders have the power to impact the organization through their purchasing behaviors or boycotting or demonstrating if they don't like what they do but they cannot influence the company in a more direct way (*ibid.)*. When a company uses the stakeholder information strategy, they actively try to produce press information and news for the media. When companies are using the *information strategy,* the management decides on the CSR actions.

The stakeholder response strategy. In this strategy the company needs the stakeholder's approvals of their CSR actions, and therefore they need to inform the stakeholders about their sustainability actions and the ways they work with trying to be sustainable and persuade them

of working in a sustainable way (Morsing & Schultz 2006). Even though this strategy can seem like it is a two-way approach it is actually a one-way approach since the company needs the approval from the stakeholders and therefore tries to convince the stakeholders (*ibid.*). Through this strategy the company seeks opinions and feedback from the customers since they want to hear the general view that these stakeholders have around the company.

The stakeholder involvement strategy. The last strategy is the only strategy that actually takes an approach to engage in a dialogue with the stakeholders and is a constant journey of the stakeholder and the company simultaneously urging the other to change in some way (Morsing & Schultz 2006). The stakeholder involvement strategy is efficient since this way the company understands what the stakeholders are expecting from them and can change according to these expectations. Here, the company needs to create ways for systematically invite stakeholders into dialogues, where they can succeed with affecting the decisions of the company (*ibid.).*

Morsing and Schultz (2006) also write a lot about sensegiving and sensemaking processes. Sensegiving is a way for the companies to inform and give sense regarding their activities, it influences the way the companies makes sense. Sensemaking is more of a way of understanding what other wants and making sense with this information (Morsing & Schultz 2006). Through the two-way communication both the sensemaking and the sensegiving happens simultaneously.

According to Suchman (1995) the legitimacy of the company is highly dependent and judged by the communication of CSR activities, and therefore the legitimacy strategies proposed by Suchman will also be used to analyze the findings from the study (Suchman 1995). Pragmatic, cognitive and moral legitimacy was used to judge the ways the companies seeks to achieve legitimacy through their communications. Table 6 was created for showing the definitions to the different legitimization types.

Table 6. Legitimacy types with definition

Type of legitimacy	Definition
Pragmatic legitimacy	*Results from the calculations of self-interested individuals who ascribe legitimacy results from the calculations of self-interested individuals who ascribe legitimacy as long as they benefit from the corporation's activities (Baumann-Pauly 2013, 26)*
Cognitive legitimacy	*Operates mainly at subconscious level, based on shared values, norms, and beliefs (Baumann-Pauly 2013, 26)*
Moral legitimacy	*Refers to a conscious moral judgment of the corporation's products, organizational structures, processes and leaders. It is based on an explicit public discussion which creates the opportunity for corporations to justify and explain their decisions (Baumann-Pauly, 2013, 27)*

The table above gives definition to the most common ways of working with legitimacy. Palazzo and Scherer (2006) argues that companies need to strive for gaining moral legitimacy in order for organizations to achieve its license to operate.

The CSR strategies by Morsing and Schultz (2006) and the legitimacy types by Suchman (1995) can be combined and compared in order to make a base for the analysis. To achieve

moral legitimacy, it is needed from the corporations to engage and take place in public discussions. All of the processes and activities of the company is evaluated and judged by the stakeholders. This strategy is linked to the stakeholder involvement strategy since in this strategy the stakeholders are engaging in dialogue with the company through for example discussions.

Pragmatic legitimacy can be linked to the stakeholder responsive strategy. This since the stakeholder responsive strategy is a strategy in which the company tries to convince it stakeholders of the accuracy of the actions that the company is taking. This is similar to the pragmatic legitimacy – where the self-interest of the stakeholder is judging whether or not the company succeeds with achieving legitimacy. Therefore, the company's communication strategy is to convince the stakeholders of the fact that they work in a legitimate way and to get the external opinion from the stakeholders of succeeding with this.

Cognitive legitimacy can be linked to the stakeholder information strategy. Since the stakeholder information strategy only tries to inform the stakeholders around CSR actions taken and communicated in one-way from the organization to the stakeholders. If done in a successful way, this could mean that the company gains legitimacy if the audience of the strategy have the same values and beliefs that the corporation communicates to the public.

4. Empirical background

This chapter starts with presenting the different sustainability challenges that exists within the coffee industry. It then continues with presenting some of the most common sustainability management systems within the coffee industry and an explanation of the most relevant coffee certifications.

4.1. Sustainability issues in the coffee industry

The coffee industry is considered a pioneer in the field of sustainability certifications and have been working to improve issues for decades already (Reinecke, Manning & Von Hagen 2012). However, the issues keep on growing and there are serious needs for adaption and transformation in order for the coffee industry to survive in the future. Bianco (2020, 6) defines the problematic issue with this like: "*The CSR policies of coffee companies are not always environmental in nature*", stressing the transformational needs that exists within the coffee industry. In order for the coffee companies to achieve and maintain legitimacy, they need to address these sustainability challenges in a way that truly changes and transforms the coffee system into a sustainable one. The focus of this chapter has been put on the beginning of the value chains, as this is where 80-90 percent of the environmental impacts are placed (Löfbergs 2021c).

The way the coffee cultivation occurs today has serious negative impacts on the environment and the consequences of this can already be seen on many places in the world. Soil erosion, water pollution and biodiversity loss are examples of consequences the intensification of coffee cultivation has on the environment (Bradley & Botchway 2018, 142). The rise in temperature, increase of rainfall and increase of droughts and deforestation are all factors that will impact the future possibilities of growing coffee (Bianco 2020). In the future, it is expected that many current coffee producing areas will be completely unsuitable for coffee production (Bager & Lambin 2020). This at the same time as the demand in coffee continues to grow in for example countries like China, Brazil and India, as more and more countries start adapting to Western lifestyles (Bello & Westerberg 2014).

The coffee production is split by two different coffee beans the Arabica and the Robusta bean (Bianco 2020). The coffee beans are very different to each other and also differently exploited to the effects of climate changes. The arabica bean is considered the coffee bean with the highest quality – which is why it stands for the majority of the coffee sales globally, around 60 percent (Bello & Westerberg 2014; Bianco 2020). However, this bean is the one most vulnerable to climate changes as it needs shade to grow, needs cooler temperature to survive and it needs to manually be harvested (*ibid.*). Statistics on specifically the Arabica coffee bean shows that somewhere between 65% and 100% of the Arabica coffee cultivation areas will already be unsuitable for coffee production by 2080 (Bianco 2020).

The Robusta coffee bean stands for 40% of the global coffee production and this bean can be grown in warmer climates, under less shade and the harvest of the bean can be more mechanized (*ibid.*). Serious training and teaching of the coffee farmers are needed in order to switch from the current coffee cultivation into more sustainable coffee harvesting practices (UTZ 2021c).

The coffee industry contains a large amount of smallholder coffee farmers. According to Candelo *et al.* (2018), these coffee farmers accounts for around 70% of the global industry

which means around 20 million farmers. These coffee farmers tend to generate less than a dollar per day from coffee sales, and many of them are living in poverty. The situation is so alarming that many coffee farmers have to sell the coffee beans below the production costs, meaning that they do not even make a profit but lose money from coffee cultivation (Levy, Reinecke & Manning 2015). Even though it seems irrational that coffee farmers continue to farm coffee in a situation like this, Oxfam (2002) write that they may simply lack the skills it requires to start growing another crop. The economic situation of the coffee farmers leads to them not being able to afford sending their children to school, thus impacting negatively also on the coming generations (Bradley & Botchway 2018). This is also a reason for the increasing age of coffee farmers, for example in Columbia, the average age of the coffee farmer is 54 and it is even higher on other places of the value chain (Löfbergs 2021b).

Additionally, to add on to the economic challenges, the global coffee prices have been showing a steady decline during the last decades (Ruben & Zuniga-Arias 2011; Samper & Quiñones-Ruiz 2017). It will be impossible for the coffee farmers to keep being productive or be able to produce products of quality if prices keep on being pushed down (Porter & Kramer 2011).

One of the primary social sustainability challenges in the coffee industry is gender inequity. Women are a big part of the work on the coffee farms; however, they tend to lack ownership and credit and do not tend to be included in the decision making on the farms and excluded from different training programs and educations as well (Millard 2017). Bacon *et al.* (2008) stated that only 45% of all men active in the coffee industry said that they were sharing the sales with their spouses, leaving women unpaid even though they tend to be working on the coffee farms. Rainforest Alliance (2018) writes that if the coffee farming industry was completely equal, women could increase their farm yields by up to 20 to 30 percent. This could lead to an increase in around 30 billion cups of coffee per year, something which would be highly valued in a world with rising demands in coffee (Rainforest Alliance 2018).

4.2. Sustainability reporting within the coffee industry

There is a set of most common ways that global coffee roasting companies tend to communicate around sustainability. Working with certifications and codes of conducts are examples of this. Through studies, the coffee companies succeeding with being perceived the most sustainable ones are the ones that work transparently and with direct trade. Direct trade meaning that the sourcing of the coffee beans is done with as few intermediaries as possible (Swedwatch 2011; Bager & Lambin 2020). According to Civera, Colle and Casalegno (2017), engaging and empowering the stakeholders and teaching them to adapt to climate change is another way that the coffee roasting companies can succeed with implementing sustainability into the value chains.

4.2.1. Certifications

There are many different coffee certifications and a need for stating the most important ones and the impacts they have on the coffee value chains in order to make a basis for the analysis. Therefore, table 7 was created to get a comprehensive view of the certifications. Working with the right certifications in the right ways can have positive impacts on the whole coffee industry, as it leads to more sustainable value chains and more profits distributed to the coffee farmers.

Table 7. Overview of coffee certifications and their attributes and impact on the value chain

Certification	Attributes	Desired Impact
Fairtrade	Fairtrade Minimum Price & Fairtrade Premium (Fairtrade 2021)	Stable income, Pre-financing and long-term contracts (Fairtrade 2021; Reinecke, Manning & Von Hagen 2012), Develops the coffee communities in a positive way
UTZ	Increases traceability in the coffee chain, training for coffee farmers, based on directives that improves the profitability of the farms (Paulig 2021b)	Improves the environmental sustainability as the coffee farmers learns new techniques, increases the transparency in the chain (UTZ 2021b), the coffee farmers get better working conditions and better chances of getting their children to school (Paulig 2021b)
Organic	Coffee beans farmed organically, production methods that are not harmful for the environment (Paulig 2021b)	The coffee cultivation is not harmful for the environment, prices tend to be higher even though no minimum price is required (Chiputwa, Spielman, Quaim 2015; Paulig 2021b)
Rainforest Alliance	Solving social and environmental issues	Protecting land and waterways, improving incomes (Rainforest Alliance 2016)
4C	Applies standards on economic, environmental and social conditions (Swedwatch 2011)	Higher economic outcomes for coffee farmers, fair working conditions, higher the lowest level of the production conditions (Swedwatch 2011)

In the table above, the most common coffee certification schemes are presented, with an explanation of the positive impact that the certifications strive for achieving. According to the Swedish Environmental Protection agency (2015) and Swedwatch (2011), as much as 40 percent of the total coffee produced was already in 2012 produced in alignment with a certification. However, 22 percent of that amount was produced as 4C, which cannot be seen as a real certification, instead it should be seen as a verification (Swedwatch 2011 & Environmental Protection Agency 2015).

It has been widely debated whether or not the coffee certifications are actually improving the sustainability within the coffee industry or not. It has for example been debated on to whom the certification schemes are providing value, is the extra value actually attributed to the coffee farmers or to someone else. The certifications can also be seen as a way for coffee companies to regulate the coffee farmers and get more insights into the production methods of the coffee (Environmental Protection Agency 2015).

It has been shown that coffee produced as Fairtrade and Organic gives the coffee farmers the most extra pay (Environmental Protection Agency 2015; Chiputwa, Spielman & Qaim 2015). This can also be seen in table 7, as the only certification that has extra pay as a desired impact is the Fairtrade certification. In a study done by Chiputwa, Spielman and Qaim (2015) regarding the impacts from Fairtrade certification, it was noted that Fairtrade increased the living expenditures for coffee farmers by 30 percent and reduced the likelihood of poverty by as much as 50% (*ibid.*). However, the positive impacts of Fairtrade only happen when the coffee actually get sold as Fairtrade. There is an issue with over certification within the coffee value chains,

leading to the supply of the certified coffee exceeding the demand of the certified coffee (Environmental Protection Agency 2015; Bello & Westerberg 2014).

An issue with the approaches to sustainability that the coffee industry has been working with, is that the poorest coffee farmers cannot afford to pay the extra prices that certifications require, and therefore it is leading to a situation where they become even more marginalized (Borrella, Mataix & Carrasco-Gallego 2015). The processes of working with coffee certifications is becoming more problematic and requires more from the coffee farmers. It is vital that it does not become too complicated for small farmers to work with these certifications as they were often originally created in order to help the situation with these farmers.

4.2.2. Recent studies

Recent studies addressing the CSR communications in the coffee industry have been considered in this thesis. This is in order to get an understanding and overview of which factors the coffee companies focus on when addressing sustainability challenges – and which challenges that historically have been underdressed. The following table shows which studies have been of relevance for the study.

Table 8. Overview of recent studies within the coffee and CSR sector

Author	Title	Important conclusions
Bradley & Botchway (2018)	Communicating corporate social responsibility (CSR) in the coffee industry: An examination of indicators disclosed	*Examines sustainability indicators, shows the need of developing appropriate sustainability indicators that should be implanted into policy and decision-making*
Ellerup Nielsen & Thomsen (2018)	Reviewing corporate social responsibility communication: a legitimacy perspective	*Perceiving stakeholders' expectations important to achieve legitimacy, collaboration and engagement most effective for creating stakeholder value*
Bianco (2020)	Climate change adaption, coffee, and corporate social responsibility: challenges and opportunities	*None of the major coffee companies studied seriously addressed climate change. Reasons being CSR priorities, lack of awareness, competition and overemphasis of certification*
Samper & Quiñones-Ruiz (2016)	Towards a Balanced Sustainability Vision for the Coffee Industry	*Coffee industry tend to be by the first in addressing various sustainability challenges, deciding on a sustainability approach together with the coffee farmers is needed.*
Bager & Lambin (2020)	Sustainability strategies by companies in the global coffee sector	*Examination of over 500 companies sustainability efforts in the coffee sector. Several issues remain under-addressed such as climate change and deforestation. Need of reporting framework.*

Table 8 gives a clear overview of different literature that has guided the work with this thesis and which findings that were identified before starting the work with the study. Mainly the studies were explaining the current sustainability issues and the problems with the ways the coffee industry is communicating regarding their sustainability work. Mainly the studies were explaining the current sustainability issues in the coffee industry and the existing issues with how coffee roasting companies are communicating taking their responsibility. The studies by Bianco (2020) and Bager and Lambin (2020) for example showed that the coffee companies are not addressing the sustainability challenges in the coffee industry as seriously as needed. Samper and Quiñones -Ruiz (2017) and Bradley and Botchway (2018) take more of a future-oriented approach, explaining for what will be required from the coffee companies in the future if the coffee industry is to survive. The study by Ellerup Nielsen and Thomsen (2018) did not specifically involve the coffee industry but showed a good example of how corporations can gain legitimacy when understanding the expectations that the customers have on the company.

5. Empirical study

The empirical study lists the themes identified from the sustainability communication of the two companies and compares the differences and similarities that existed between them. This was done in order to get a good overview of what the company finds important to focus on and what issues and actions they emphasize in the CSR communication.

Through the analysis of the messages communicated by the sustainability reports, many similarities between the companies were found. As both of the companies are committing to the Global Reporting Initiative (**GRI**) through their sustainability reporting's, it is understandable that lots of the communicated content had similarities.

5.1. Sustainability at heart

A common thing between the communication of both of the companies is that both of them claim that sustainability has been a part of their DNA already from the start and that the owners of the company value sustainability highly. Both of the companies also communicate around updated sustainability values, which will improve the degree of sustainability in the organization and take them towards a more sustainable future. Another channel that both of the companies claimed to be using for communicating was different social media channels.

For Löfbergs, the key focus areas with the company's recently updated sustainability agenda are circularity, inclusion, togetherness and trying to create a transparent and fair value chain. The company also actively communicate being a forerunner within the sustainability field and claim that they want to inspire and lead the way towards a more sustainable future. The best way of doing this is according to the company through collaboration with other actors (Löfbergs 2019/2020, 28). Through the interview with the sustainability manager of Löfbergs, it was communicated that it is not challenging to work with sustainability as long as the sustainability work of the company is done in a genuine way that is supported by the owners of the company. The company also on several places in both of the latest sustainability reports commit to the Agenda 2030, which include the Sustainable Development Goals by the United Nations and the company claims to be working towards all of these goals (Löfbergs 2018/2019).

"We love to take the first step and are happy when we inspire the world around us, but we often reach our goals by collaborating with others". (Löfbergs 2019/2020, 28)

Similarly, in both of the latest sustainability reports published by Paulig, the company claims that they want to be a frontrunner for sustainability within the food and the beverage industry. The company launched a new sustainability strategy in 2020 of which the purpose was to get the whole company to work around the same common goals and towards a more sustainable future. In 2020, Paulig integrated the sustainability report into the annual report and are now only publishing one annual report. The three values that Paulig now work towards are: stay curios, strive for excellence and grow together (Paulig Annual Report 2020, 49).

"We want to be at the forefront of change because we know that taste is key in building a better world. What we put on our plate or in our cup today, will make a difference tomorrow".

Paulig Annual Report 2020, 18

5.2. Sustainable value chains

Since the biggest sustainability issues lies at the coffee cultivation stage, there was a need to look at how the companies communicate around sustainability actions taken at this place of the value chain. In the sustainability reports it is recognized by the companies that the coffee industry is highly reliant on the small-coffee farmers and that these coffee farmers are threatened by climate change and not being able to provide themselves with a sufficient livelihood. In the sustainability reports from 2020, both of them also communicate that the covid-19 pandemic has increased the sustainability challenges in the value chains.

Both of the companies communicate similarly around the certification schemes and they also work with the same certifications. These certifications are mainly: Fairtrade, Rainforest Alliance, Utz and Organic. The communication around the impacts of the certifications and detailed information around the certifications is general is communicated to a higher extent in the sustainability reports of Löfbergs, than it is in the sustainability reports of Paulig - where it is more briefly mentioned. Paulig mentions that four out of five coffee beans are certified through the certification programs and that the fifth bean is verified sustainable by an external third party. For Löfbergs, four out of five coffee beans are certified through the different certification schemes mentioned above.

"Thanks to the fact that many of our customers and consumers demand certified coffee, we are still one of the world's largest buyers of organic and Fairtrade coffee"
<div align="right">Löfbergs Sustainability Report 2020, 72</div>

Another focus area in the reports is the communication around the partnership programs that the coffee companies work with. A lot of emphasis in all of the sustainability reports studied is put on communicating around which partnership programs the companies work with and how they impact the coffee value chains. Table nine below was created in order to get an overview of the partnership programs and the communicated effect that these has on the coffee value chains.

"A certificate is one way of verifying that our products are sustainable. Certificates and our partnership programmes both satisfy the same sustainability criteria. In addition to certificates, we use our verified sustainable partnership programmes in sourcing green coffee."
<div align="right">Pirjo Hästbacka, Communication Manager, Paulig</div>

Table 9. Table of cooperation partners for improving the coffee value chains

	Paulig	Löfbergs	Impact
International Coffee Partners	X	X	*Supports local projects that offer coffee farmers education and practical training. ICP focuses on increasing productivity, improving quality and strengthening the farmers knowledge of equality and marketing (Löfbergs 2019/2020, 71)*
The Haga Iniative		X	*A network of companies that work to reduce emissions from the business sector through ambitious common goals and a clear effect strategy (Löfbergs, 2019/2020, 36)*
Coffee & Climate	X	X	*Helping coffee farmers adapting to climate change*
Sustainability Manifesto	X		*Five commitments for a more sustainable and viable food production in the Swedish food industry*
Next Generation Coffee		X	*An initiative that supports young coffee farmers in Colombia, Kenya and Tanzania through education and direct trade (Löfbergs 2019/2020, 15)*
Coffee for a better future		X	*A development project that strengthens coffee farmers through education, training and trade. (Löfbergs 2019/2020, 15)*
Amfori	X		*Tool that helps in getting all raw materials used externally verified sustainable by 2030 (Paulig 2020, 24)*

As can be seen from the table above, the desired impacts from partnership programs is mainly attributed to the beginning of the value chains. The work with the International Coffee Partners (**ICP**) and the work with Coffee & Climate is mentioned and referred to a lot of times in the sustainability reports and through the interviews with the company and is therefore the focus area of the reports.

Paulig recognizes and emphasizes on several places in the sustainability report why the work with their partnership programs is of importance since it gives the company the opportunity to engage in discussions and listening to the local communities, understanding the needs of the local communities. Both of the companies also raised the voice of the coffee farmers in the sustainability reports, with examples of how the work the companies had done through their partnership programs had improved their lives.

According to the sustainability professional of Paulig, the most common partners for them are ICP, C&C, Mercon and Volcafe. The company also communicates working together with for example Fairtrade, in order to have bigger impacts in the countries were coffee is grown.

"When I started farming coffee, I was unaware of the business side of it. I didn't know the cost of production, nor how to intervene in my plantation to extract the most value and benefit out

of it. These partnerships have helped me to receive the knowledge and techniques and I can see that I will have more income in the near future.”

<div align="right">Paulig Sustainability Report 2019, 28</div>

“The ICP project has changed my life completely. I have learned more about farming coffee and have developed as an entrepreneur at the same time. Now I make money and I am my own boss”

<div align="right">Löfbergs Sustainability Report, 2019/2020, 52</div>

In combination with Löfbergs ways of working with impacting the coffee value chains the company recognizes that there is a paradox within the coffee value chains – where the coffee farmers share of the market decreased even though the farmers do the heavy works. In combination with this it is mentioned that the blockchain technology could be a potential solution as it could increase the transparency within the value chains. Paulig openly communicate that they do not have sufficient knowledge on the impacts that the company's operations have on the biodiversity and deforestation on the coffee producing level, communicating that this will be one of the focus areas for the future.

The third example that both of the companies communicate about is the implementation of code of conducts for the suppliers of the companies – to better guarantee that the suppliers that they work with are doing their work in the right ways. The code of conduct that Löfbergs have implemented for the company's suppliers is based on the ten principles of the UN global conduct and the International Labor Organization (ILO) fundamental conventions as well as the company's own guidelines. In the annual report of Paulig from 2020, it is communicated by the company that the code of conduct that the company is working with is strengthening the value chains, but that this document will be updated during 2021 in order to be improved as needed. Paulig has also introduced "*sustainability champions*" into the company of which the point is to ensure collaboration and more open dialogues with the suppliers of the company, finding the most sustainable suppliers in the value chains.

5.3. Climate actions

There are many similarities between the company's communication regarding their climate impacts and actions they are taking to reduce them. Both of the companies recognize that the biggest environmental impacts that their total operations have is in the beginning of the coffee value chains. The companies also communicate around the importance and possibilities that they have on reducing the climate impacts of their own emissions. The climate impacts that the companies focus on improving share many similarities between the companies – focusing on creating more sustainable packaging solutions, switching over to the use of more renewable materials and to inspire to a more circular coffee value chain.

Löfbergs communicate that they try to educate and inform consumers around the negative consequence's coffee waste has on the environment, and through a campaign they try to encourage consumers to waste less. Löfbergs also wants to invite other actors to work together with them for creating solutions towards extending the life cycle of coffee.

"In Circular Coffee Community, we invite consumers, customers, scientists and other individuals and organizations to eliminate all waste connected to the production and consumption of coffee".

<div align="right">Löfbergs Sustainability Report, 2019/2020, 40</div>

Both of the companies also included quantitative data to present the ways they are reducing the climate impacts that their own operations have on the environment. Löfbergs claims that they have reduced the greenhouse gas emission by 53 percent from the year 2005, and Paulig aims for a reduction of up to 80 percent by the year 2030. According to the sustainability professional at Paulig, the company now has a caron neutral coffee roasting company.

"In our own operations, our target is to reduce GHG emissions by 80% by 2030 from the 2018 baseline. Our emissions derive mainly from energy consumption and also from refrigent leaks at production sites."

<div align="right">Paulig Annual Report 2020, 38</div>

5.4. Sustainability within the companies

Employees are considered a cornerstone in the success of companies' sustainability activities. It was noted throughout the sustainability reports and the interviews with the company representatives that the employees were a part of the success with the implementation of the sustainability strategies. Both of the companies work continuously with surveys in order to map and recognize the ways the employees consider the work and values in the organization. Developments from the earlier sustainability reports versus the latest sustainability reports was that both of the companies put less emphasis on communication around safety risks at work towards communicating more around risks regarding the mental health of employees.

The sustainability professional from Löfbergs claimed the importance of all departments being an integrated part of the sustainability work. For example, the sourcing department being responsible for ensuring the sourcing activities of the company are sustainable and the production department being responsible for the change towards more renewable energy in the company. In both of the latest sustainability reports of the company it was also communicated that 90 percent of the employees in the company are proud to be working for the company. The company has also included a new way of working with inclusion ambassadors among the employees in the company, which will focus on improving the inclusion and equality levels within the company.

"We have developed clear goals and activities that contribute to us reaching our goals. Inclusion and diversity, active coworkership, leadership, regular insight, dialogue, learning and development, and a stimulating and flexible employee experience are some important areas"

<div align="right">Löfbergs, Sustainability Report 2019/2020, 66</div>

Paulig also focuses a lot on the inclusion of the employees in the sustainability work of the company. The communication manager of Paulig stated that the employees working at Paulig are very engaged to be working for the company and proudly sharing the sustainability work targets and results of the company.

The company has implemented a forum for two-way dialogue between the employees of the company and the top management. Focus areas for making the employees feel well at work are work-life balance and gender equality. The company is often interviewing the company's employees in order to map and understand where the issues lies and how the company can change in order to address the opinions and wishes from the employees.

"We consider engaged employees the most important ingredients when building our company's success. We are strongly committed to bringing out the best in people, thus giving everyone the opportunity to unleash their potential and to contribute to our future success"

Paulig, Sustainability Report 2019/2020, 21

5.5. Stakeholder recognition & dialogue

Both of the companies stress the importance of stakeholder dialogue on many places in their sustainability reports and gives some examples of how the dialogues between the company and the stakeholders is managed.

Through the interview with the sustainability professional at Löfbergs, it was clear that the most important stakeholders to reach through the sustainability reports were the employees, suppliers and the owners of the company. The table below is an overview of how the company clusters their stakeholders and which topics that are of importance to engage in dialogues with them about.

Table 10. Stakeholder dialogue by Löfbergs with minor modifications (Löfbergs 2019/2020 21)

Stakeholders	Dialogue	Important topics
Market & Society; Consumers, Authorities, NGOs, Society	Consumer contact and surveys, meetings, events, workshops, seminars, projects, inspections, audits	Consumer experience, health and well-being, diversity, sponsoring
Organisation; Unions, Co-workers, Managers, Board of directors	Employee surveys, meetings, events, workshops, seminars, trainings, negotiations, counselling, inspections	Health and well-being, values, code of conduct, inclusion, diversity, solidarity, workplace safety, work environment legislation
Partners and suppliers; Customers, Networks, Banks, credit institutions, trade associations, certification bodies, suppliers and traders	Customer surveys, customer centre, meetings, visits, events, workshops, seminars, trainings, courses, projects, revisions and inspections	Customer satisfaction, business intelligence, long-term relationships, sponsoring, partnerships, lobbying, biodiversity, protection of nature and deforestation, climate impact, certifications, human rights, legislative compliance
Owners	Owners council, meetings, visits, surveys	Responsibility, commitment, sustainability, development, cooperation, financial growth, business intelligence

Table 10 gives a clear overview of which stakeholders Löfbergs are focusing on and how they try to engage in dialogues with these stakeholders. Through the interview with the company, the most important stakeholders according to them was the consumers and the customers, but also the owners, employees and suppliers.

"The perspective of sustainability is a more integral element of the dialogue with our customers and consumers. A part of the work is to make the added value that sustainability brings visible, and that it is worth paying a little extra for sustainable products and services"

Löfbergs, Sustainability Report 2019/2020, 83

On several places in Paulig's sustainability report, it is communicated that the best way to ensure true sustainability in the value chains is through stakeholder dialogues. In order to get a similar overview of the stakeholders most often recognized by the company, table 11 was created. It gives an overview of which stakeholder groups the company focus on communicating with and which topics that was raised.

Table 11. Examples of Paulig's stakeholder recognition and examples of dialogue (Paulig Annual Report 2020)

Stakeholders	Dialogue	Important topics
Consumers & Customers	Consumer service channels, Social media, Customer discussions	Ethical business conduct, climate actions, origin of products, collaboration for reaching results
Owners & Employees	Leadership development programme, trainings, surveys, performance management	Anti-harassment trainings, equality, work-life balance, healthy and safe workplace
Non-governmental organisations & research institutes	Meetings, Collaboration with research institutions,	Informing NGO's, development of ethical trading, sustainable sourcing of coffee,
Industry organisations & collaboration platforms	Network dialogues, Knowledge sharing platform,	Sourcing of raw materials from risk areas, collaboration with other industry actors to learn from each other
Our suppliers & local communities	Partnership collaborations, Local charity support	Being a fair and inclusive partner, sustainable value chains, wellbeing of future generations, financial support

The table above is a comprehension of how Paulig is communicating around their stakeholders, which stakeholders that are of importance and how they are ensuring the dialogues between the company and the stakeholders.

In Paulig's annual report from 2020, the company communicates that taking place and actively engaging in public discussions is important for them. Examples for how engagement in public discussions has been undertaken is included and these are for example discussions on EU level and participation at a food innovation summit. Customer service channels and

social media channels are included as examples for how customers can engage in discussions with the company. A big focus is put down on the importance of surveys when the companies communicate working with sustainability towards consumers.

It was directly asked from the companies what they find challenging to communicate around their implemented sustainability work. According to the sustainability manager of Löfbergs, the challenge was reaching the consumers with the communication. According to the communication manager from Paulig, the challenge was that more could always be done on that the company could engage in even more discussions around the sustainability work.

6. Analysis

The analysis puts the findings from the empirical chapter in relation to the CSR information strategies and the different legitimization strategies used by the companies.

Through the sustainability reports and the interviews with the companies, several examples of the communication strategy by Morsing and Schultz (2006) and the versions of legitimacy by Suchman (1995) were detected. It was clear that all of the communication strategies were used by the companies, in different ways at different places.

6.1. Sustainability at heart

The fact that both of the companies states that the most common way for them to communicate around CSR issues is through press releases – is an example of the *stakeholder information strategy,* the communication is one-way, going out from the organization directly towards the stakeholders with the purpose of educating them around the actions taken (Morsing & Schultz 2006). The companies are through sensegiving trying to make sense for the stakeholders around the prioritized sustainability actions for the stakeholders.

The way both of the companies communicate around being a sustainable company and historically having had sustainable values already from the beginning is an example of how the companies strives for gaining *pragmatic legitimacy.* Since the companies recognize that their stakeholders, consumers, customers and owners, value sustainability – it is in the self-interest of the company to persuade the readers of the sustainability reports of being a sustainable company. It is also in the interest for the consumers, customers and owners to be able to judge the company as sustainable. For example, climate conscious consumers will therefore ascribe pragmatic legitimacy to the company if they find the communicated impacts of the company truly legitimate.

6.2. Sustainable value chains

The ways the companies are communicating around their work with coffee certification is an example of the *stakeholder information strategy.* Both of the companies are in the sustainability reports informing around the benefits that the coffee certifications have on the environment and how the work with the certifications are benefiting the coffee farmers. There is no way for the stakeholder of the organization to be involved in a dialogue regarding the ways the coffee companies chooses to work with the strategy around the certifications, instead the communication is used as a channel for informing the stakeholder around the purpose of coffee certification and how the company chooses to work with this.

There are several examples of how the companies gains *cognitive legitimacy* through their implemented work in the supply chains. Coffee certifications, codes of conducts and working with similar partnership programs are all examples of this since the companies are in this way adhering to already existing models and standards, which Suchman (1995) shows as an example for gaining cognitive legitimacy. For Löfbergs, the *cognitive legitimacy* is combined with the

pragmatic legitimacy as the company on several places communicated that the consumers and customers demand for certified coffee is one driver and reason for that the company works with certifications. This means that the company through their CSR communication want to persuade their stakeholders that they are recognizing their wishes and needs and taking them into consideration when creating the strategy.

The ways both of the companies are committing to working with similar partnership programs, opening up for a dialogue between the company and the industry in order to increase the sustainability in the value chains is an example of the *stakeholder involvement strategy.* Through the partnership programs the company tries to impact the activities taken on the beginning of the coffee value chain. For Paulig, it was more loudly communicated around the impacts from the partnership programs, and more emphasis was put on this than for example on the impacts that the certification schemes had. The examples of how the corporations work with the partnership programs, opening up for discussion between the company and the partnership programs give an example of how they seek to gain *moral legitimacy.* Taking part in public discussions is according to Suchman (1995) one of the best ways that companies can reach moral legitimacy. It was more loudly communicated by Paulig that the partnership programs are a way for Paulig to actually be involved in discussions with the supplier level stakeholders.

Raising the voices of critical stakeholders in the sustainability reports is according to Morsing and Schultz (2006) an example of the *stakeholder involvement strategy* as the company lets the stakeholders speak out on how they have been affected by the partnership programs that the company have developed. Since both of the companies included the voices of these stakeholders and exemplified how the work they had undertaken were impacting these stakeholders positively – was a way to open up for the voices of the stakeholders through a third-party endorsement (*ibid.*).

6.3. Climate actions

The way both of the companies have integrated goals for reducing emissions and improving the sustainability within their own value chains gives an example of how the companies seek *pragmatic legitimacy* since they show that they are admitting to these goals, and this is what the stakeholders of the organization are expecting from them. The ways the company build their communication regarding the taken climate activities gives an indication of the *stakeholder response strategy* as the company takes a persuasive approach to convince the stakeholders around the positive effects of their climate actions and how they are striving for big reductions in emissions. Since for example the expectations of engaging in sustainable actions is high from the companies stakeholders, they need the external endorsement from them to be able to sell these products.

The example of Löfbergs circular coffee community where they open up for various different stakeholders to join them for creating longer lifecycles for coffee is an example of the *stakeholder involvement strategy.* The company wants to identify a solution through two-way symmetric dialogue and is thus seeking to be affected by its stakeholders. They recognize not having the best information regarding all issues and therefore opens up for different stakeholders to help them into developing more sustainable solutions.

Paulig is also gaining moral legitimacy since they acknowledge that there are many things that they are not yet doing so well which should be improved. These are for example issues with biodiversity and deforestation – that they do not have sufficient information to understand how big their impacts here are. Similarly, that Löfbergs recognizes that the industry does not have enough information to solve the issues with the decreasing market share of the coffee farmers, though the company tries to open up for the *stakeholder involvement strategy* in order to achieve *moral legitimacy*. The companies recognize that they need to collaborate with other industry actors in order to make bigger impacts on the value chains.

According to Suchman (1995), engaging in public discussions is an example of how the company can gain *moral legitimacy*. Paulig emphasizes the importance of engaging in public discussions for them, with the examples of a couple of discussions they have participated in. Since the sustainability professional also acknowledged the need of engaging in even more public discussions and dialogue is an example of how the company is showing example for trying to work towards the *stakeholder involvement strategy* even more.

6.4. Sustainability within the companies

Through the interviews with the companies, both of the companies acknowledge that the employees are among the most important stakeholders to reach through the sustainability communication. Both of them have through surveys ensured that the employee's values were highly valued when creating new sustainability agendas and strategies. Paulig also exemplifies the implementation of a two-way forum, of which the meaning is to more easily enable the discussions between the top management and the stakeholders of the firm. Here, the companies therefore showed a clear example of adhering to the *stakeholder involvement strategy* as the companies wanted to be influenced by the values of the employees.

The ways the companies work separately with Löfbergs working with the implementation of *inclusion ambassadors* and Paulig with *sustainability champions* shows that the companies are seeking innovative solutions to involve the employees into the organization and thus gives an example of the *stakeholder involvement strategy.* This was communicated more loudly in the latest sustainability reports by the companies and therefore shows how they are trying to find innovative solutions for involving the stakeholders even more. Engaging and involving employees through surveys, interviews and discussions is a way for the companies to seek *moral legitimacy.*

Through the examples of how the companies are trying to brand themselves as an attractive employer in the sustainability reports and also through the interviews with the company, is examples of how they seek *pragmatic legitimacy*. This is also an example of the *stakeholder response strategy* as the companies wants the stakeholders to see them as an attractive employer.

6.5. Stakeholder dialogue

On several places Paulig recognized that they wanted to ensure a stakeholder dialogue and also recognized the consumers being among the most important stakeholders for the corporation. However, the examples that the company gave for how consumers could interact with the company was examples of one-way dialogues, not two-way dialogues as proposed by Morsing and Schultz (2006). Inviting customers to ask the company questions through customer service channels, is not an example of opening up to a dialogue, rather an example of the *stakeholder responsive strategy*. Paulig were also inviting the customers into more dialogues and discussions with the company through social media however the impact of affecting the company through these discussions remains a question. These examples are therefore more examples of the *stakeholder responsive strategy* – not the *stakeholder involvement strategy*. The company is not changing as a result from the reactions from the consumers, rather gathering information on how well their sustainability actions are perceived from the public.

The stakeholder involvement strategy was used by Paulig in the example of hosting public discussions about the future of the coffee industry with different NGO's. They primarily focus on opening up for mutual learning together with NGO's, meaning that they open up for being influenced by the NGO's. This is an activity through which the company seeks moral legitimacy. According to Palazzo and Scherer (2006), deliberation between two partners succeeds when the participants exchange arguments and engage in dialogue. Through the interview with the company it was also acknowledged that the company could do even more and engage in more discussions – thus indicating that they recognize trying to move towards the *stakeholder involvement strategy* even more.

For Löfbergs there were also many examples on how the dialogues between the stakeholders and the company were managed. Examples for how the company managed dialogues was through surveys, events, seminars, trainings, meetings, audits and visits. The ways that Löfbergs state that their sustainability work is a result of the expectations that the consumers and customers put on them, is an example of how the company seeks to be changed by their stakeholders, thus indicating the *stakeholder involvement strategy* – where the company truly wants to be affected.

Löfbergs also included the example of meeting consumers at their mobile coffee bars, as a way to engage in dialogues with the consumers, and as a forum where these discussions can take place. Another example of how Löfbergs engaged in dialogues with the consumers was through customer surveys – Löfbergs was mapping the expectations and opinions from the consumers through sending out consumer surveys. Both of these examples was examples of the *stakeholder response strategy,* as this is a way the company can engage with the consumers, however the consumers cannot impact the taken activities of the organization through these meeting forums.

Since the company however recognized through the communication that they have a hard time reaching their consumers with their sustainability communication, it shows that the company does not perceive reaching the wanted legitimacy levels. It was also not exemplified to as high extent by Löfbergs in which ways the dialogues are managed.

7. Discussion & Conclusions

In this chapter the discussion is structured around the research questions. It shows how the corporations are involving the stakeholders in their CSR communication and the ways they try to legitimize their corporate behavior, through putting the findings from the analysis in relation to the research gained around the coffee industry. It also puts the findings from the analysis in connection to the used theories.

7.1. How are the companies seeking legitimacy?

The most common way for the companies to legitimize their activities was through examples of cognitive legitimacy. These were working with certifications, codes of conducts, committing to the sustainable development goals and working with the same partnership programs. It was clear that as was stated in many of the studies studied of the coffee industry – these companies engaged in working with sustainability in similar homogenous way as the rest of the industry. This indicates the institutional legitimacy that Palazzo and Scherer (2006) write about – companies tend to react to external expectations when creating their sustainability agendas. Universal sustainability standards are then created, that the majority of the corporations within the industry tend to work with (Richards, Zellweger & Gond 2017). According to Suchman (1995), it is of importance for companies to maintain the legitimacy that has been achieved and therefore they need to continuously through their communication convince their stakeholders of this. Wanting to maintain the achieved legitimacy could therefore be a reason for the fact that the companies were repeating the communication about the partnership programs, certifications and sustainable development goals.

As findings from studies within the coffee industry has shown, many coffee companies fail to address climate change and deforestation in their CSR communication (Bager & Lambin 2020). It therefore increased the legitimacy of the companies when they admitted that they do not at the moment have sufficient knowledge on their impacts on the value chains, but that this is something they will work towards. Recognizing that the transparency of the coffee industry is not high enough – while inviting other actors into creating a solution for this was an example of this. Through communicating this – the company showed that they understand that there is an issue within the coffee industry, where the farmers do not get as much market share as they should. However, what was missed in this communication was the ways the company work with the different coffee beans and how they are planning on changing the ways of working with these. As Bianco (2020) mentions, true adaptation is needed from the companies to save the future of the coffee industry. Therefore, including communication around the sustainable coffee bean could have increased the perceived legitimacy of the corporations.

The socio-political perspective of CSR shows that the firm should prioritize society's needs over the firm, and this perspective was chosen as a suitable theoretical focus of this agenda. It is needed from coffee firms to take place in political discussions and making impacts on the political agenda in order for the coffee industry to exist in the future (Palazzo & Scherer 2006). Palazzo and Scherer (2006) suggest that companies operating in today's global environment are nearly forced into taking a political role since global legislation and regulation does not succeed with creating sustainable ways of working. This is specifically the case in the global coffee value chains, where the lack of global regulation has led to the

extremely unequal situation, where global coffee roasting companies need to take a more political approach (Levy, Reinecke & Manning). What is needed is from the corporations operating in the end of the value chains, to take their responsibility and build adaption strategies and solutions for sustainability. Recognizing the responsibility that comes with this power is a good first way forward, but it will require a lot for real impacts to happen. This will also make it easier for the companies to gain more moral legitimacy.

Since it was chosen to use the socio-political perspective of CSR, which shows that the firm should prioritize society's needs over the needs of the firm. In order for companies to achieve true moral legitimacy, the company would need to actively communicate and take a more political approach in society. A suggestion for the case companies to further achieve the moral legitimacy could be to focus on communicating in which ways the company is taking political action.

7.2. How are the companies recognizing their stakeholders in CSR communication?

Both of the companies showed development, consideration and engagement with stakeholders throughout their communication of CSR. The communication of CSR is a moving target and will probably in the future require even faster adaptation techniques by the companies in order to succeed with adapting to the changing expectations from stakeholders. Through the analysis, it was identified that both of the companies used a mix of all of the three communication strategies by Morsing and Schultz (2006): *the stakeholder information strategy, the stakeholder responsive strategy* and the *stakeholder involvement strategy.*

The stakeholder information strategy was identified on several places as the companies tried to inform and educate the stakeholders around the issues within the coffee industry, with for example straightforward information about sustainable development goals and information regarding their partnership programs and the certification schemes used. As for Löfbergs, the company emphasized that they want to teach and learn the consumers around the issues that exist in the coffee value chains, in order for the consumers to start demanding more certified coffee. As was shown, one of the issues with the certifications in the coffee value chains are that consumers are not demanding coffee to a high enough extent (Bello & Westerberg 2014; Environmental Protection Agency 2015). Therefore, sensegiving towards the consumers as a stakeholder group might be a required first step in order to grow the demand for the certified coffee.

Empowering the low-power coffee farmers is a way forward for creating a more sustainable coffee industry (Civera, Colle & Casalegno 2017). The ways the coffee companies communicated around the coffee farmers showed examples of how they tried to work with empowerment, through developing the business skills of these coffee farmers. The companies claimed to be helping the coffee farmers with developing better business skills and adaption methods to adapt to climate change. The examples of lifting up these critical voices of the critical stakeholders was an example of the stakeholder involvement strategy, it can however be questioned whether the motivations behind this is truly to do something good, or only to give a sense of doing something good. The motivations behind the message cannot be judged through this report, only the communicated content (Morsing & Schultz 2006). Including this group of stakeholders into the decision-making around CSR, making sure that their voices are

heard when deciding a strategy will be needed going forward. Samper and Quinones-Ruiz (2017) states that it is necessary that the sustainability approach developed by the companies is developed together with the coffee farmers, in order to impact the coffee industry, the most positively.

Both of the companies succeeded with working with the *stakeholder involvement strategy* for working with their employees. Morsing, Schultz and Nielsen (2008) suggest the inside out approach to CSR – meaning that the communication around CSR should start from involving the employees and then move over to involving other stakeholders as well. Succeeding with a two-way communication between the employees of the company, can increase the perceived legitimacy of the company (Ellerup Nielsen & Thomsen 2018). Even though the companies communicated engaging in dialogues with the employees of the company, a lot of the method for the communication was through surveys. Morsing and Schultz (2006) questions whether the surveys are a good way to ensure true two-way dialogues between the employees and the firm. However, through analyzing the sustainability reports it was clear that the companies are working with the inside-out approach.

The more companies expose their ethical and social ambition, the more they risk attracting critical stakeholder attention (Morsing & Schultz 2006). Several examples of the *stakeholder response strategy* were also identified, as the companies tried to show that they are listening and acting as the stakeholders wants and expects them to. As have been shown in lots of previous research, the expectations of the stakeholders are often guiding companies towards working more with sustainability and is often a successful way of building legitimacy (Ellerup Nielsen & Thomsen 2018). Continuously mapping expectations from different stakeholders will be necessary for the companies going forward. Findings ways to integrate two-way symmetric dialogues along the value chains and with the general public will be a challenge that the companies should focus on solving for the future.

As it was recognized by the companies, involvement in more discussions, dialogues and ways of reaching the consumers more efficiently are issues they work on solving and should therefore be emphasized as a possible way forward. In order for companies to truly succeed with engaging with the *stakeholder involvement strategy* – it will be required from the companies to find innovative solutions and creating new ways of ensuring dialogue. As was found through the analysis, these companies communicate rather loudly regarding their ambitions towards succeeding to remain a sustainable company. It will require a lot from the companies in order to succeed with these ambitions. The companies risk gaining critical stakeholder attention if not successfully being able to communicate around the progress taken towards their sustainability ambition.

7.3. Conclusions

The aim of this study was to explain how companies within the Nordic coffee industry are communicating around CSR and how they are seeking to legitimize their activities taken. In order to be able to explore the field, two research questions were formulated. *1). In which ways are the companies involving their stakeholders in their CSR communication? 2). How are the companies seeking legitimacy through the communication of CSR?*

All of the communication strategies by Morsing and Schultz (2006) were identified through the communication with different motivations for choosing different strategies throughout the study. The companies were highly impacted by the values and expectations of their stakeholders in their sustainability communication, driving them towards the creation of their sustainability agendas and the focus of their CSR communication. It was also clear that it was of importance for the companies to educate their consumers through the CSR communication.

All three of Suchman's (1995) legitimization strategies was also identified through the communication. Primarily the companies succeeded with achieving cognitive legitimacy, which was rather unsurprising as the institutionalization of CSR and the homogenization of the work with sustainability activities can be seen as a reason for doing so. As the demand for coffee continues to grow, it is more important than ever that the coffee industry succeeds with openly communicating around the issues within the coffee value chains and the ways they are trying to be a part of solving them. To further investigate into the CSR communication within the coffee industry, looking at how coffee companies communicates through social media channels and in which ways they try to educate and learn their consumers through this channel could be suggested.

7.4. Reflections

Through the aim and purpose of this study, it was only possible to analyze the communicated content, not whether or not the accuracy of the communicated content. It would have been interesting to include the voices of external stakeholders, to for example see how the coffee farmers are perceiving the impacts from the implemented partnership programs. This could be a suggestion for future research.

Because of preference, the interviews with the case study companies was conducted through email. As a reflection after conducting the study, it would have increased the findings from the study if the interviews had been held through for example Skype or telephone. This because the answers from the email interviews was pretty similar to the communication in the sustainability reports. More extra value could therefore have been gained from the interviews if they had been held in another way.

References

Bacon, C., Méndez, E. Gómez, F., Stuart, D. & Flores, S. (2008). Are Sustainable Coffee Certifications Enough to Secure Farmer Livelihoods? The Millennium Development Goals and Nicaragua's Fair Trade Cooperatives. *Responses to Global Complexity – Ethical Trade.* 259-274. https://doi.org/10.1080/14747730802057688

Bager, S. & Lambin, E. (2020). Sustainability strategies by companies in the global coffee sector. *Business Strategy and the Environment.* Vol. 29

Banerjee, B. (2008). Corporate Social Responsibility: The Good, The Bad and The Ugly. *Critical Sociology.* 34 (1), 51-79. 10.1177/0896920507084623

Baumann-Pauly, D. (2013). *Managing Corporate Legitimacy: A Toolkit.* Greenleaf Publishing.

Bello, D. & Westerberg, A. (2014). *Hotet mot din kaffekopp.* Stockholm: We Effect. https://weeffect.se/app/uploads/2016/11/hotet_mot_din_kaffekopp.pdf [2021-04-07]

Bengtsson, M. (2016). How to plan and perform a qualitative study using content analysis. *NursingPlus Open.* 2, 2016, 8-14. https://doi.org/10.1016/j.npls.2016.01.001 [2021-02-16]

Bhattacherjee, A. (2012). *Social Science Research: Principles, Methods and Practices.* University of South Florida.

Bianco, G. (2020). Climate change adaptation, coffee and corporate social responsibility: challenges and opportunities. *International Journal of Corporate Social Responsibility.* 5.

Borrella I., Mataix, C. & Carrasco-Gallego, R. (2015). Smallholder Farmers in the Specialty Coffee Industry: Opportunities, Constraints and the Businesses that are Making it Possible. *IDS Bulletin.* 46, 3. https://doi.org/10.1111/1759-5436.12142 [2021-03-07]

Bowen, F. (2019). Marking their own Homework: The Pragmatic and Moral Legitimacy of Industry Self-Regulation. *Journal of Business Ethics.* 156, 257-272. DOI: 10.1007/s10551-017-3635-y [2021-05-09]

Bradley, O. & Botchway, G. (2018). Communicating corporate social responsibility (CSR) in the coffee industry: An examination of indicators disclosed. *Sustainability Accounting, Management and Policy Journal.* Vol 9, 139-164. http://dx.doi.org/10.1108/SAMPJ-02-2017-0015

Braun, V. & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology.* 3, (2), 77-101. DOI: 10.1191/1478088706qp063oa [2021-02-12]

Bryman, A. (2012). *Social research methods* (4th ed). Oxford: Oxford University Press.

Bryman, A. (2016). *Social Research Methods.* (5th ed). Oxford: Oxford University Press.

Busse, C., Schleper, M., Weilenmann, J. & Wagner, S. (2017). Extending the supply chain visibility boundary: Utilizing stakeholders for identifying supply chain sustainability risks. *International Journal of Physical Distribution & Logistics Management.* 47, 1.

Candelo, E., Casalegno, C., Civera, C. & Mosca, F. (2018). Turning Farmers into Business Partners through Value Co-Creation Projects. Insights from the Coffee Supply Chain. *Sustainability.* 10 (4):1018. 10.3390/su10041018

Carroll, A. (1979). A Three-Dimensional Conceptual Model of Corporate Performance. *Academy of Management Review.* 4, 497-505. https://www.jstor.org/stable/pdf/257850 [2021-03-24]

Chiputwa, B., Spielman, D. & Qaim M. (2015). Food Standards, Certification and Poverty among Coffee Farmers in Uganda. *World Development.* 66, 400-412. https://doi.org/10.1016/j.worlddev.2014.09.006 [2021-01-24]

Civera, C., Colle, S. & Casalegno, C. (2017). Stakeholder engagement through empowerment: The case of coffee farmers. *Business ethics.* 2019, 28:156-174. 10.1111/beer.12208 [2021-01-24]

Commission Of The European Communities. (2001) *Promoting a European framework for Corporate Social Responsibility.* Brussels.

Creswell, J. W., & Creswell, J. D. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (4th edition). London: SAGE.

Dahlsrud, A. (2006). How Corporate Social Responsibility is Defined: An Analysis of 37 Definitions. *Corporate Social Responsibility and Environmental Management.* https://doi.org/10.1002/csr.132 [2021-01-24]

Davis, K. (1973). The Case for and against Business Assumption of Social Responsibilities. *The Academy of Management Journal.* 16, 2, 312-322. https://www.jstor.org/stable/pdf/255331.pdf [2021-04-10]

Du, S. & Bhattacharya, CB. (2010). Maximizing Business Returns to Corporate Social Responsibility (CSR): The Role of CSR Communication. *International Journal of Management Reviews.* 12. 10.1111/j.1468-2370.2009.00276.x

Ellerup Nielsen, A. & Thomsen, C. (2018). Reviewing corporate social responsibility communication: a legitimacy perspective. *Corporate Communications: An International Journal.* 23, 492-511. http://www.emeraldinsight.com/1356-3289.htm

Environmental Protection Agency (2015). *Vem betalar priset för ditt kaffe? - om kaffeodling, människorna och naturen.* Environmental Protection Agency. https://www.naturskyddsforeningen.se/sites/default/files/dokument-media/kafferapport_lo_0.pdf [2021-02-10]

Fairtrade (2021). *Gender Equality.* https://www.fairtrade.net/issue/gender-equality [2021-02-10]

Fassin, Y. & Buelens, M. (2011). The hypocrisy-sincerity continuum in corporate communication and decision making: A model of corporate social responsibility and business ethics practices. *Management Decision.* 49, 4. 10.1108/00251741111126503

Friedman, M. (1970). The Social Responsibility of Business is to Increase its Profits. *The New York Times.* 13, 122-124

Garriga, E. & Melé, D. (2004). Corporate Social Responsibility Theories: Mapping the Territory. *Journal of Business Ethics.* 53, 51-71. https://doi.org/10.1023/B:BUSI.0000039399.90587.34 [2021-03-08]

Guido, Z., Knudson, C. & Rhiney, K. (2020). Will COVID-19 be one shock too many for smallholder coffee livelihoods? *World Development.* 135, https://doi.org/10.1016/j.worlddev.2020.105172 [2021-03-07]

Koep, L. & O'Driscoll. (2014). Towards a Model for Integrating Management and Communications Theory in Sustainability/CSR Research. *Dublin Institute of Technology.* https://doi.org/10.21427/D7T783

Levy, D., Reinecke, J. & Manning, S. (2015) The Political Dynamics of Sustainable Coffee: Contested Value Regimes and the Transformation of Sustainability. *Journal of Management Studies.* 53, 3. https://doi.org/10.1111/joms.12144

Löfbergs (2021a). About us. https://lofbergsgroup.com/about-us/ [2021-02-28]

Löfbergs (2021b). Next Generation Coffee. https://en.lofbergs.se/sustainability/next-generation-coffee/ [2021-02-28]

Löfbergs (2021c). Sustainability Report 2019/2020. https://www.mynewsdesk.com/lofbergs/documents/loefbergs-sustainability-report-2019-slash-2020-101929 [2021-01-10]

Löfbergs (2021d). Sustainability Report 2018/2019. https://www.mynewsdesk.com/lofbergs/documents/sustainability-report-2018-slash-2019-91828 2021-02-28]

Maloni, M. & Brown, M. (2006). Corporate Social Responsibility in the Supply Chain: An Application in the Food Industry. *Journal of Business Ethics.* 68, 35-52. 10.1007/s10551-006-9038-0

Millard, E. (2017). Still brewing: Fostering sustainable coffee production. *World Development Perspectives.* 7-8, 32-42. https://doi.org/10.1016/j.wdp.2017.11.004

Morsing, M. & Schultz, M. (2006). Corporate social responsibility communication: stakeholder information, response and involvement strategies. *Business Ethics: A European Review.* 15, 323-338. https://doi.org/10.1111/j.1467-8608.2006.00460.x

Morsing, M., Schultz, M. & Nielsen, K. (2008). The 'Catch 22' of communicating CSR: Findings from a Danish study. *Journal of Marketing Communications.* 2, 97-111.

Oxfam (2002). *Mugged Poverty in your coffee cup.* Oxfam International 2002. https://s3.amazonaws.com/oxfam-us/www/static/oa3/files/mugged-full-report.pdf [2021-03-01]

Palazzo, G. & Scherer, A. (2006). Corporate Legitimacy as Deliberation: A Communicative Framework. *Journal of Business Ethics.* 66, 71-88. 10.1007/s10551-006-9044-2 [2021-02-21]

Paulig (2021a). *Annual Report 2020.* https://www.pauliggroup.com/sites/default/files/2021-04/Paulig%20Annual%20Report%202020.pdf [2021-04-23]

Paulig (2021b). *Coffee certificates.* https://www.paulig.com/en/sustainability/travel-journeys/general-information-about-coffee/coffee-certificates [2021-02-28]

Paulig (2021c). *Sustainability Report 2019*. https://www.pauliggroup.com/sustainability/pauligs-annual-report-2020 [2021-02-28]

Phillips, R. (2005). Stakeholder Legitimacy. *Business Ethics Quarterly*. 10.2307/3857857 [2021-03-12]

Porter, M. & Kramer, M. (2011). Creating Shared Value. *Managing Sustainable Business.* *https://doi.org/10.1007/978-94-024-1144-7_16* [2021-03-07]

Rainforest Alliance (2018). *Brewing Gender Equality in the Coffee Industry.* https://www.rainforest-alliance.org/article/brewing-gender-equality-in-the-coffee-industry [2021-03-12]

Rainforest Alliance (2016). Rainforest Alliance Certified Coffee. https://www.rainforest-alliance.org/articles/rainforest-alliance-certified-coffee [2021-03-12]

Reinecke, J., Manning, S. & Von Hagen, O. (2012). The Emergence of a Standards Market: Multiplicity of Sustainability Standards in the Global Coffee Industry. *Organization Studies.* 33, 791-814. 10.1177/0170840612443629 [2021-03-13]

Richards, M., Zellweger, T. & Gond, J-P. (2017). Maintaining Moral Legitimacy through Worlds and Words: An Explanation of Firms' Investment in Sustainability Certification. *Journal of Management Studies.* 54, 5, 676-710. https://doi.org/10.1111/joms.12249 [2021-03-14]

Riege, A. (2003). Validity and reliability tests in case study research: a literature review with "hands-on" applications for each research phase. *Qualitative Market Research.* 6, 2, 75-86. https://doi.org/10.1108/13522750310470055 [2021-03-07]

Robson, C. & McCartan, C. (2016). *Real World Research*. Chichester: John Wiley & Sons Ltd., förlagsort

Ruben, R. & Zuniga-Arias, G. (2011). How standards compete: Comparative impact of coffee certification schemes in Northern Nicaragua. *Supply chain management. DOI: 10.1108/13598541111115356*

Samper, L. & Quiñones-Ruiz, X. (2017). Towards a Balanced Sustainability Vision for the Coffee Industry. *Resources 2017.* 6, 17. doi:10.3390/resources6020017 [2021-01-10]

Schultz, F., Castelló, I. & Morsing, M. (2013). The Construction of Corporate Social Responsibility in Network Societies: A Communication View. *Journal of Business Ethics.* 115, 681-692 https://doi.org/10.1007/s10551-013-1826-8 [2021-03-12]

Silverman, D. (2015). *Interpreting Qualitative Data (Fifth Edition)*. London: SAGE Publications

Spence, L. & Bourlakis, M. (2009). The evolution from corporate social responsibility to supply chain responsibility: the case of Waitrose. *Supply Chain Management.* 14, 4.

Suchman, M. (1995). Managing Legitimacy: Strategic and Institutional Approaches. *The Academy of Management Review.* 20, 571-611. 10.2307/258788 [2021-02-10]

Suprawan, L. (2011). *Corporate social responsibility branding: the role of organizational identity and its impact on performance.* School of marketing. http://hdl.handle.net/20.500.11937/1190 [2020-12-17]

Swedwatch (2011). *Dyrare kaffe är bra om odlarna får sin del av kakan.* https://swedwatch.org/wp-content/uploads/2021/01/swedwatch-dyrarekaffearbra.pdf

UTZ (2021a). Everything you need to know about coffee. https://utz.org/better-business-hub/sourcing-sustainable-products/everything-need-know-coffee/ [2020-02-05]

UTZ (2021b). The UTZ standard. https://utz.org/what-we-offer/certification/the-standard/ [2021-04-07]

UTZ (2021c). Climate Change. https://utz.org/what-we-offer/sector-change/climate-change/ [2021-04-07]

Vaismoradi, M., Turunen, H. & Bondas, T. (2013). Content analysis and thematic analysis: Implications for conducting a qualitative descriptive study. *Nursing and Health Sciences.* 15, 398-405-

Valkila, J., Haaparanta, P. & Niemi, N. (2010). Empowering Coffee Traders? The Coffee Value Chain from Nicaraguan Fair Trade Farmers to Finnish Consumers. *Journal of Business Ethics.* 97, 257-270

Wood, D., Mitchell, R., Agle, B. & Bryan, L. (2018). Stakeholder Identification and Salience After 20 Years: Progress, Problems and Prospects. *Business & Society.* 60, 196-245. https://doi.org/10.1177/0007650318816522 [2021-03-12]

Youssef, K., Leicht, T., Pellicelli, M. & Kitchen, P. (2018). The importance of corporate social responsibility (CSR) for branding and business success in small and medium-sized enterprises (SME) in a business-to-distributor (B2D) context. 26, 8, 723-739

Acknowledgments

Appendix A. Interview guide

Theme & Purpose of question	Question
Interviewee background	*What is your position at the company and how long have you worked there*
CSR communication	*How have your CSR communications developed through the past years?*
CSR communication	*What channels are the most important for you when communicating your sustainability work?*
Internal stakeholder management	*Are you trying to engage your employees in your CSR work? In what ways?*
Stakeholder management	*Which stakeholders are the most important for you to recognize in your CSR communication?*
Stakeholder management, Supply chain transparency	*Do you find it challenging to work transparently with your stakeholders along the whole value chain?*
Stakeholder communication	*How are you ensuring that you have an "open dialogue" with your stakeholders?*
Marginalized stakeholders	*How are you trying to create shared value for especially the smallholder coffee farmers in the value chains?*
Legitimacy	*How do you follow up your CSR actions taken along the value chains?*
Coffee certification	*You communicate a lot about the coffee certifications that you are using and the goal of increasing the amount of certified coffee. What benefits do you see with working with certifications? How about challenges?*
CSR communication	*What challenges do you face with communicating your sustainability work?*
CSR communication	*Do you try to communicate your CSR actions through other channels than your own, for example through public media?*
Opening up for own thoughts/reflections	*Any additional information that you would like to share?*

Appendix B. Popular science summary

Corporate social responsibility communication has become a common way for companies to show how they are taking their responsibility in society. Especially for companies that are sourcing products from developing countries it is of importance to look at how the companies are communicating around this. The global coffee industry is well known for its sustainability challenges but also for being a pioneer in the field of CSR it therefore served as a good case for investigating deeper into it. Companies active in the global coffee industry has for decades already tried to take responsibility and communicate around the taken responsibility and tend to communicate and work in rather similar ways with CSR.

In this thesis, a case study was conducted in order to look at the CSR communication in the Nordic coffee industry. The comparison was done for the Finnish food and beverage company Paulig and the Swedish coffee roasting company Löfbergs. The comparison was done through analyzing the two latest sustainability reports of the companies as well as through gathering extra insights through email interviews with company representatives.

In order to be able to do a successful comparison, it was chosen to land in a theoretical framework that combined the concepts of CSR communication by Morsing and Schultz (2006) as well as legitimization strategies by Suchman (1995). There were many similarities in how the companies were communicating around CSR which gave an indication of the rather homogenous ways through which coffee companies are taking actions and working with developing their CSR. Both of the companies were using all of the three CSR communication strategies presented by Morsing and Schultz (2008). Examples of all three of the legitimization strategies by Suchman (1995) was also found, however with an emphasis on mainly the cognitive legitimacy. The companies were both recognizing that they do not have sufficient knowledge around the impacts their activities have on all places of the value chains and opened up for the need for more public discussions and solutions in order to solve the issues within the coffee industry. May this thesis serve as an example for how the CSR communication is conducted in the Nordic coffee industry.