



# Low scores, high standards-

A case study on Coop's sustainability declaration

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Caroline Malthed & Tuva Wrenfelt

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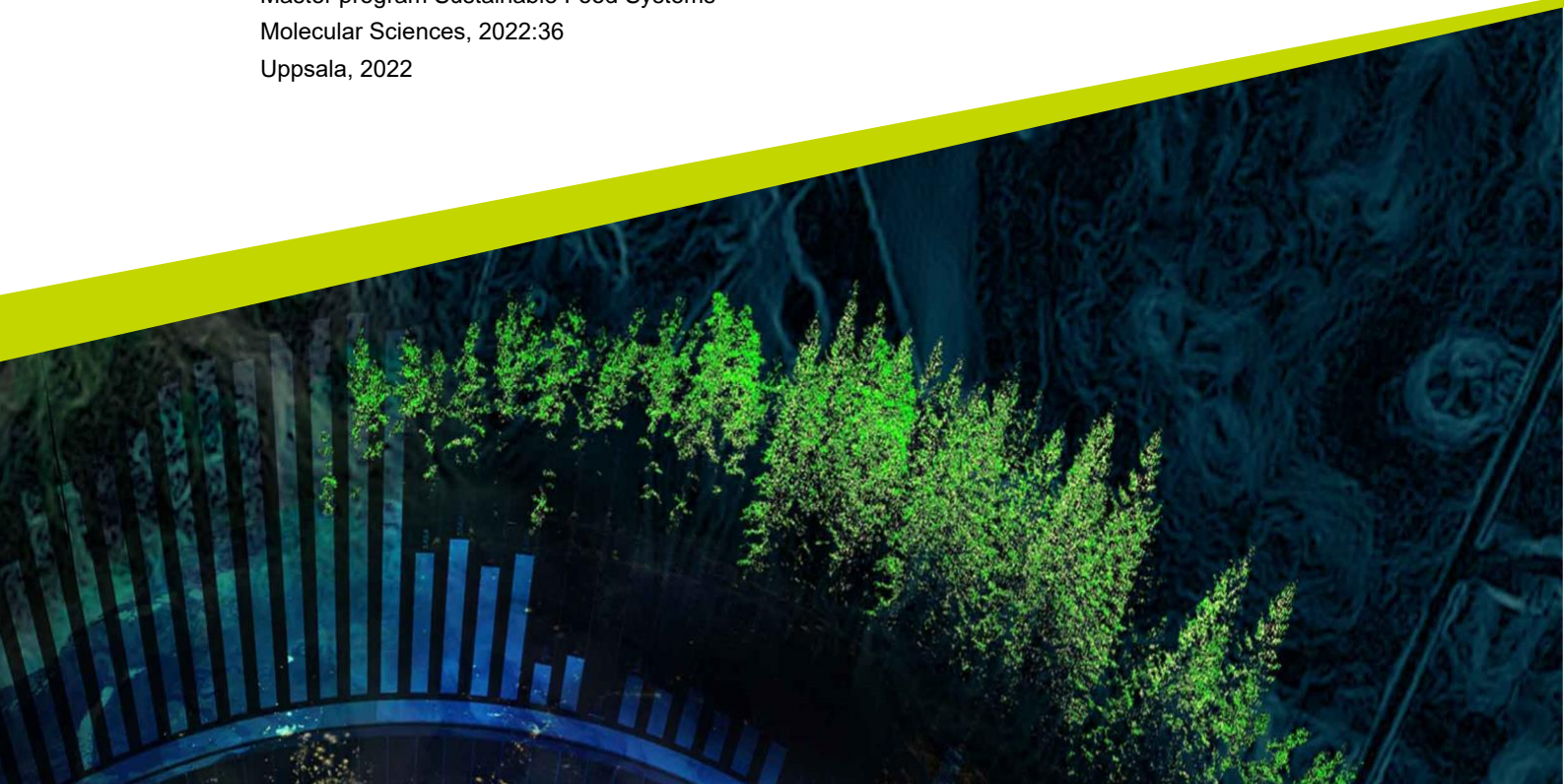
Swedish University of Agricultural Sciences, SLU

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# Low scores, high standards- A case study on Coop's sustainability declaration

*Låga poäng med hög standard - en fallstudie om Coops hållbarhetsdeklaration*

Caroline Malthed & Tuva Wrenfelt

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## Abstract

The earth's ecosystems are changing due to human activities, and it is urgent that we transform our way of living to avoid further negative effects on climate change. Food production has the single biggest impact on global environmental changes, since 21-37% of the world's total greenhouse gas emissions comes from the agricultural systems. Sweden is highly dependent on imports for its food supply which makes it sensitive for external pressures and global events. Retail chains are today the established main source for purchasing foodstuffs. These actors are therefore in a position where they can create barriers for food producers to enter the market. This project is a commission from the Swedish retail chain Coop Sweden (Coop) which also constituted the case study. They aspire to transform the food industry by implementing their sustainability declaration as a new supplier standard. The reason for this is that they wish to broaden their assortment of sustainable food products that can be offered to consumers. The aim for this study was to identify how Coop's supplier standard could be implemented for small-scale producers, to create sustainable and resilient food systems. Semi-structured interviews were conducted with purchasers and small-scale producers from Coop's consumer unions Norrbotten, Värmland and Gotland. Their answers were analysed using theories and concepts of Institutional theory, CSR, standards, Channel theory and gatekeepers.

This study's results show that the interviewees share an overall understanding of the definition of local food as: food that has been produced within a defined geographical region. It is also evident from the results that to successfully implement the sustainability declaration, it needs to lead to increased income for the small-scale producers. The results further show that all the interviewees are willing to work to continuously improve their sustainability work but that they need support from Coop in the process. This could be done by offering education, clear guidelines, and long supplier agreements. A standardised and shared industry system for reporting key figures regarding sustainability impact is also requested by the interviewed producers. All interviewees mentioned that they are concerned over the consequences that may come from the current war in Ukraine. The timing of higher supplier requirements may therefore be ill suited due to ongoing global events. However, the climate change and environmental changes are urgent, which require a systematic change in our way of living. It is therefore of utmost importance to motivate small-scale producers to reduce their sustainability impact, so that all food systems can become more sustainable.

# Popular-scientific summary

## Low scores, high standards-

## A case study on Coop's sustainability declaration

*Dependency on global food systems for our national food supply is a fragile system that experience the effects from climate change, war conflicts and natural disasters. Eyes are therefore turning towards national small-scale producers to support with local food products when the global systems fail. In times of climate change, we urgently need an increased production of local and sustainable food products.*

Small-scale producers constitute the greater share of present food businesses on the Swedish food market. These companies have previously been much excused from working with sustainability issues due to their limited available resources. However, the climate change is rapidly increasing, and it is therefore important that producers of all sizes take responsibility for their own sustainability impact. This master project is a commission from the Swedish retail chain Coop Sverige AB. They wish to broaden their assortment of sustainable and local food products. This is done by implementing the sustainability declaration as a new supplier standard, where producers are expected to actively work to reduce their negative sustainability impact. The aim for this study was therefore to identify how Coop's supplier standard could be implemented for small-scale producers, so that more sustainable and resilient food systems can be created.

To understand the present preconditions for implementing the sustainability declaration, we looked for trends in the answers of the interviewees. Our study shows that the interviewees will be more motivated to adopt the sustainability declaration if it leads to increased income for their businesses. All interviewees are also willing to work to continuously improve their sustainability work, but they need support from Coop. This can be done by offering them education, clear guidelines, and long supplier agreements. A standardised and shared industry system for reporting data is also requested by the interviewed producers. This would save them both time and administration since all relevant actors on the retail market could access the needed information from one place.

The findings of this study show that all producers are worried about the consequences that may come from the current war in Ukraine. New supplier requirements could thus be poorly timed. However, the negative changes on our planet are rapidly getting worse and it is extremely important to secure and increase the national food supply of local and sustainable food products. Small-scale producers may therefore very well be our heroes in disguise if we as consumers, and Coop as a retailer, offer them a helping hand.

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## Abbreviations

CoC	Code of Conduct
Coop	Coop Sverige AB
CSR	Corporate Social Responsibility
GHGs	Greenhouse gases
KF	Kooperativa Förbundet (Cooperative Alliance)
SDGs	Sustainable Development Goals
TBL	Triple Bottom Line
UN	United Nations

# 1. Introduction

*The first chapter presents the problem background, the problem, the commission, research aim, research questions, and the outline for the report.*

## 1.1 Problem background

The earth's ecosystems are changing due to human activities, and it is urgent that we transform our way of living and societies to avoid further negative effects on climate change (Steffen *et al.*, 2018). Researchers have identified nine planetary boundaries which are vital for maintaining resilient planetary ecosystems (Steffen *et al.*, 2015). These are divided into three parts: a safe operating space, a zone for uncertainty (increasing risk), and a beyond zone of uncertainty (high risk) (*Ibid.*). Several planetary boundaries have already surpassed beyond the zone of uncertainty such as the loss of biodiversity (biosphere integrity), chemical pollution (novel entities) and biogeochemical flows (*Ibid.*). Less resilient ecosystems will most likely lead to environmental catastrophes that could further exacerbate the negative effects on our planetary systems (*Ibid.*).

In 1994 John Elkington launched the framework the *Triple Bottom Line (TBL)* (Elkington, 2018). The framework was supposed to transform industries and capitalism since companies were meant to take, not only economical, but also social and environmental responsibility for their activities (*Ibid.*). His concept became widely accepted and is today seen as a concept of common sense among companies to actively work with sustainability issues (*Ibid.*). Nonetheless, the transformation is still very weak and remarkably insufficient, and companies and societies still exceed the safe operating space of the planetary boundaries (*Ibid.*). Even though the TBL has been implemented in corporations, the economical aspect is still the only factor that appears to motivate companies in search for financial growth, while social and environmental aspects have been neglected in the decision making (*Ibid.*). Elkington therefore that his framework of the TBL needs to be redesigned since it is not utilised as intended (*Ibid.*).

## 1.2 Problem

During the last 60 years, the food supply per capita has increased by 30% and today more than 1 billion people work in the food agricultural sector which provides food for the majority of the world population (Mbow *et al.*, 2019 p. 441). Food production has the single biggest impact on global environmental changes, since 21-37% of the world's total greenhouse gas (**GHG**) emissions comes from the agricultural systems (Mbow *et al.*, 2019 p. 476). It is therefore crucial to transform these food systems to become more sustainable (*Ibid.*). The global population is furthermore estimated to reach about 10 billion people by the year 2050 (Willet *et al.*, 2019). Consequently, more people will need to be fed without risking exceeding the safe operating space within the planetary boundaries (*Ibid.*). The food production systems also need to produce healthy food options to be able to decrease the high mortality and morbidity rate that is related to unhealthy diets today (*Ibid.*). The fundamental element of food security is the accessibility to

affordable, nutritious, and safe food (Hobbs, 2020). However, the rising global temperature will furthermore exacerbate the negative impacts on global food security, since most production systems are dependent on the Earth's biophysical systems and processes (Mbow *et al.*, 2019; Willet *et al.*, 2019). Thus, climate change will most likely result in lower yields which economic models have projected will lead to an increase in global food prices (Mbow *et al.*, 2019). This will furthermore cause an increased risk of hunger among 1-183 million people of which the majority will consist of low-income consumers (Mbow *et al.*, 2019 p. 462).

Aspects like food security, reduced climate impact, and the creation of sustainable agri-food systems are highly implemented in the Sustainable Development Goals (SDGs) which have been developed by the United Nations (UN, 2022). The SDG 2, *Zero Hunger*, raises the importance of investments in rural areas, research and the increase in both food productivity and income to small-scale food producers (UNDP, 2022a). A step to create a more sustainable food system and securement of food would therefore be to achieve these sub-goals. This furthermore connects to the SDG 12 called *Responsible consumption and production*. For a sustainable food system to function the society needs to be able to access knowledge regarding how to live and consume sustainably, as well as how to produce goods without depleting natural resources (UNDP, 2022b). In the year 2016, 196 countries signed an international and legally binding agreement with the aim to reduce climate gas emission called the *Paris Agreement* (United Nations Climate Change, 2022). It should however not be overlooked that corporations dominate the top 100 list of the world's richest entities (Global Justice Now, 2018). As for example, do companies within the food industry such as Walmart and Nestlé have annual revenues exceeding several countries (*Ibid.*). Therefore, not only countries but also multinational corporations need to take responsibility for their environmental impact and work towards decreasing GHG emissions (*Ibid.*). Moreover, is Sweden highly dependent on imports for its food supply which has created a food system that is sensitive for external pressures and 60% of the Swedish climate impact from food consumption occurs in other countries in the world (Cohen & Babey, 2012; Steinbach *et al.*, 2018). This poses risks for the securement of a steady food supply to the Swedish market since it depends on the environmental and political stability of other countries (*Ibid.*). Furthermore, the Swedish agriculture sector accounts for 15% of the country's total GHG emissions (SEPA, 2020a).

### 1.2.1 Power relationships between retailers and small-scale producers

In 2017, the Swedish government approved the national strategy "*Livsmedelsstrategin*" that aims to create a sustainable and competitive food chain in Sweden by the year 2030 (Government Offices of Sweden, 2017). The purpose with the strategy is to increase the Swedish food production volume to create a more resilient food system that can cater to consumer demands, while simultaneously reaching national sustainability targets (*Ibid.*). The strategy aims to facilitate for consumers to make educated and sustainable food choices on a trustworthy and competitive market (*Ibid.*). Retail chains are today the established main source for purchasing foodstuffs (Cohen & Babey, 2012). These actors are therefore in a position where they can create barriers for food producers to enter the market if they do not comply with the retailers' specific requirements or ideology (Barrientos & Dolan, 2006). Retailers are thus in a position where they can exercise great power over their suppliers to comply with private standards regarding quality, work conditions, waste management and production practices (Barrientos & Dolan, 2006; Koep & O'Driscoll, 2013; Hoang, 2019). The globalisation of the food trade has furthermore made it possible for retailers to switch suppliers at low costs, often at the expense of the suppliers that strive to reach the expectations from the international consumers (Hoang, 2019). There is therefore no guarantee for suppliers that adopt the standard that it will lead to increased sales, while non-compliance can lead to terminated contracts and reduced sales (*Ibid.*). For that reason, second and third-tier suppliers have been found to ignore company standards since they do not see any financial benefit with complying to them (*Ibid.*). The retail chains are furthermore important actors in the food value chain since they act as a

bottleneck where they handle and distribute large quantities of food products before they reach the end consumers (SEPA, 2020b). The food retail sector in Sweden consists of the five main actors ICA Sverige AB, Axfood AB, Coop Sverige AB (**Coop**), Lidl Sverige, and Bergendahl & Son Aktiebolag (DLF Sweden, 2021). ICA Sverige AB is the market leading company with over half of the market shares followed by Axfood AB and Coop with a fifth of the shares respectively (DLF Sweden, 2021).

In April 2021, Coop launched their sustainability declaration with the aim to create a new industry standard for supplier requirements (Lindholm, 2021; Bergquist, 2022). The purpose with the sustainability declaration is to highlight the sustainability impact of different food products, where a low score indicates a low risk for negative impact, and a high score indicates a high risk of negatively affecting different sustainability aspects (Chapter 4.4). However, retailers and brands face greater risk than upstream suppliers of being scrutinized for not meeting sustainability requirements, due to their immediate interaction with end consumers (Lo, 2013). Therefore, small-scale producers do not experience the same need or motivation for working proactively with sustainability issues (Gonzalez-Benito & Gonzalez-Benito, 2006; Solér *et al.*, 2010). This poses great challenges for retailers in their sourcing of local food products. In contrast, the short supply chains also offer retailers several advantages compared to the global trade market such as: good traceability, low risk of fluctuating quality and safety, good transparency, increased employment and local tourism for rural regions, and shorter delivery times which reduces the GHG emissions (Bosana *et al.*, 2011; Lehtinen, 2012). Moreover, the short and transparent food supply chains make it possible for retail companies to highlight their suppliers environmental and social impact and to oversee the implementation of standards in the food value chain (Ilbery & Maye, 2005; Pedersen & Andersen, 2006). However, if the small-scale producers do not see any potential business benefits from working with sustainability, they could search out other sales channels like REKO-rings, farmers markets and face-to-face sales in favour of retailers (Marsden *et al.*, 2000; REAS, 2022). This would make it difficult for retail companies to broaden their assortment of sustainable and local food products for their consumers (*Ibid.*).

The consumer interest for Swedish and locally produced food products have increased in Sweden over time (Lehtinen, 2012; Granvik *et al.*, 2017; The Swedish Food Federation, 2019; The Swedish Board of Agriculture, 2021). An increasing number of Swedish consumers also chooses to purchase their food products directly from producers through sales channels like REKO-rings and farmers markets (Quayle, 2020; KRAV, 2021). The drought in 2018 and the Covid-19 pandemic exposed the fragility of the Swedish food system due to crop failure and disrupted global distribution and production systems (The Swedish Food Federation, 2019 & 2020; Hobbs, 2020; Lindgren *et al.*, 2021; The Swedish Board of Agriculture, 2021). This have made consumers aware of the country's low self-sufficiency rate (Granvik *et al.*, 2017). It has furthermore accelerated the changes in consumer behaviour and established the growing trend of local food in Sweden (*Ibid.*). Studies have identified different consumer reasons for purchasing local food products such as helping the local community, reduce transport distances and energy use, enhance the country's food security, and support better animal welfare (Roininen *et al.*, 2005; Bosana *et al.*, 2011; Kirwan & Maye, 2013). However, the consumer choice to purchase Swedish and local food products may be based on merely individual perceptions, preferences, and meanings of the terms Swedish and local (Ilbery & Maye, 2005; Granvik *et al.*, 2017). For example, studies show that consumers perceive Swedish food products as having additional characteristics in comparison to imported products such as: higher quality, better nutritional value, less carbon emissions and comparable qualities with organic products (Granvik *et al.*, 2017; KRAV, 2021). Actors within the food industry have furthermore not yet agreed upon a shared definition for the term local food (Granvik *et al.*, 2017). This creates the risk of consumers feeling cheated when their definition of local food differs from the definition made by companies, which in turn may lead to a diminished trust for the food industry (*Ibid.*).

## 1.3 Commission, aim and research questions

This project is a commission from the Swedish retail chain Coop. They aspire to transform the food industry by requesting that suppliers, regardless of size, adopt higher supplier requirements for continuous sustainability reporting. The reason for this is that they wish to broaden their assortment of sustainable and Swedish food products that can be offered to consumers, to help them make more sustainable food choices in stores. This is done by implementing the sustainability declaration as a new supplier standard where producers are expected to report their sustainability impact and actively work to improve it. The shift to a more sustainable assortment is illustrated in Figure 1.

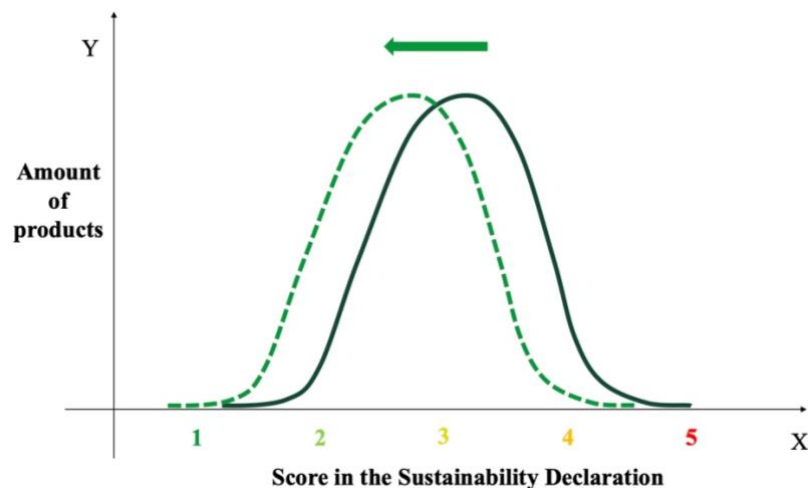


Figure 1. Freely drawn distribution curve to demonstrate the shift to a more sustainable assortment. Low scores indicate a low risk for negative impact on sustainability aspects, high scores indicate a high risk.

When implementing new changes, it is important to identify the present internal and external preconditions that would influence the adoption process. It is also important to understand the consequences that may come from the change. The aim for this study is thus to identify how Coop's supplier standard can be implemented for small-scale producers, to create sustainable and resilient food systems. To achieve this the following research question have been formulated:

- What definitions of local food are used by different actors and in literature?
- How can Coop motivate small-scale food producers to adopt their supplier requirements, to secure the procurement of local sustainable food products for a more sustainable assortment?
- What problems could arise when retail chains set higher sustainability requirements for small-scale producers?

## 1.4 Outline

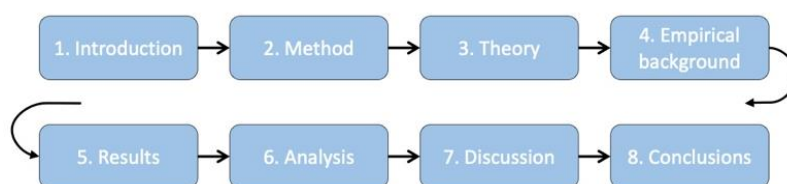


Figure 2. Outline of the study.

As it is illustrated in Figure 2, *Chapter 1* presents an introduction to the research problem as well as the aim of the study. The method of the study is described in *Chapter 2* which also further explains the research approach. Further on, *Chapter 3* presents the chosen theory framework which influence the analysis of the results. *Chapter 4, Empirical background*, provides a deeper understanding of the research problem. Thereafter are the results from the study presented in *Chapter 5* and further analysed in relation to the theoretical framework in *Chapter 6*. In *Chapter 7*, the results and the analysis are discussed in relation the empirical background and previous research from the introduction. Finally, the conclusions and recommendations for future research are displayed in *Chapter 8*.

## 2. Method

*The second chapter presents the research approach, literature review procedure, case study, choice of unit of analysis, delimitations and limitations for the study and research method.*

### 2.1 Research approach

A research approach establishes the procedures, theoretical ideas and how the researcher aims to collect, analyse, and interpret data during a study (Creswell & Creswell, 2018). An inductive research approach is commonly used for qualitative research studies where the researcher aims to understand a complex phenomenon based on gathered personal insights and experiences of participants. This involves asking questions typically in the natural setting of the participant followed by interpretation of the collected material (Creswell & Creswell, 2018). In this study, an inductive and qualitative research approach was used. The strength of using a qualitative research approach is that it offers the researcher the possibility to use an iterative process where the meaning of the data can be reinterpreted during the data collection process (Galletta, 2013).

Data has been collected from interviews with purchasers and small-scale food producers from the three Coop consumer unions Gotland, Norrbotten and Värmland. Coop supplied this study with data material regarding food producers in the chosen unions, the development of their sustainability declaration as well as information about Coop as a retail chain. Literature searches have been conducted to define important concepts and to gather theories for the framework and analysis. For this study, several sources were used for the data collection such as books, articles, hand search sources from relevant articles, and information directly from the company Coop. Data was also collected from the databases Scopus, Google Scholar, Primo, Research gate and Web of science.

### 2.2 Literature review

A literature review has been conducted to set the research question in a larger context, and to gather earlier research within the field which could be compared to the results of this study (Creswell & Creswell, 2018). The topics of interest for the literary search were to identify the current challenges with sourcing from small-scale food producers from a retail perspective and to get a definition and understanding of what is deemed to be local food in Sweden. The different resources and databases in Table 1 have provided the study with a broad understanding of the structure of the Swedish retail market, challenges with procurement of food, the Swedish food system, challenges for local food producers, the definition for small-scale producers, code of conduct (CoC), standards, and the power dynamics between retailers and suppliers.



Table 1. List of databases used in the literary search and used search terms.

Database	Search terms
Scopus	Local food, Locally produced food, Local food products, Local food definition, Local food producer, Small-scale producer, Environmental impact, Food industry, climate change
Web of science	Local food, Locally produced food, Local food products, Local food definition, Local food producer, small-scale producer
Google Scholar	Local food, Local food producer, Locally produced food, Small-scale producer, climate change
Primo	Ethical sourcing, Sustainability sourcing, Swedish retail market, Local food
ResearchGate	Sustainable food systems, Food production, Small-scale producer, Ethical sourcing, codes of conducts, Sustainability sourcing, Swedish retail market, Ethical sourcing, Sustainability sourcing, Food sourcing, Local food producer, Local food, Swedish retail market, Food industry, climate change

The search for relevant literature has been a continuous process throughout the study. Gathered data has been used to define the studied phenomenon, identified relevant definitions, models and theories and acted as comparative materials for the results of the study. The search terms regarding climate change and food production gave many hits and were broad in the sense of including different food products and countries. When combined with the search term Sweden the hits were fewer but offered more precise information relevant for this study. The definition for small-scale producer were somewhat harder to find since the search terms offered plenty of articles where authors used the terms as established concepts that were not further explained to the reader. The search terms regarding ethical sourcing and food gave many and broad hits from different countries, mainly explaining the sourcing of raw materials from developing countries. The combination of ethical sourcing and Sweden or Swedish food industry however resulted in few relevant hits and most data was therefore gathered of the overall concept. Moreover, were articles and relevant information also provided through supervisor and previous courses. It was furthermore of great importance for this study to get a clear definition of the term “local food” since the Swedish food industry has not yet agreed upon a shared definition. A literature compilation of European sources was therefore conducted to help clarify the term (Appendix 1). In this study, the definition of local food has been defined as: *Food that is produced, processed, and distributed to consumers within their geographical county or to adjacent geographical counties or regions.*

## 2.3 Case study

Choice of research design is an important decision to establish before conducting research since it will decide the type of inquiry in which the study will go about (Creswell & Creswell, 2018). The chosen research design for this study was a case study which according to Yin (2018) can be defined as:

*“...An empirical method that investigates a contemporary phenomenon in depth and within its real-world context... when the boundaries between phenomenon and context may not be clearly evident”*

The studied case can be anything from a person, a process, an organisation, or a group of people that is studied over a set period of time during which the researcher collects data (Robson & McCartan, 2016; Creswell & Creswell, 2018). A case study can help the researcher to answer both the “*Why*” and “*How*” of the studied phenomenon that is of interest for the research questions (Yin, 2018). It is also one of three flexible design approaches that has its strength in being able to gather and analyse data in a variety of ways, like for example interviews with and observation of participants, or by collecting documents (Robson & McCartan, 2016; Yin, 2018).

For our study it was clear why Coop needs to work actively with their sourcing of locally produced food products, however, how they could persuade their small-scale suppliers to adopt their sustainability declaration was not clear. A case study was therefore relevant for this study

to identify how this could be done to secure the procurement of locally and sustainably produced food products. The advantage of using a case study is according to Robson & McCartan (2016) to get a comprehensive understanding of a phenomenon where the studied participants' life experiences are of interest. However, the case study approach is not without challenges. The author Yin (2018) claims that a disadvantage with case studies is that it is hard to obtain an unbiased perspective when conducting the research and analysing the material. He illustrates that the choice of case will in itself be biased since it is based on the researcher's perspective of what is important to investigate (*Ibid.*). This could in turn directly affect the selection of participants, findings, and the concluding remarks of the study (*Ibid.*). To counteract this, the techniques from the author Riege (2003) have therefore been applied to ensure credibility and validity for the study (Chapter 2.5.7).

### 2.3.1 Choice of unit of analysis

This study focuses on the retail chain Coop because of their sustainability work and their aspirations to become the leading sustainable option on the retail market (Coop, 2022a). This retail chain has been seen as one of Sweden's five most sustainable brands of the last decade according to the independent brand study Sustainable Brand Index (Coop, 2022b). Since the start of the brand study in 2011, Coop has won four times (*Ibid.*). In 2022, Coop has furthermore been voted as the second most sustainable brand throughout all industries in Sweden, though elected as number one within their industry sector; Grocery stores (Sustainable Brand Index, 2022a). Throughout history, Coop has been seen as a pioneer at the Swedish retail market because of the initiatives to improve consumer rights and to address sustainability issues within the food chain (Coop, 2022c). As for example, Coop (earlier named the Cooperative Alliance) was the first company to launch product declarations in Sweden in 1946. This initiative spread to the rest of the Swedish market and is today stated as a legal requirement for the food industry (*Ibid.*).

The spark and motivation for choosing Coop as the unit of analysis started with the launch of the sustainability declaration tool. The tool was out for trial during the end of 2020 and launched at full scale during April 2021 (Lindholm, 2021; Bergquist, 2022.). The sustainability declaration started as a development for the purchasing department with the motivation to work as a support for shaping a more sustainable assortment (Gillerlöv, 2022). Henceforth, a customer version of the sustainability declaration was developed with the aim to ease the process for consumers to make sustainable food choices in the store (*Ibid.*). Furthermore, this invention was rewarded with the price "The sustainable project 2021" by CIO Awards as well as the "Venture of the year 2022" by Sustainable Brand Index (CIO Sweden, 2022; Sustainable Brand Index, 2022b). CIO Award's motivation for the price was that Coop had created a tool which has great potential to contribute to the market, and to help suppliers and customers make more sustainable food choices (CIO Sweden, 2022). What makes this tool equally interesting to study is Coop's aspiration to motivate other companies within the food chain to adopt it as a new industry standard (Bergquist, 2022). Based on these reasons, we have chosen Coop and the sustainability declaration as the unit of analysis in this study.

### 2.3.2 Case description Coop

Coop has its origin in the Cooperative Alliance (**KF**) which is an association owned by 28 consumer unions that was founded in the year 1899 (KF, 2022a). The aim with the organisation was to push down the food prices and to offer consumers better products, which led to the break of a monopoly and cartels. The association is today the single biggest cooperative in Sweden (*Ibid.*). The business idea is "Together we create a better store" and it is supposed to favour the members of KF economically, while at the same time offering them the possibility to make a positive impact on the environment and society through their consumption (*Ibid.*). This business idea has its origin in the one the company stated in 1905, which said that the goal of the

economic systems was to work for a happier humanity (*Ibid.*). Today, Coop is one of the biggest retailers in Sweden and the leading retail company within sustainability work (Coop, 2022b). In 2020, Coop had a revenue of almost 33 billion Swedish crowns (Allabolag, 2022). The 28 consumer unions within KF are together located all over Sweden and varies in both economical and geographical sizes (Figure 3; KF, 2022b).



Figure 3. Map of the 28 consumer unions within KF in Sweden (KF, 2022b). Important to note is that the borders of the unions do not align with the borders of the Swedish regions.

One of the biggest consumer unions is *Coop Väst* which has about 800 000 members and 171 stores, whilst the smallest is *Konsumentföreningen Möja* with 2 stores and about 633 members (Coop, 2022d; Coop, 2022e). The store owners run their own Coop stores with central support and regulation from Coop which is owned by KF (*Ibid.*). As for example, 90% of every store's assortment is centrally governed while 10% is up to the store manager to decide (Coop, 2021a). In these 10%, the store manager has the possibility to choose products from local producers or likely (*Ibid.*).

## 2.4 Delimitations and limitations

*To be able to answer the study's aim and research questions, this study had to be delimited according to prerequisites such as time and work constraints. Empirical, theoretical, and methodological delimitations have been made and are presented in this section. The study furthermore experienced some external limitations.*

### 2.4.1 Empirical delimitations

Food value chains are complex and consists of several different parts such as: raw materials, producers, processors, grocers, distributors, retailers, transportations systems, recycling, landfill, and energy production from food waste. There are furthermore several different selling outlets towards consumers along the food chain. A simplified value chain of the Swedish food system is presented in Figure 4.

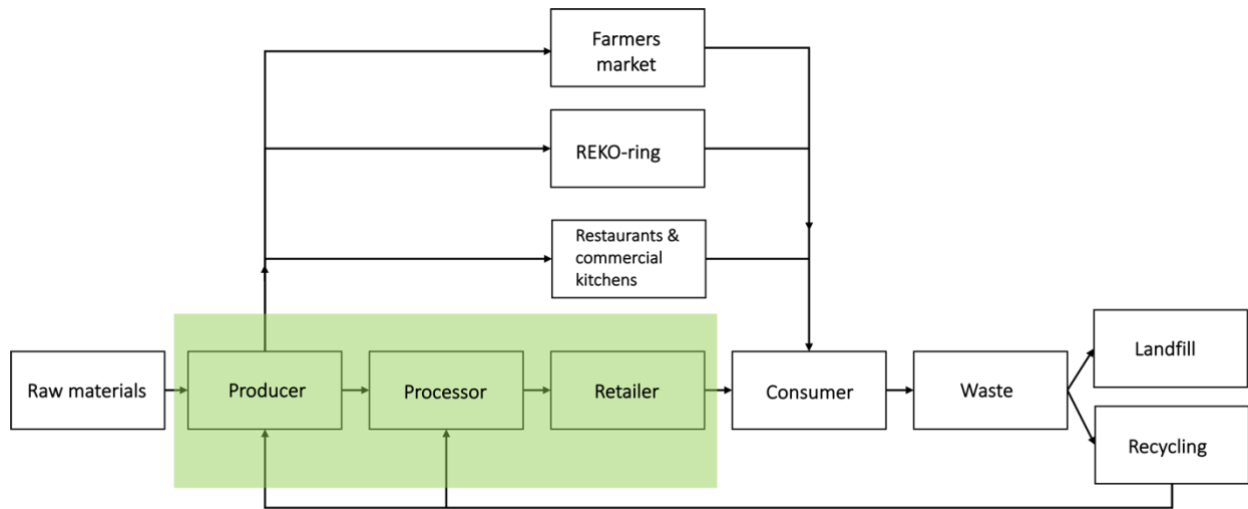


Figure 4. A simplified value chain of the Swedish food production system.

This study focuses on the highlighted parts in green: producer, processor, and retailer since these are needed to be able to answer the research questions and aim of the study. Coop has identified a need to support small-scale producers regarding their sustainability work to secure the procurement of sustainable food products. In this study, the term *producer* refers to an actor that is processing food that is either based on raw materials they have produced themselves or purchased from another producer. Food producers that exceeded the limits of 50 employees and/or an annual turnover of 10 million euro, did not meet the requirements for the definition small-scale producer and were therefore excluded. Furthermore, a limiting distance in kilometres between the producer and the end consumer were not included in this study since the literature review did not offer a cohesive definition of the term local food (Appendix 1). For this study, a limit was instead set based on the geographical boundaries of the studied Coop unions. The included producers were in addition to this chosen based on their production area of expertise to broaden the findings from the data material, and to gather different perspectives regarding sustainability issues. This study does not include the food product groups chicken, pork, lamb, and game since no interviewees for these groups responded to the survey inquiry. The perspectives from these actors could therefore be missing from the report. However, interviewees in the product group *animal product* offers an overall understanding of the product category.

The project is based on in-depth interviews with key persons that procure food products for the Coop union regions Norrbotten, Värmland and Gotland. Small-scale food producers within these unions were also interviewed. A geographical delimitation is therefore set to these three union regions in Sweden. The reason for choosing these unions is due to a study conducted by Coop which state that these consumer unions are leading purchasers of local food products in Sweden (Coop, 2021a). The purchasers therefore have knowledge regarding how to successfully source from small-scale food producers. Moreover, the producers have key information regarding the possibilities and difficulties for the implementation process of the sustainability declaration, since they are the ones directly affected by the new industry standard.

## 2.4.2 Theoretical delimitations

A literature search was performed at the beginning and during the study to identify earlier research and theories within the area, and to gather information regarding the Swedish food value chain. Furthermore, a literature review was conducted to identify a definition for the term *local food* that could be used as a guideline and delimitation for the scope of the study. The literature searches have impacted the study since the identified material have guided and shaped the different chapters and theoretical framework. This study has included theories connected to

Corporate social responsibility (CSR), CoC and standards, implementation of CoC and the concept of Gatekeepers. The eight categories for CSR in the food industry by Maloni & Brown (2006) is used to identify how producers and purchasers work with sustainability issues connected to the sustainability declaration. Additional sustainability categories have not been included due to the extensive scope of the original stated categories and limited possibilities to handle data. The theory for CoC and standards is used to investigate how Coop can successfully implement the sustainability declaration, and to identify present challenges for producers to comply with set requirements. The study focuses solely on the implementation phase and does therefore not include the process of creating a new CoC or standard. The concept of Gatekeepers is used to identify how the purchasers and Coop act as barriers for small-scale food producers that wish to sell their products to retailers. The study does not focus on the technical barriers with distributing products from the producer and the individual store. Instead, it focuses on the developed CoC and the individual Coop purchaser's preference and selection criteria when approving a new local producer. These theories create the framework for chapter 3 and the base for the analysis in chapter 6.

### 2.4.3 Methodological delimitations

An alternative way of gathering data from the persons of interest could have been to travel to their regions and meet them in person. This would have made it possible for the interviewees to present their production facility and sustainability work directly. However, this would have been a costly and time-consuming way of gathering data since the interviewees are in three different regions in Sweden and thus separated by great geographical distances. Digital meetings therefore offered a more resource efficient way for the data collection in comparison to personal meetings. The digital meeting also offered a flexible way for data collection since the producer could work during the interview. This was a key solution for many small-scale producers that otherwise would have had to stop the production for an hour during the interview. The option to use online surveys was excluded due to the complexity of the study and the need of being able to ask the interviewee to clarify their statements during the interview. According to Robson & McCartan (2016) online surveys also face the risk of gathering inconclusive answers, few responses, and misinterpretations of questions. During a semi-structured interview, the questions could therefore be clearly explained for the interviewee and relevant answers could be gathered.

### 2.4.4 Limitations

This study experienced limitations in terms of a set deadline for the delivery of a finished report which was decided by the course leader at the Swedish University of Agricultural sciences. All activities connected to the development of this report was also conducted solely by us as authors of this report. There were therefore limitations in the amount of data that could be gathered and analysed during the set project time. Another limitation was that we had to adapt to the availability of the interviewees and their preferences for interview dates. Furthermore, some interviewees decided to drop out of the study before the interview had been conducted, resulting in limited product categories.

## 2.5 Research method

*This section explains the different parts of the research method.*

### 2.5.1 Semi-structured interviews

In this study, it was of great importance to get a comprehensive understanding of how purchasers for Coop worked with sourcing of local food products from small-scale producers. It was also important to build an understanding of how small-scale food producers work with



sustainability and how they experience supplier requirements from retail companies. Semi-structured interviews were therefore chosen as the research method for collecting data since much is based on the actor's own life experiences of the studied phenomenon. An interview is according to Robson & McCartan (2016) a commonly used research method for gathering data in case studies, since it offers the researcher the flexibility to directly change the line of inquiry depending on the participants responses. This enables further investigation of responses which could be of interest by asking participants follow-up questions, or by asking them to elaborate on their answers as stated by the authors Galletta (2013) and Robson & McCartan (2016). This research method therefore offered the study a flexible approach where it was possible to mix both planned and newly discovered questions during an interview, while still leaving space for participants to elaborate on their own experiences.

## 2.5.2 Selection of in depth-interview participants

It was important for the study to develop an understanding of how key persons at Coop's different consumer unions, which directly influence or oversee the sourcing of local food products, work with the definition "*local food*". These purchasers were therefore chosen in consultation with the Head of Sustainability at Coop due to his practical knowledge regarding how Coop source food products from their small-scale suppliers. The chosen purchasers are in direct contact with the producers that they source from, and they therefore have knowledge about established local producers in the union regions. It was therefore necessary to talk with these purchasers since they have deeper knowledge about how the sourcing process of local food from small-scale producers go about. It was of importance for the study to develop an understanding of how Coop could motivate their suppliers to adopt their sustainability declaration, to secure the procurement of local food and a rich product assortment. This study therefore included different local small-scale producers from the consumer unions Norrbotten, Värmland and Gotland. The companies and purchasers that participated in the study are shown in Table 2.

Table 2. List of interviewees, their number of employees, annual turnover, type of food production, and production/business region.

Interviewee	Number of employees	Annual turnover (SEK)	Food category	Region
Purchaser 1	-	-	-	Norrbotten
Purchaser 2	-	-	-	Gotland
Purchaser 3	-	-	-	Värmland
Producer 1	-	< 10 MSEK	Baked goods	Gotland
Producer 2	-	< 10 MSEK	Confectionary	Gotland
Producer 3	-	< 10 MSEK	Beverages	Gotland
Producer 4a, b	< 10	10-50 MSEK	Vegetables & Preserved food	Värmland
Producer 5	< 10	< 10 MSEK	Convenience food	Gotland
Producer 6	< 30	10-50 MSEK	Convenience food	Norrbotten
Producer 7	< 20	50-100 MSEK	Animal product	Värmland
Producer 8	< 10	10-50 MSEK	Animal product & vegetables	Värmland
Producer 9	< 10	10-50 MSEK	Vegetables	Värmland
Producer 10	< 20	50-100 MSEK	Animal product	Norrbotten
Producer 11	< 20	10-50 MSEK	Convenience food	Gotland
Producer 12	40-50	50-100 MSEK	Vegetables	Norrbotten
Producer 13	< 20	10-50 MSEK	Animal product	Norrbotten

Producers varied in terms of number of employees, annual turnover, and food production expertise. The product categories have purposefully been generalised to secure the anonymity of the interviewees since they could easily be identified based on the context in this study. For example, the product category *animal product* therefore includes products that are derived from

animals such as eggs, meat, dairy, and cheese. It is important to note that some of the producers who participate in this study are dependent on imported raw materials, whilst other producers rely on local or Swedish raw materials. Annual revenue and number of employees have furthermore been given as an interval. The reason for this is to keep the anonymity of the interviewees intact, while still offering the reader an understanding of the size of the company. Contrasting perspectives and challenges were also identified by including a variety of producers with different product categories within the Swedish value chain. The interviews were therefore conducted to develop an understanding of how the sustainability declaration is perceived by Coop's small-scale producers. They were furthermore used to identify pressing obstacles in the Swedish food chain that needs to be addressed to motivate producers to adopt the new supplier standard. In conclusion, these producers were chosen based on their position as suppliers to Coop and their experiences with being willing to follow retail chains' supplier requirements.

### 2.5.3 Criteria for the selection of purchasers and producers

Different criteria for choosing participants for this study is illustrated in Table 3. The included participants are either producers or purchasers for Coop within one of the three Coop consumer unions Norrbotten, Värmland or Gotland. This study focuses on small-scale food producers in accordance with the definition stated by the European commission: *Small-scale companies have fewer than 50 employees and an annual turnover of less than 100 million SEK* (European commission, 2022). The size of the companies and the number of employees varies between being operated solely by the owner and larger companies that employs up to over 40 people (Table 2, in chapter 2.5.2). The annual turnover also fluctuates between less than 5 million to just under 100 million Swedish SEK.

Table 3. Selection criteria for Unit of analysis

Selection criteria	Justification
Small-scale food producers with fewer than 50 employees and an annual turnover of less than 100 million SEK	Small-scale producers have been chosen since it correlates with the aim for the study and the research questions. The definition of a small-scale producer has been decided by the European commission (2022)
Food producers that produce food in Sweden	The delimitation for this study has been set to the Swedish food chain. Swedish producers are therefore the actors of interest for the study since they supply the market with food products
Food producer in one of the Coop consumer unions Norrbotten, Värmland or Gotland	The delimitation for this study has been set to the three consumer unions Norrbotten, Värmland and Gotland. These unions have been identified by Coop as market leaders for sourcing local food products from small-scale food producers
Producer that produces and distribute food within their defined geographical consumer union or to adjacent geographical unions or regions in Sweden	To be acknowledge as a small-scale producer the actor should produce food products with the main aim to distribute them within their specific production union or to adjacent geographical regions. However, small distribution flows to other regions in Sweden are allowed
Key person that influences local food purchases for Coop in one of the unions Norrbotten, Värmland or Gotland	Key persons that oversee or influence the procurement of local food products have been chosen due to their insights and knowledge about sourcing food products from small-scale producers within these union regions. Coop has identified these consumer unions as market leaders for sourcing local food products

To be included as a small-scale food producer, the companies had to produce food with the aim to distribute it within their defined geographical consumer union, or to adjacent unions or regions in Sweden. The chosen purchasers were key persons that influenced the regional purchasing process in one of the consumer unions Norrbotten, Värmland or Gotland.

### 2.5.4 Interview design

According to Robson & McCartan (2016), a semi-structured interview offers the researcher a flexible method for collecting data through dialog. The authors however stress the importance of guiding the interviewee to the studied topic to gather relevant data that can help answer the research questions (*Ibid.*). They further argue that an interview guide helps the researcher to develop interview questions that is closely connected to the theoretical chapter, while still leaving room for participants to elaborate on their own experiences (*Ibid.*). A lot of attention

was therefore given to the development of interview guides which were used both during the interviews for guidance and for the data analysis (Appendix 2). Two interview guides were created since the purchasers and the producers were asked different questions. The common knowledge regarding the sustainability declaration and how to use it is still deficient among most consumers (Bergquist, 2022). Little attention was therefore given to the sustainability declaration in the interview guide for producers, instead overall understandings of adopting supplier requirements and their sustainability work was the focus. The reason for this was to gather data regarding the preconditions for implementing new supplier requirements, rather than focusing on the tool itself. The interview guide for the purchasers had questions connected to the tool, however these were asked late in the interview to avoid colouring the answers for the previous questions. The purpose of this was to identify how they assess new suppliers and how they work with sustainability in their role, without being led to think about the sustainability aspects in the sustainability declaration. The interview for purchasers and producers contained 18 and 22 questions in total respectively.

### 2.5.5 The managing of the interviews

Prior to the interviews, the interviewees were contacted by E-mail which contained the following information: a short presentation of the aim for the study, that it was going to be recorded, and that they had to sign a GDPR-agreement before participating (Appendix 4). When the interviewee had accepted to be a part of the study, they got an E-mail containing the GDPR-agreement and the outline for the interview (*Ibid.*). The interview was not conducted before the interviewee had signed the GDPR-agreement or a mutual consent had been established and recorded. The interviews were recorded and conducted either by phone or over the digital platforms Zoom or Teams between the 14<sup>th</sup> of March- 12<sup>th</sup> of April 2022 (Table 4). We conducted the interviews together and took turns in acting as the interviewer and the registrar between interviews. The participants were interviewed one by one for approximately one hour. The interview for producer 9 was divided over two sessions due to time constraints for the producer. The interview with the company called producer 4 was conducted with the two business owners present, and these people have therefore been named a and b.

*Table 4. List of interviewees, type of interview form, length of the interviews and the dates for when they signed the GDPR agreement, participated in the interview, received the transcribed material, and validated the gathered material.*

Interviewee	Interview form	Date for GDPR approval	Date of interview	Interview length (minutes)	Date for received transcribed material	Date for validation of material
Purchaser 1	Teams	2022-03-14	2022-03-14	51	2022-04-05	2022-04-05
Purchaser 2	Teams	2022-03-11	2022-03-21	77	2022-04-05	2022-04-12
Purchaser 3	Teams	2022-03-29	2022-03-29	52	2022-04-12	2022-05-05
Producer 1	Phone	2022-03-04	2022-03-16	54	2022-04-05	2022-04-17
Producer 2	Zoom	2022-03-11	2022-03-16	58	2022-04-05	2022-04-05
Producer 3	Teams	2022-03-15	2022-03-18	64	2022-04-05	2022-04-06
Producer 4a,b	Teams	2022-03-09	2022-03-21	76	2022-04-05	2022-04-05
Producer 5	Zoom	2022-03-03	2022-03-22	44	2022-04-05	2022-04-06
Producer 6	Teams	2022-03-22	2022-03-22	58	2022-04-12	2022-04-20
Producer 7	Teams	2022-03-21	2022-03-23	68	2022-04-12	2022-04-26
Producer 8	Teams	2022-03-08	2022-03-25	60	2022-04-12	2022-04-12
Producer 9	Teams	2022-03-25	2022-03-25, 2022-04-01	68	2022-04-19	2022-04-12
Producer 10	Teams	2022-04-04	2022-04-05	65	2022-04-19	2022-04-21
Producer 11	Phone	2022-04-06	2022-04-06	50	2022-04-19	2022-04-20
Producer 12	Teams	2022-04-08	2022-04-08	71	2022-04-19	2022-04-2
Producer 13	Teams	2022-04-12	2022-04-12	67	2022-04-27	2022-04-28



The interview was divided into three parts, an introduction part, a mid-section containing questions regarding sustainability work and CoC and standards, and a concluding part where the interviewees had the possibility to ask us questions (Appendix 2). In the introduction part, the interviewee got the opportunity to talk about their own work experiences within the industry, and to answer background questions regarding their company. These questions were used to both get a sense of the interviewees background and to loosen the tension between us and the interviewee. The interview ended with the registrar giving information regarding the transcription process, and that they had to validate the material for it to be included in the study. When the recorded file had been transcribed, the sound file and the transcribed material was sent per E-mail to the interviewees for validation shown in Table 4. When the interviewees had validated the material, it was included in the data analysis (Chapter 2.5.6). A validation did not mean that the interviewees necessarily had read the material, it only meant that the interviewee had received the material. The interviewees had the possibility to withdraw all or parts of the study up until publication. After the study was published, they could no longer change their answers or withdraw from the study.

## 2.5.6 Data analysis

In this study, the gathered interview materials were transcribed and analysed in a content analysis as part of an inductive approach as described by Egberg Thyme *et al.* (2013). A qualitative study with interviews often results in a large volume of data that must be organised and analysed in a systematic way since it determines the quality of the study (Robson & McCartan, 2016). There are several acknowledged methods to perform this, in which this study has used a thematic coding approach (Figure 5).



Figure 5. Steps in the data analysis.

This method helps the researcher to understand the content of the data and it is commonly used for investigating how experiences, meanings or events is impacted by current societal issues (Gibbs, 2007; Robson & McCartan, 2016). The data analysis was divided into steps to make a clear structure of the process. Important to note is that the answers from the purchasers and the producers were analysed separately and were not compared until chapter 6 in relation to the selected theories. The interviews were analysed one by one. Since this study was conducted by more than one person, we did the first analysis together to create internal coherent. The interview materials were then divided between us which amounted to 7 and 8 respectively.

Step one started when all raw data was collected and transcribed. Firstly, we skimmed through the interview text to get an overall understanding of the answers. In the next step we read through it more thoroughly and marked sentences that contained content which was relevant for the study. According to Robson & McCartan (2016) it is important to early on look for themes and patterns throughout the data, to easier grasp what the data is about and to identify key aspects. The sentences were then compiled into a table in the data program Microsoft Excel. We used the template of the interview guide and put the chosen sentences from the transcribed text in a column next to the corresponding questions. The data from respective interview were separated in different sheets in the excel document, so that every interview was analysed separately. In the second step of the content analysis, the sentences were condensed and then summarised to shorter sentences which contained their main purpose. These were put in a column next to the original sentences according to the method stated by Egberg Thyme *et al.* (2013). Further on in step three, the condensed sentences were labelled with something that

described it. This label is according to Robson & McCartan (2016) and Gibbs (2007) called a code. Boyatzis (1998) described a code as:

“...the most basic segment, or element, of the raw data or information that can be assessed in a meaningful way regarding the phenomenon” Boyatzis (1998)

Codes could be just one word or a short sentence which described the phenomenon (*Ibid.*). In step four, called themes, we started to categorise the different codes into themes based on the content of the codes. Similar to the process of coding, we labelled every code with a suitable theme in the column next to the codes. According to Boyatzis (1998) a theme explains the overall meaning of the codes and can contain several different codes. The themes could also contain sub-themes with linked codes (*Ibid.*). All themes were compiled in a shared Microsoft Word document to ensure similar categorisation which eased the process in the fifth step of the content analysis. Since it is an iterative process, we read through all the data between every step, re-coded or re-themed some sentences or codes that we assessed had to be re-labelled. At every uncertainty we consulted each other to make a coherent assessment. Henceforth, in the fifth step, called thematic networks, the themes were set into networks which described the correlation between the themes. According to Robson & McCartan (2016) there can be several thematic networks if the content analysis results in many different themes which do not fit well together, but it could just as well be only one network. Of these thematic networks we could then identify patterns and trends. Thematic networks and trends that were most mentioned by the interviewees are presented in chapter 5 and appendix 6,7 & 8. The content analysis resulted in an extensive amount of identified codes under each subtheme. These have therefore not been included into the report due to space limitations but are available if requested. Contact details can be found under the section *Contact details* at the end of this report.

## 2.5.7 Quality assurance

According to Bryman & Bell (2011) it is important for researchers to gain credibility and validity for their quality research method by using different techniques. In this study we have therefore used numerous techniques, as described by Riege (2003), to create a study that is as transparent, reliable, and valid as possible (Table 5).

*Table 5. Reliability and validity techniques used in this case study to assure quality. (Adapted version of Riege 2003, p. 78-79 with modifications)*

Case study design tests	Techniques	How these techniques are used in this study
Construct validity	During data collection, use numerous sources of evidence Assure that the project gets reviewed by key informants during the process	Collection and inclusion of several sources has been used throughout the project The report was continuously sent to the supervisor, the contact at Coop and a group of opponents throughout the study.
Internal validity	Explain throughout the process the illustrations, and tables in data analysis	With the help of the theories from the theoretical framework the illustrations, tables and findings has been explained
External validity	A clearly defined scope as well as boundaries Use existing literature to compare evidence	Described in chapter 2 and discussed with the supervisor and the contact at Coop Existing research and the theoretical framework for the study has been used to set the analysis into a larger perspective and to compare evidence
Reliability	Give thoroughly explanations of theories and ideas Ensure accordance between the essence of the study design and issues within the research Create a data base mechanically to record and save data Have multiple data sources which show parallelism in findings which are meaningful Have peer review and examination	Theories and ideas were described with several sources if possible and discussed with peers Described throughout chapter 2, Method All interviews are recorded, transcribed, and saved on an USB flash drive Multiple sources have been important throughout the whole project and data collection The study has had two oppositions by fellow master students, and it is assessed by an associate professor. Throughout the project, the report has been reviewed by the supervisor and by Coop

Robson & McCartan (2016) furthermore state that the reliability of data can become affected by the researchers pre-existing life preferences, beliefs, and motivation for conducting the study. For every new phase in this project we have discussed and identified areas to assure quality. According to Riege (2003) it is important to ensure good recordings and documenting of the interviews. This was done by recording the sound from the interviews with two separate devices (phone or computer). These were then saved both on a computer and a USB flash drive together with the documents with the transcribed material. By saving all our recorded and documented material on a flash drive we created a data base for the study. During the interviews we also used the writing program Microsoft Words feature dictation, which eased our transcription. These documents were then thoroughly read through and revised whilst we listened through the interviews. Subsequently, the recordings and transcribed material were sent to the interviewees for approval and to ensure reliability before publication.

For internal validity and to be sure of an equal analyse, we conducted literary searches to define central concepts. We also chose to start our analysis by analysing one interview together to create an internal coherence. Triangulation was used to create chain of evidence, whereby theories and evidence were collected from numerous sources. Throughout the project, several drafts of the report were revised by our supervisor and a group of peers to anchor the project and enhance the reliability. According to Robson & McCartan (2016) a disadvantage of using semi-structured interviews as a research method is that the reliability of the data can be questioned, since participants might not act in accordance with their stated beliefs. They may also aim to please the researcher by presenting themselves in a more favourable light or by withholding information if they experience a lack of anonymity (*Ibid.*). To avoid these circumstances, the interview questions were created as neutral as possible. Since this study is a commission for Coop, we have highlighted for every interviewed producer that we are two master students from the Swedish University of Agricultural Sciences. This was made to ensure the interviewees that their participation is anonymous and will not affect their relation towards the retailer.

### 2.5.8 Ethical considerations

According to several studies, the process of conducting research on people is heavily infused with ethical issues that researchers need to take into considerations (Robson & McCartan, 2016; Creswell & Creswell, 2018). The reason for this is that the collecting of sensitive information about people's lives, views and opinions may lead to negative consequences, stress, and harm for the research participants (*Ibid.*). Therefore, researchers must take actions to protect their research subjects, develop their trust and take the necessary precautions to safeguard their identities (*Ibid.*). Ethical issues occur at all stages of the development of a study (Tables A11-A14 in Appendix 4). To secure the anonymity of interviewed participants in this study both company and personal names have been decoded and named with the number 1, 2, 3... and either the role producer or purchaser. The type of food product of the producers has been renamed as a broader food category group to sustain anonymity since the production region is stated for the reader.

Several actions were taken to secure the anonymity of the participants and to respect the power imbalance between us and the interviewee: the E-mail contact between us and the producers were done using our own personal E-mail addresses, the interviews were held at the Swedish University of Agricultural Sciences and not at the Coop head office, the interviews were conducted as masters' students of the Swedish University of Agricultural Sciences and not as workers for Coop. The purpose of the research study was disclosed for the interviewees prior to the start of the interview to not deceive the interviewees. All participants in the interviews were informed about their rights regarding their participation in the study before the interview started. The interview was not conducted before informed consent had been met between us and the interviewee, however the interviewees were not pressured to sign the consent form (Chapter

2.5.5). Participants also had the possibility to withdraw their answers from the study at any point up until publication. The individual recorded file and transcribed material was sent to the participants for validation before the publication of the study. Data used in this study have therefore not been included without the consent of the interviewees. The data was stored for six months after publication on our personal USB flash drives.

We recognise that the results from this study may give rise to future negative consequences for the small-scale producers if the sustainability declaration does not depict them in a favourable light. Since the tool is developed mainly for large companies, other beneficial aspects of small-scale production may not be highlighted for the consumers. On the other hand, the tool may also highlight their negative sustainability impact, which previously may have been clouded by the perception of Swedish food as a sustainable option to imported alternatives. Consumers may therefore change their sales behaviours when the impact on sustainability aspects are clearly communicated towards them, which could result in reduced sales for local small-scale producers. However, it may also lead to greater visibility for producers that actively work with sustainability which could lead to increase sales for those actors. The implementation of the sustainability declaration is thus not without dilemmas. We aimed to work for both the participants and Coop's best interest at heart and thus tried to find a solution to how these issues could be addressed. In addition to this, we are aware that the power dynamics between the small-scale suppliers and Coop is skewed. Coop is in a position where they can demand that small-scale suppliers adopt this standard, regardless of the consequences, if they wish to remain as suppliers for Coop. In other words, Coop face the risk of a narrow assortment of local and Swedish food products, while small-scale producers face the risk of losing their main income and ultimately their business. Necessary measures have therefore been taken to ensure anonymity of the interviewees and this perspective have also been given attention in the discussion chapter 7.

### 3. Theory

*This section starts with a background presentation to get an understanding of why food companies feel pressures to work with CSR issues today. This is used to frame the problem stated in the introduction section of this study. The next section explains the challenges with sustainability sourcing of food products and presents the CSR categories stated by Maloni & Brown (2006) connected to the food industry. Further on is a section which presents the concept of code of conduct and standards, and how to successfully implement them in the food value chain. The last sections present the theory of gatekeeping and how it effects the assortment of food in retail chains.*

#### 3.1 Institutional theory

Social norms are constructed of text, what is said and written, and is the focus within research of Institutional theory (Dunbar & Ahlstrom 1995; Phillips *et al.*, 2004). Society is built upon social norms and laws, and it is therefore a vital part of the organisation of companies (Phillips *et al.*, 2004). It is stated by law that a company's purpose is to gain profit for its shareholders if nothing else is mentioned in the articles of association (SFS 2005:543 chap. 3 §3; Porter & Kramer, 2011). This has led to a capitalistic view on business operations and systems within the society (*Ibid.*). However, these are not the only expectations on companies anymore. As climate change and environmental crisis has escalated throughout the years, so has the attention regarding environmental issues in society and the expectations on companies have therefore shifted (Shrivastava & Hart, 1995; Bhargava & Welford, 2014 p. 13-14). Today, companies are expected to take greater responsibility for the environmental and social impact that is related to their business operations, often well beyond legal requirements (Shrivastava & Hart, 1995; Blowfield, 2000).

Following theories in this chapter elaborate further on the importance of companies embracing a greater responsibility for their negative impact on society.

#### 3.2 Sustainability sourcing

The globalisation of international food production and trade has put pressure on companies to address social, ethical, and environmental issues regarding their sourcing of food products (Blowfield, 2000; Maloni & Brown, 2006; Pedersen & Andersen, 2006). Food brands and retailers are under scrutiny from a myriad of stakeholders that demand that they take responsibility for their negative impact on society (Blowfield, 2000; Roberts, 2003; Maloni & Brown, 2006). Companies are expected to not only be profitable but also to give back to society by working with human rights, environmental issues, and philanthropy (Carter & Jennings, 2004; Pedersen & Andersen, 2006; Porter & Kramer, 2011). Organisations have therefore adopted the concept of CSR which entails that a corporate need to take not only financial, but also social and ethical responsibility for their impact on society (Maloni & Brown, 2006). The ethical issues associated with food products vary depending on the production country or region,

ingredients, and its social and environmental impacts on the society (Barrientos & Dolan, 2006). CSR often addresses issues such as fair and safe working conditions, freedom of association, child labour and farming practices (Blowfield, 2000; Koep & O'Driscoll, 2013; Hoang, 2019). Maloni & Brown (2006) have identified eight different categories that is of importance for the food industry to consider within the food supply chain (Figure 6).

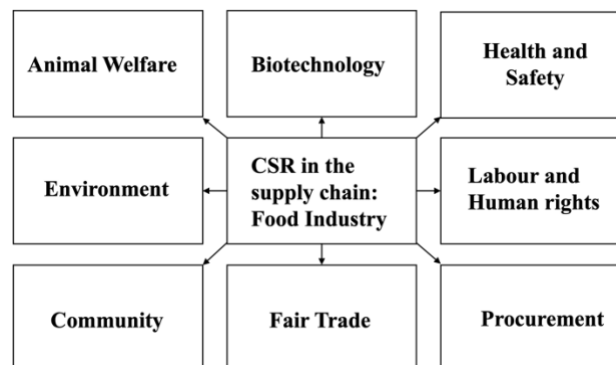


Figure 6. Eight categories for CSR that are of interest for the food industry (Maloni & Brown, 2006, page 38, with minor modifications).

These are all closely connected to the different stages of food production and distribution (Maloni & Brown, 2006). The category *Animal welfare* entails how the animal is treated, handled, transported, and slaughtered and is based on the idea that animals should not experiences unnecessary suffering in the food value chain (*Ibid.*). *Biotechnology* is connected to the advancements in technology within the food industry and the ethical considerations that stems from the use of cloning, genome editing and genetically modified organisms (*Ibid.*; Hug, 2008; Littmann *et al.*, 2015; Munsie & Gyngell, 2018). The *Environment* category addresses issues within the food chain like biodiversity losses, climate gas emissions, water and air pollution, and eutrophication (Maloni & Brown, 2006; IPCC, 2022). This is also closely connected to the *Health and Safety* category that explains the importance of traceability of food products to avoid the spread of contaminated food and diseases (Maloni & Brown, 2006). Furthermore, companies and retailers impact and shape consumers lifestyles based on the selection of food products that they choose to promote and communicate towards them (Shepherd & Raats, 2006). They therefore have a direct impact on the health and disease and morbidity rate of the global population which often stems from the consumption of unhealthy food products (Maloni & Brown, 2006; Shepherd & Raats, 2006; Willet *et al.*, 2019). The category *Community* describes activities such as childcare, healthcare, and educational benefits that companies can implement to support their local communities (Maloni & Brown, 2006). *Fair trade*, *Procurement* and *Labour and Human rights* address ethical issues in the sourcing of food products from producers (*Ibid.*). This entails fair product prices that the producers need to secure the survival of their enterprise, and issues such as poverty, excessive overtime, child labour and poor working conditions (*Ibid.*; Hoang, 2019). It is of utmost importance that a food company work proactively with these identified categories to reduce the risk of financial losses and further negative effects on the environment and society (Maloni & Brown, 2006).

### 3.2.1 Code of conduct and standards

A CoC is an important document for companies since it describes how their organisation acts or should work regarding ethical values and principles (Pater & Van Gils, 2003). A CoC work as a guideline for both employees and the organisation in how to act morally (*Ibid.*). It is therefore of high interest for the company to communicate their work with CoC to their stakeholders, to gain reliability and to be seen as a serious actor at the market (*Ibid.*). By developing a CoC and working actively with it, a company can avoid repercussions from customers, employees, and NGOs (*Ibid.*). Standards are instead often created to complete these guidelines which then



works as agreements and clarifications in how to follow a CoC (*Ibid.*). They also support the CoC by describing how to communicate the set agreements to the company's stakeholders (*Ibid.*).

Both internal and external pressure on a company can drive the need for developing a CoC (*Ibid.*). Internally, employees can put pressure on the organisation to develop CoC for them to get an understanding on which kind of behaviour that is expected of them, but it could also be other companies within the industry which urge on adjustments of procedures (Overdevest, 2004). Public opinion, customers and governments on the other hand constitute the external pressure for a company, and the CoC is therefore often used to enhance the appearance of an organisation (Pater & Van Gils, 2003). CoC can also be used by the company to clarify what kind of behaviour that is expected from suppliers (Overdevest, 2004; Lalwani *et al.*, 2018). One example of this is standards made for suppliers by companies, sometimes called suppliers CoC, that clarifies which methods, practises or quality that is expected to be delivered (Lalwani *et al.*, 2018). The commonly positive effect of standards is that they are easily communicated to stakeholders, and that they work as joint agreements within the organisation (Brunsson & Jacobsson, 2002). Even though standards and CoC could facilitate both external and internal processes of a company, they could also hinder innovation for the industry and act as barriers regarding trust between the employees and the management department (*Ibid.*). Standards could also pose the risk of complicating the relationships with suppliers, especially for small organisations which might not have the time or resources to live up to a standard set by a large company. The risk is therefore that small organisations will not follow any additional standards, except from required law which would consequently lead to implementation issues for the large company (*Ibid.*).

### 3.2.2 Implementation of code of conduct

Today, most organisations have implemented standards and CoC to ensure stakeholders that they take ethical responsibility for their impact on society (Roberts, 2003). The CoC are further used as a method for safeguarding the company from negative publicity from both external and internal stakeholders (*Ibid.*). However, the enforcement of CoC in a global food supply chain is challenging since the suppliers, processors, grocers, and retailers are often separated from each other (Pedersen & Andersen, 2006). The suppliers and purchasers are not only separated by a geographical distance, but barriers also exist in the sense of cultural, political, legal, and financial climates which could the overseeing of adopted CoC problematic (Blowfield, 2000; Andersen & Pedersen, 2006). Furthermore, the incentive and potential benefit for companies to work with CoC varies between different stakeholders in the food chain (*Ibid.*). The benefits are often centred to the actors at the end of the supply chain that are in direct contact with end-consumers (Pedersen & Andersen, 2006; Foerstl *et al.*, 2015). There is therefore no guarantee that a supplier in the beginning of the chain adopts a company's CoC, purely for the sake of the common good, when there are no immediate financial benefits (Solér *et al.*, 2010). It is therefore important that food companies give their suppliers incentives and motives to adopt new standards for it to be successfully implemented (Foerstl *et al.*, 2015).

For a CoC to become adopted by suppliers, the company can proceed in several different ways. According to Mamic (2005) it is important that the vision for the CoC is incorporated and clearly communicated to all parts of the organisation to create a cohesive understanding of the company's expectations. It is furthermore crucial that stakeholders, often workers, are educated and trained in the new CoC since they are the ones that are going to directly implement it into their everyday work procedures (*Ibid.*). It is important that the stakeholders feel included in the development and implementation of the CoC (Mamic, 2005; Pedersen & Andersen, 2006). This could be done by adopting an on-going dialogue between the initiating company and the implementing stakeholders (*Ibid.*). Another way to successfully implement a CoC is to implement it for first-tier suppliers near the end of the value chain, who then could continue the

implementation process further down the chain to second and third-tier suppliers (Pedersen & Andersen, 2006). The company can also reward their suppliers for the financial expenses connected with complying to the code or convince them that the code will benefit them in the future (*Ibid.*). They can furthermore reward stakeholders for following the code by offering a premium price for their products or by giving the supplier exclusive selling rights to the company (*Ibid.*). Companies can also improve the chance of an CoC to be implemented by offering its stakeholders technical support regarding the CoC implementation, function, and utilisation (*Ibid.*). These measures are all based on mutual trust between the company and its stakeholders. However, some stakeholders may not see any benefits with following the company's CoC which poses the risk of opportunistic actors who do not want to commit to the code (Pedersen & Andersen, 2006; Hoang, 2019). To combat this, the company can appoint third party auditors to check that the requirements are met or decide to terminate their buying contract with that supplier (*Ibid.*).

### 3.2.3 Channel theory and gatekeepers

Food is transported through several channels within the food supply chain before ending up at the plate of the consumer (Lewin, 1943). At every stage there are so called “gatekeepers” which consist of people who takes decisions regarding whether a product should be included in the channel or not (*Ibid.*). Hence, gatekeepers have a strong influence on consumers' food habit (*Ibid.*). Decisions taken by gatekeepers is based on several psychological factors which are grouped under the two categories *cognitive structure* and *motivation* (*Ibid.*). *Cognitive structure* handles food availability, food culture and meal patterns (*Ibid.*). Food culture is heavily affected by what we consider to be food and how it is consumed which is often connected to social gatherings (*Ibid.*). Further on, *motivation* describes how value systems lay the ground for decision making (*Ibid.*). Values, competence, and ideologies changes over time and the choice could therefor vary depending on age, level of education, interests, or current situation (as for example wartime) (*Ibid.*).

These theories describe how norms are created in society which effects companies within the food system and how they impact environmental, social, and economical aspects when sourcing food products.



## 4. Empirical background

*This chapter presents the empirical background of which the study is based upon. The first section explains the generic food value chain in Sweden followed by a presentation of the Swedish retail market. The next section explains the issues with sourcing from small-scale food producers and the purchasing process at Coop. The last section presents the sustainability declaration and explains how the environmental impact is calculated for producers.*

### 4.1 The Swedish food chains

The Swedish food industry is one of the largest industries in Sweden and it is distributed across the whole country (Wilhelmsson, 2006; The Swedish Food Federation 2022). In 2019, the industry generated about 200 billion Swedish crowns, and companies that are connected to the Swedish Food Federation employed over 55 000 people (The Swedish Food Federation, 2022). These employees are distributed over 4600 food companies in Sweden, whereby only 650 companies employ more than 10 people (*Ibid.*). Small-scale companies are therefore dominating the Swedish food chain (*Ibid.*). However, research has identified a trend within the Swedish food system that shows that companies connected to the food system are growing, in all parts of the chain (Olofsdotter *et al.*, 2011). Within the Swedish food chain, the agricultural business sector is supposed to endure the highest competition. Although, the degree of concentration is low due to the high number of actors in the sector and the small sizes of their businesses. This market structure brings several dilemmas, where the lack of power in relation to other more concentrated sectors of the food chain is one. Another obstacle, which is complicated to overcome, is the transportation and distribution system, which is arduous to coordinate among the large number of actors (*Ibid.*). Olofsdotter *et al.* (2011) therefore highlight the importance of organisations which unites producers as it will strengthen their bargaining power at the market. They further state that the degree of concentration of food processors should be higher within the food industry (*Ibid.*). However, this part of the food chain was heavily affected by the Swedish entrance in the EU in 1995 when the competition from international businesses increased drastically (Olofsdotter *et al.*, 2011; Wilhelmsson, 2006). The companies within the food industry also have greater power compared to agricultural businesses, and the retail chains are therefore the ones with the most market power (Olofsdotter *et al.*, 2011). This is due to the high degree of concentration which evolved during the late 1990's and early 2000's when the retail market where restructured (*Ibid.*). Even though there is a high degree of concentration within the retail market, the consumer prices were mostly affected by the development for companies at the primary production and distribution stage. To offer an understanding of how the Swedish food systems looks like two general supply chains have been constructed (Figure 7).

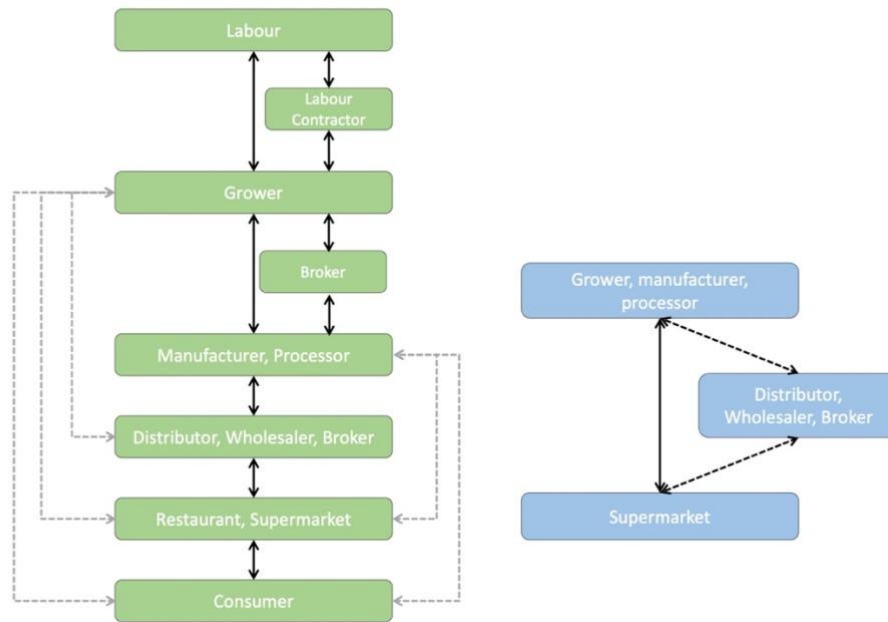


Figure 7. The food supply chain. The green figure illustrates the general food chain whilst the blue shows the local food system which is studied in this report. Adapted from Stock (2004).

The main differences between these two chains are that the local food systems have shorter distribution systems, fewer middlemen between the producers and consumers, and that the producer may also do the processing stage themselves. Furthermore, food consumption in Sweden varies depending on cultural, socio-economic resources and geographical aspects within the country (The Public Health Agency of Sweden, 2021). Health issues, such as overweight and obesity, is more common to find in regions that are socio-economic weak and sparsely populated compared to urban areas (*Ibid.*). Since 2004, the obesity rate has increased from 11% to 16% among adults in Sweden (The Public Health Agency of Sweden, 2022). Meanwhile, the total energy supply in food increased during the years 1980 to 2018 from 12 300 kJ to 13 100 kJ per person and day, not including the alcohol consumption (Lind, 2019). Furthermore, the direct consumption of raw sugar has decreased whilst convenience food, soft drinks and meat has increased during the same years (*Ibid.*).

#### 4.1.1 The Swedish retail market

The Swedish retail market consists of the five main actors ICA, Axfood, Coop, Lidl and Bergendahls (DLF Sweden, 2021). ICA is the market leading company with 52.5% of the market shares followed by Axfood and Coop with 18.9% and 18.1% respectively (DLF Sweden, 2021; Table 6).

Table 6. List of the leading retailers on the Swedish retail market, their market share, type of ownership and their organisational structure.

Company	Market share (%)	Type of ownership	Organisational structure
ICA group AB	52,5	Stock company, Individual franchisers	Decentralised
Axfood	18,9	Stock company, collection of brands, mix of company owned stores, franchisers, and e-commerce	Centralised and decentralised
Coop Sverige AB	18,1	Stock company, 28 consumer associations and their consumer members	Cooperative
Lidl	5,3	Stock company	Centralised
Bergendahls	5,2	Family-owned group of companies	Decentralised, self-governed business areas

These companies' organisational structure and ownership differ greatly from each other which impacts the amount of power they can exercise over the individual stores (Table 6). ICA has decentralised the power from their main stock company ICA Group AB to individual franchisers that operate their own stores (ICA, 2022). Axfood is a stock company that utilises several organisational structures since they consist of a collection of brands, like the retail companies Willys and Hemköp, the support company Snabbgross and the online service Mat.se, among others (Axfood, 2022). The structure is therefore a mix of stock company owned stores, franchisers, and e-commerce (Axfood, 2022). Coop is a cooperative that is owned by the stock company *Coop butiker & Stormarknader AB*, 28 consumer associations and their consumer members (Coop, 2022a). Lidl has instead centralised their power to the main stock company that owns and operate all their stores (Lidl, 2022). Lastly, Bergendahls is a family owned and decentralised group that consists of different self-governed companies within certain business areas that are loosely guided by the main company (Bergendahls, 2022).

These actors, apart from Bergendahls, are all members of “*Svensk dagligvaruhandel*” which is the industry organisation for the Swedish retail market (SFRF, 2022a). Together, they have developed industry agreements that aims to improve the health and food habits of the consumers by using labels, education, and marketing to nudge consumers to make more sustainable food choices (SFRF, 2022b). However, in 2015 the retail companies ICA, Coop, Axfood, the nongovernmental organisation WWF, and six food and packaging producers founded the organisation “*Hållbar livsmedelskedja*” (SSCFS, 2022). They realized the importance of addressing the food chains sustainability issues, and that the industry had to work more actively together to accelerate the transition towards a sustainable food chain if the national goals are to be achieved by the year 2030 (*Ibid.*). Together, they work to push the transition towards more sustainable food systems and have identified ten categories that they deem important for the industry to work with (*Ibid.*). These are *biodiversity & ecosystems, climate & air quality, soil fertility & erosion, water, chemicals & pesticides, eutrophication, animal welfare, working conditions, local population, and legal compliance & traceability* (*Ibid.*).

## 4.2 Sourcing from small-scale producers

Extreme weather conditions such as drought, floods, heat waves and mild winters will become more common as the average temperature of the globe rises (Steffen *et al.*, 2018). This combined with changing consumer demands, EU-regulations and governmental decisions poses big risks for the individual small-scale producer (Rydberg *et al.*, 2019). The European commission defines small-scale producers as companies with less than 50 employees and an annual turnover of less than 10 million euro (European commission, 2022). In Sweden, there are approximately 1,2 million companies of which 96% consists of small-scale businesses with less than 10 employees (SAERG, 2022). There are furthermore 4600 food businesses in Sweden, of which 1300 is operated solely by the owner (The Swedish Food Federation, 2022). Together they generate 40% of total sale revenues on the market (SAERG, 2022). In addition to this, the food businesses in Sweden also employs more than 55 000 people which amounts to 45% of Sweden's total work force (The Swedish Food Federation, 2022; SAERG, 2022). Thus, small-scale producers have a great impact on our food production systems, work force and environment. They are also often in charge of several parts of the food chain: they produce, process, store, package, distribute and market their own products to consumers (The Swedish Board of Agriculture, 2010). For large companies, these processes are typically done by other actors in the food chain (*Ibid.*). Small-scale produces are furthermore under pressure to compete with national or global food companies regarding prices and production volumes (Lehtinen, 2012). They must therefore contribute with other added values to the product apart from price (*Ibid.*). The great difference between large and small-scale producers therefore comes down to

time and work constraints due to a fewer number of workers that can support the business operations. The lack of resources, tools, methods, and immediate business benefits act as barriers for small-scale producers to work actively with present sustainability issues within their company (SAERG, 2015). The individual business owner must have a great personal interest or conviction that sustainability efforts are needed for it to be prioritised (*Ibid.*). Small-scale producers may therefore utilise their distant relationship with the final consumer in the food chain and deter from working more actively with sustainability, apart from what is requested of them by law (Siegel, 2009).

### 4.3 Local purchase process at Coop

The purchase process at Coop for local food works in several ways as you can see in Figure 8 (Gillerlöv, 2022). The formal process of becoming a supplier for Coop is to fill in a form in the *Purchase portal* at Coop's website (*Ibid.*). The information from the form is then sent to the person with the responsibility for local purchases within the concerned Coop consumer union (*Ibid.*). The purchaser for that specific consumer union then has the possibility to perform a supplier evaluation of the producer if they are interested in the products (*Ibid.*). If the supplier evaluation is approved, the stores within the Coop union can order products from the local purchase portal (*Ibid.*). However, producers can become suppliers in other ways as well. It is not uncommon that producers go directly to the store and asks to become a supplier, where they are recommended to contact the local purchaser or fill in the form in the purchase portal (*Ibid.*).

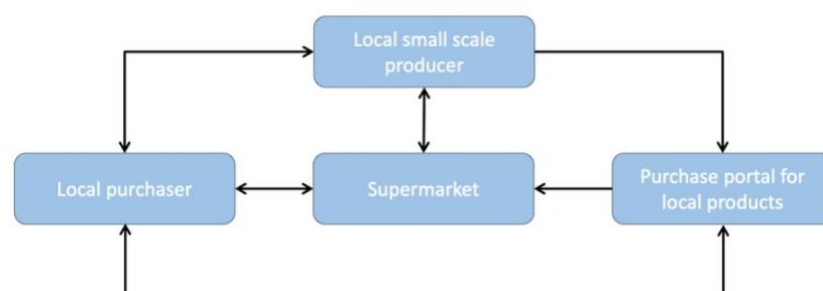


Figure 8. The local purchase process at Coop described by the Purchase Manager Sara Gillerlöv at Coop (2022).

Producers can also contact the purchaser for their consumer union to become a supplier, which then talks with the stores about the consumer demand (*Ibid.*). In some Coop unions the union purchasers actively search for local producers and can therefore directly contact potential suppliers (*Ibid.*). Some producers might have all papers in order and could therefore directly apply in the purchase portal and get orders from the stores, without further contact with the union purchaser (*Ibid.*). There are also examples of producers who go directly to a store in a Coop union and gets accepted as a supplier right away, depending on the type of product (*Ibid.*). All food suppliers for Coop needs to be certified with *IP Livsmedel* and fulfil the basic requirements of food safety stated by national law (Sigill, 2022; The Federation of Swedish Farmers, 2020).

### 4.4 The sustainability declaration

In April 2021, Coop launched their new tool the sustainability declaration with the aim to create a new industry standard (Bergquist, 2022; Lindholm, 2021). The purpose with the sustainability declaration is both to illustrate the environmental and social impact of individual products for consumers, and to act as a standard regarding sourcing of food products from suppliers

(Bergquist, 2022). Ultimately, Coop wants to push the normal distribution curve of their assortment to become more sustainable, in order to provide and nudge consumers into making more sustainable food choices (*Ibid.*) (Figure 1 in Chapter 1.3). This is in line with their business idea which is described in chapter 2.3.1. The sustainability declaration contains information about 10 000 different products which customers can access by scanning the bar-code of a product, either with the Scan-and-pay-app in their phone or with a scanner in the store (Lindhölm, 2021). When scanning a product, the environmental and social sustainability impact caused by that product is presented for the consumer in ten different categories (Coop, 2022f). These are *biodiversity*, *climate impact*, *soil fertility*, *water use*, *pesticides*, *eutrophication*, *animal welfare and use of antibiotics*, *labour standards*, *local population* as well as *legal compliance and traceability* (Coop, 2021b, Figure 9).

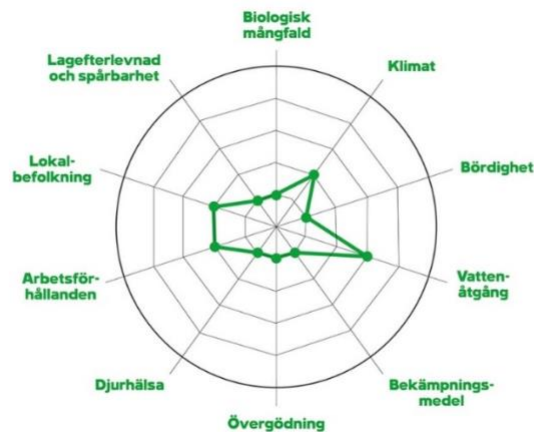


Figure 9. The sustainability declaration by Coop and the ten included categories. Low scores (low risk for negative impact) are close to the centre, and high scores (high risk for negative impact) are closer to the outer edges (Coop, 2021b). Picture from Coop Sverige AB (Coop, 2020). The text in the figure is in Swedish, respective category in English is found in the text above.

These have been based on the 17 sustainable development goals set by the United Nations and the previous work done by *Hållbar livsmedelskedja* (SSCFS, 2022; Chapter 4.1.1; Coop, 2022b). The information regarding each product is based on the country of origin, certifications, production methods, as well as input of raw materials (Coop, 2021b) (Read more about the assessment criteria in Appendix 3). According to Bergquist (2022), Coop has purposely chosen to give producers the benefit of doubt when needed data is missing for a specific product to motivate more actors on the market to adopt the tool. He means that this may initially lead to better scores for all food products, but that this will likely be corrected as more needed data is gathered and included within their own database. Regarding ingredients and raw material, the sustainability declaration includes and calculates the five biggest ingredients of a product which stands for more than 10% of the total finished product (*Ibid.*). Most of the food products in a store consists in some degree of water, but it's not always the case that water gets classified as an ingredient. Coop on the other hand has chosen to classify water as an ingredient due to the many aspects of sustainability it contributes to (Coop, 2021b). They also mean that excluding water as an ingredient would be misleading and incomparable (*Ibid.*). The category *country of origin* is weighted depending on where in the world a product comes from as well as depending on the season. However, seafood caught out at sea has no country of origin and is therefore classified as the category *country of production* instead. A total of 25% of the score of the category *legal compliance and traceability* depends on the country of production (*Ibid.*). Coop has chosen a couple of third-party certifications which contribute to the assessment of several categories within the sustainability declaration, such as IP-livsmedel, ASC, MSC, EU organic and KRAV. A product is assessed in all ten categories and gets scored from 1-5, where 1 is low



risk for negative impact and 5 is high risk for negative impact on the sustainability categories (*Ibid.*). The categories and how they are calculated are further explained in Appendix 3.

## 4.5 The war in Ukraine

During the 24<sup>th</sup> of February 2022, Ukraine was invaded by Russian military forces (Lindwall *et al.*, 2022). The war has proceeded throughout this spring and is still active to this day (June 2022) (*Ibid.*). About 7 million Ukrainians have fled the country and due to the war, the Ukrainian export of raw materials to other countries has stopped (*Ibid.*). Countries in Europe have chosen to not oblige to Russia's requirements of acknowledging parts of Ukraine as Russian territory (Barragan, 2022; Ekot, 2022; Svahn, 2022; TT, 2022; The Swedish Retail and Wholesale Council, 2022). This has caused Russia to terminate their export of gas and raw materials to several countries in Europe (*Ibid.*).

Both Russia and Ukraine export large amounts of wheat and corn globally (The Swedish Retail and Wholesale Council, 2022). This in combination with increased prices of agricultural inputs, such as fuels and fertilisers, have led to increased global food prices (*Ibid.*). The war in Ukraine therefore threatens to lead to a global shortage of food where 125 million people in poor countries face the risk of not getting access to food (*Ibid.*; Barragan, 2022). Additionally, the Russian-Ukraine conflict causes an increased shortage of plastic in the food chain which subsequently drives up the food prices further (Svensson, 2022). During the end of spring in 2022, several countries reported records of inflation and that people are struggling with the high prices for food, gas, and fuels (Klartextredaktionen & P4 Jönköping, 2022; TT-AFP, 2022; Zakrisson, 2022). Due to the war, the discussion about Sweden's low self-sufficiency rate has also risen in society (Håkansson, 2022; Örstadius *et al.*, 2022). Reports about increased prices of fuels, fertilisers, and energy within the agricultural industry has furthermore sparked a heightened interest for Swedish food products (*Ibid.*). To reduce the risk of a greater national crisis within the agricultural and horticultural industries, the government has therefore chosen to create a proposition about a support package of 1 billion SEK to support companies within these industries (Håkansson, 2022).

## 5. Results

*This chapter presents the gathered results from the in-depth interviews. The chapter is divided into three parts: A presentation of the interviewees and two summaries of the separate answers from the purchasers and the producers. The summarised answers are further divided into sections regarding the thematic networks and codes that influence the implementation of the sustainability declaration.*

### 5.1 Presentation of interviewees

Participating purchasers in this study have different business backgrounds and therefore experiences. Purchaser 1 has worked within the marketing sector for about 20 years in different industries, the second purchaser has worked in different companies within the food retail industry for 30 years and the third has worked over 30 years within Coop in different roles. Today, they are all key persons at Coop that oversees the purchasing process of local food products within their respective Coop union region.

The producers in this study utilise several sale channels within their respective region and they mainly sell their products within their region. However, some producers also distribute and sell their products to other union regions or parts of Sweden as well. The sale channels consist of farmer markets, online platforms, REKO-rings, retailers, restaurants, local farm shops, public sector, processors, grocers, and businesses. Their business ideas are mainly focused on the values locality and quality. Some producers have also included concepts which are closely related to sustainability such as organic and circular production systems (Table 7). Their aim is to sell their products within their production region. However, producers with 20-50 employees in this study want to expand their production to other parts of Sweden as well (Chapter 2.5.2).

*Table 7. Values which interviewed producers include in their business idea.*

<b>Value included in business idea</b>	<b>Number of producers</b>
Sustainability	4
Local	6
Quality	6
None of these values	2

Several of these food producers have furthermore combined different values into their business idea that connect to their chosen food products. Two producers have not included any of the common values into their business idea (Table 7).

### 5.2 Summary of answers from purchasers

In this section the result from the in-depth interviews with the purchasers is displayed in four different parts: an overall thematic network and three separate parts that explains the different influencing themes shown in Figure 10.

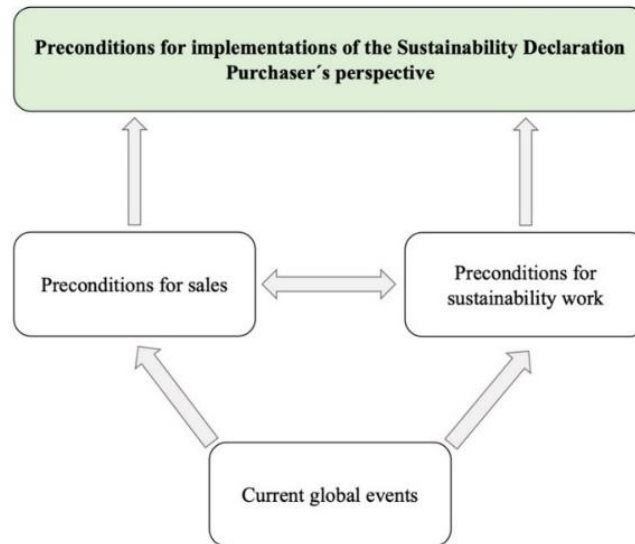


Figure 10. Thematic network of influencing themes for the preconditions of implementing the sustainability declaration from a purchaser perspective.

In Figure 10 the green box illustrates *the preconditions for implementing the sustainability declaration from a purchaser perspective*. This depends on the three thematic networks illustrated by white boxes: *Preconditions for sales*, *Preconditions for sustainability work* and *Current global events*. The arrows indicate how these themes influence each other. The answers from the purchasers indicate that current global events are the main factor influencing the preconditions for implementing the sustainability declaration. The reason for this is that Coop is heavily dependent on global food systems and transportation chains for their product assortment, which have been disrupted by the current war in Ukraine. Current global events furthermore affect both the preconditions for sales and for sustainability work for the food industry. Lack of and increased prices on raw materials, fuels and inputs increase food prices for the end consumer. Changing consumer behaviours due to higher food prices affect the preconditions for sustainability work since consumers, according to the purchasers, to a higher degree choose local or imported goods over organic. This may in turn lead to a decreasing sustainable assortment for Coop that can be offered to consumers and worsened preconditions for working with sustainability. The current global events furthermore affect the preconditions for sales and sustainability since producers need to have a sufficient income to be able to work with sustainability issues. Active or passive sustainability work can furthermore have an impact on the producers' income depending on market demands and requirements from purchasers. A summary of these networks is further explained in the following sections. Coded answers within subthemes are not included in this report due to space limitations but are available if requested (Chapter 2.5.6).

### 5.2.1 Preconditions for sustainability work

This part of the thematic network represents the preconditions for sustainability work stated by the purchasers. The answers are divided into the sections' *possibilities for sustainability work*, *support and need for increased sustainability work* and *barriers for sustainability work*. Several themes were identified under *preconditions for sustainability work* which can be found in appendix 6.



### *Possibilities for sustainability work*

In this section the different sustainability aspects that the purchasers state that they work with are gathered and summarised, to illustrate what purchasers deem to be the most important sustainability aspect to work with (Table A19 in Appendix 7). The result from the interviews shows that the most mentioned sustainability aspects that purchasers stated during the interviews are *food safety*, *supporting local producers* and *information and education*. They further mentioned the aspect of having a *great personal interest for sustainability issues* as the most important part of their business role. All purchasers highlight the strength of being a cooperative that dare to push the sustainability work further within the food industry. They furthermore mention that the possibility to use the sustainability declaration as a new purchasing tool that can increase sustainability requirements for producers. They also mention the possibility for producers to use the sustainability declaration as an alternative to certifications. As an active social sustainability work purchasers 2 and 3 mention that they actively nudge and market local food products towards consumers.

*“We give them shelf space and we choose to highlight their products in our marketing”* Purchaser 3

All purchasers perceive that their region is favourable for small-scale producers due to the presence of support organisations, collaboration platforms and support from Coop (Appendix 6). They furthermore recognise their own role as purchasers, as a possibility for increased sustainability work based on how they assess suppliers and their attitude towards the sustainability declaration.

*“We as Coop are known for working with sustainability and having it high up on our agenda. So instead of thinking: Welcome to us, we test it and give a whole shelf for it, we should perhaps instead set higher requirements for them to fulfil”* Purchaser 1

### *Support and need for increased sustainability work*

This theme describes what the purchasers believe is needed for a successful implementation of the sustainability declaration for producers. All purchasers mention that the sustainability declaration need to be further developed, but that it has great possibilities of becoming a new industry standard for sourcing food products. They furthermore state that the tool needs to be adjusted to better fit local food systems and that Coop needs to find a balance between effort and profit for producers. The importance of supporting producers in the process is also stressed to have great importance.

*“If we demand more from them... we need to hold their hand and be a part of the journey and be ready to help them in different ways”* Purchaser 3

They also highlight the need for a common strategy, education, and tools for how to implement the sustainability declaration for national and local food systems, and the important step of educating consumers in how to use it. All purchasers experience a lack of rules, standards, and manuals for how to assess producers based on their sustainability work and that it therefore has not been prioritised. They instead refer to a gut feeling in their decision process.

### *Barriers for sustainability work*

In this section the different barriers for sustainability work that is mentioned by the interviewed purchasers are gathered and summarised to illustrate what purchasers deem to be the greatest barriers for working with sustainability (Appendix 6; Table A20 in Appendix 7). All purchasers mention that they experience a lack of time and financial resources for working with sustainability. This is evident when purchaser 1 describe his/her business role.

*“60% of my role is marketing, 20% is communication and the last 20%, somewhere in there is sustainability”*  
Purchaser 1

Some purchasers state that the focus on profit over sustainability combined with a deficient sustainability interest at floor level act as barriers for sustainability work. All purchasers also mention that they are unsure about how they can use the sustainability declaration in their role as purchasers and that this act as a barrier for a more sustainable assortment in the stores.

*“Sustainability has had a low priority over the last years based on the perception of locally produced food products as sustainable...”* Purchaser 3

*“We have examples of purchasers that have not worked anything with sustainability at all in their business role...I would like to argue that historically, sustainability issues have not had any influence.... Instead, we have continued to purchase unsustainable products. Locality has been prioritised above everything else”*  
Purchaser 3

Purchaser 2 further state that the interest and commitment for sustainability work within the Coop unions sometimes exceeds those of Coop Head Office and that they are not always appreciated. They furthermore stress the importance of implementing the sustainability declaration on the total assortment of Coop for commercial use, since consumers currently can only access information regarding Coop's own private labels and products from large companies. Purchaser 1 mention that the consumer demand for local food is not always positive since the locality of a product is not a guarantee that it is a sustainable product. Purchaser 3 further points to the dilemma that consumer demand for local products may not rise equally with their willingness to pay higher product prices, even though they are willing to pay higher prices for Swedish food.

#### *Barriers for the sustainability declaration*

This theme explains what barriers purchasers experience or foresee with implementing the sustainability declaration. All purchasers are worried about what kind of score the standard will give to small-scale producers since it is designed for large companies. They mean that the standard may not be beneficial for producers and that it may lead to increased costs and administration. The purchasers further mention that too few consumers use the scan-and-pay app in stores, and that the possible benefit for producers to market their sustainability work could thus be excluded from the implementation process. They also fear that producers will choose other sale channels if they deem that they cannot or do not want to fulfil the supplier requirements.

### 5.2.2 Preconditions for sales

This part of the thematic network represents the preconditions for sales stated by the purchasers that are needed to implement new supplier requirements (Figure A2 in Appendix 6). The answers are divided into the sections: *definition of local food*, *sale opportunities for Coop and producers*, and *sale barriers for Coop and producers*. Several themes were identified under preconditions for sales which is shown in Figure A2 in Appendix 6.

#### *Definition of local food*

All purchasers state that the definition of local food is influenced by distances between the producer and consumer, defined geographical regions and the size and scale of the production (Figure A2 in Appendix 6). Some purchasers mention that local food depend on where the food product has been processed. Some purchasers further mean that local food is where the producer mainly sell their products within the region.

### *Sale opportunities for Coop and producers*

In this section the different aspects that purchasers mention which contribute to increased sales for Coop and producers, are gathered and summarised (Table A21 in Appendix 8). The result from the interviews show that the most mentioned aspects for increased sales by purchasers are *purchasers support producers in supplier process, marketing for local products and consumer demand for local products*. Changing consumer demands is illustrated in the quote from purchaser 3.

*“We have seen a clear shift in consumer demand from organic to local...”* Purchaser 3

Purchasers further mention that a sale opportunity for producers is that the consumer demand for local and Swedish food products has increased. According to the purchasers the sustainability declaration can also highlight the differences between local and imported food, which could lead to increased sales. All purchasers state that they sometimes taste the producer's products, give advice on packaging, tries to meet them in person, and that they support them in their strive of becoming suppliers for Coop. Purchaser 3 also mention that he/she actively coach and pushes local producers from testing, to shelf placement, to becoming a national supplier.

*“It is something that is included in the package when they choose to do business with us as a local food supplier. We have a very generous attitude and market our local food producers...and bear the costs to help them with their products”* Purchaser 3

All purchasers state that sustainability has not been prioritised during the assessment of suppliers. They also mention that the assessment is based upon the purchasers' own gut feeling which makes it possible for producers without certifications to become suppliers for Coop. Purchaser 3 state that the personal contact between one representative for several stores and a local producer creates sale opportunities for local producers. Commonly mentioned for all purchasers is that they state that they are patriotic towards buying local products from their region in favour of imported alternatives. They furthermore actively contact suppliers that is of interest for Coop. All purchasers state that the sustainability declaration could be used to highlight the differences between local and imported food products for producers. They mean that this could lead to increased sales for local producers that have lower climate impact compared to imported alternatives. All purchasers' further state that the sustainability declaration could be beneficial for Coop since it could be used to educate consumers to make more sustainable food choices. They also mention that the implementation of the sustainability declaration positions them as industry leaders within sustainability and that it could lead to future sale opportunities as well as market shares for Coop. They furthermore highlight the importance of Coop working for the greater good, supporting local communities, educating consumers about healthy eating habits, and acting as industry leaders within sustainability. All purchasers further stress the importance of Coop having a national strategy for increased Swedish food production that is connected to the more local Coop unions. The reason for this is that they perceive that the current war in Ukraine will influence both the need and consumer demand for increased domestic food production. Purchaser 2 further mention that it is of great importance that purchasers form good relationships with the producers in their own union region. This purchaser means that by meeting producers with nice manners and respect, Coop will get better purchasing benefits in comparison to competitors. The result from the interviews show that all purchasers believe that Coop should actively help producers to adopt the new requirements and support them in their sustainability work. Other mentioned support acts are that Coop should do the reporting for producers and offer education and information (Table A23 in Appendix 7).

### *Sale barriers for Coop and producers*

In this section the different aspects that purchasers mention which acts as barriers for increased sales for Coop Sverige and producers, are gathered and summarised (Table A22 in Appendix 7). The result from the interviews shows that the most mentioned aspects by purchasers which acts as sale barriers for Coop, are *time limitations for collaborations with local producers* and *consumer demands*. Regarding the sale barriers for producers the most mentioned aspects according to the interviewed purchasers are *consumer demands*, *purchaser's evaluations on products taste and appearance* and *profitability are difficult in small-scale production*. All purchasers recognise themselves as sale barriers since they are more interested in signing supplier agreements with producers that fills gaps in the local assortment, than taking in many variations of the same product category.

*"We should have a broad assortment but.... cut the tails that are not selling and replace it with news...to keep consumer interest"* Purchaser 1

They further state that there are no requirements for a certain degree of local food products in the assortment and that potential suppliers may therefore be overlooked. Purchaser 1 also mention the barrier of new purchasing systems for Coop that does not take local differences into account, and that it is based on the consumers past purchases. This purchaser means that new suppliers may therefore be overlooked in favour of already established suppliers on the market. All purchasers mention the importance of food safety and that they have denied food producers that do not fulfil the basic requirements of the IP standard or Coop. Purchaser 1 mention that it is difficult to incorporate local food products into the regional assortment since the national assortment takes up most of the shelf space in stores. Furthermore, purchaser 2 mention that Coop contributes with uneven competitive distribution of margins between local and imported products. This is done by setting higher margins for local food products compared to imported, thus resulting in a higher consumer price.

The interviewed purchasers mention different aspect that can act as barriers for implementing the sustainability declaration which are shown in Table A24 in Appendix 7. The result from the interviews show that the most mentioned aspects that act as barriers for implementation of the sustainability declaration by purchasers are *uncertainty of score for local producers*, *producers will not benefit from the sustainability declaration if it is expensive or time-consuming* and *too few consumers use the scan-and-pay app*.

### 5.2.3 Current global events

This part of the thematic network represent how current global events influences producers and Coop. Several themes were identified under the subtheme *preparation for national crisis* which are shown in Figure A5 in Appendix 6. According to the interviewed purchasers the most mentioned possibilities that could come from the current war in Ukraine are *increased Swedish self-sufficiency* and the *increased consumer demand* for local and Swedish food products. The purchasers further mention three different aspects that can act as sale barriers due to current global events. These are that *local food is more expensive than imported alternatives*, *raw materials are expensive due to the war in Ukraine* and *risk for decreased number of local producers*. Purchaser 3 stress that he/she is worried that producers may choose to terminate their production based on insufficient income, which would lead to reduced national self-sufficiency. This purchaser further mention that he/she are worried for reduced primary production in Sweden due to loss of income combined with a need of expensive investments in production.

### 5.3 Summary of answers from producers

In this section the result from the in-depth interviews with the producers is displayed in four different parts: an overall thematic network and three separate parts that explain the different influencing themes shown in Figure 11.

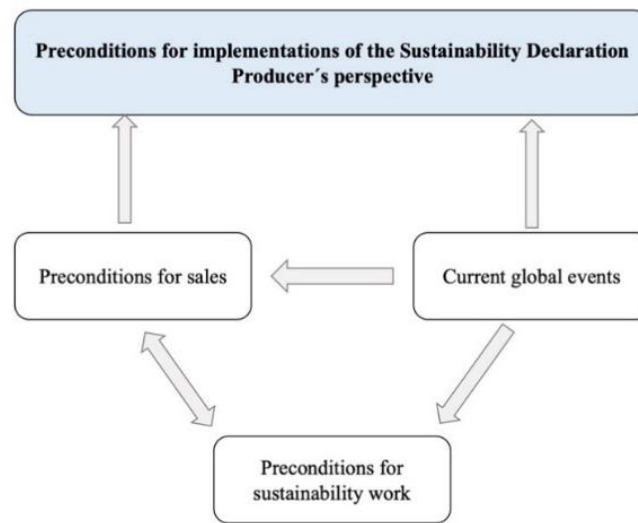


Figure 11. Thematic network of influencing themes for the preconditions of implementing the sustainability declaration from a producer perspective.

In Figure 11 the blue box illustrates the preconditions for *implementing the sustainability declaration* from a producer perspective. This depends on the three thematic networks illustrated by the white boxes: *preconditions for sales*, *current global events*, and *preconditions for sustainability work*. The arrows illustrate how the themes influence each other. The answers from the producers indicate that *preconditions for sustainability work* is the main factor influencing the *implementation of the sustainability declaration*. The reason for this is that producers need to have the possibility or resources to work with sustainability issues for the sustainability declaration to be of interest for them. This is furthermore heavily affected by both *preconditions for sales* and by *current global events*. *Preconditions for working with sustainability* and *preconditions for sales*, affect each other since producers need to have a sufficient income to be able to work with sustainability issues. The interviewed producers indicate that if they do not see any economic benefit with investing time and resources into sustainability work, they will not adopt the sustainability declaration as a new supplier standard. Active or passive sustainability work can furthermore impact the producer's income depending on market demands and requirements from purchasers. Lack of resources for sustainability work may also lead to decreased sales if purchasers decide to only purchase from certified producers.

*Current global events* affect both *preconditions for sustainability work* and *preconditions for sales* since the global food systems have been disrupted by the Covid-19 pandemic and the current war in Ukraine. The answers indicate that the war can be both beneficial and disastrous for small-scale producers, depending on where and what consumers decide to buy from their food producers. Raw materials and inputs have furthermore become more expensive due to the war in Ukraine. This gives rise to higher food prices and greater uncertainty for small-scale food producers, which in turn decreases the interest and possibility for sustainability work. A summary of these networks is further explained in the following sections. Coded answers within subthemes are not included in this report due to space limitations but are available if requested (Chapter 2.5.6).

### 5.3.1 Preconditions for sustainability work

This part of the thematic network represents the preconditions for sustainability work stated by the producers. The answers are divided into the section's *possibilities for sustainability work*, *support for sustainability work* and *barriers for sustainability work*. Several themes were identified under *preconditions for sustainability work* which are shown in Figure A3 in Appendix 8.

#### *Possibilities for sustainability work*

In this section the different sustainability aspects that are mentioned by the producers are gathered and summarised to illustrate what producers deem to be the most important sustainability aspect to work with. Mentioned aspects are sorted by company size in terms of annual revenue which is illustrated in Table A25 in Appendix 8. All producers talk about climate impact as a base for their sustainability work but mention different aspects to work with to reduce the impact of their businesses. Of the producers with an annual revenue of below 10 million SEK, the most mentioned sustainability aspects are *choice of raw materials* and *Swedish over organic* (Table A25 in Appendix 8). These producers oversee their business operations by themselves and do not have any or very few employees. They focus much upon the origin or production method of raw materials that they use, and state that it is of great importance that they purchase Swedish or local food products. In the producer group of an annual revenue of 10-50 million SEK, most producers instead talk about *transport* as an important sustainability aspect to work with. The general view among producers is illustrated by the quote from producer 3.

*"It is total bullshit to ship shit all over the world. It is totally unreasonable"* Producer 3

Many producers also pointed out that environmental work and economizing with resources within the company is often linked. Many of the producers see an economic gain for their business to actively work with sustainability. A few producers claim that their personal interest in sustainability is what drives the sustainability work in their business. Producer 10 also mentions that Norrbotten is a favourable production region for animal production due to the cold climate and low disease pressure. Two producers, 5 and 7, mention that their production methods are fossil free because of new infrastructure which few other companies have in their fields. As for example, producer 5 says that environmental issues are a big part of his/her business because of the infrastructure he/she has:

*"It is a big part of our company since we have a totally fossil free production from the start of the business, and it is circular, so we have no food waste. It is all reused and converted to biogas which heats up our premises"* Producer 5

Very few producers spoke about the social impact their product does on people's health, though it was mentioned on some occasions that they believe their products to be nutritious, that they avoid adding sugar or that they have had a historically important role for society. Several producers talk about their work force and how they employ people with either lack of language skills in Swedish or those who need work training. They also stress the importance of employing locals.

Producers with an annual revenue of 50-100 million SEK talk most about the three aspects *renewable packaging materials*, *transport*, and *food safety*. These producers were the only ones apart from purchasers to talk about food safety. All sustainability aspects that were most mentioned during the interviews, regardless of the company's annual revenue, have been summarised in Figure 12.



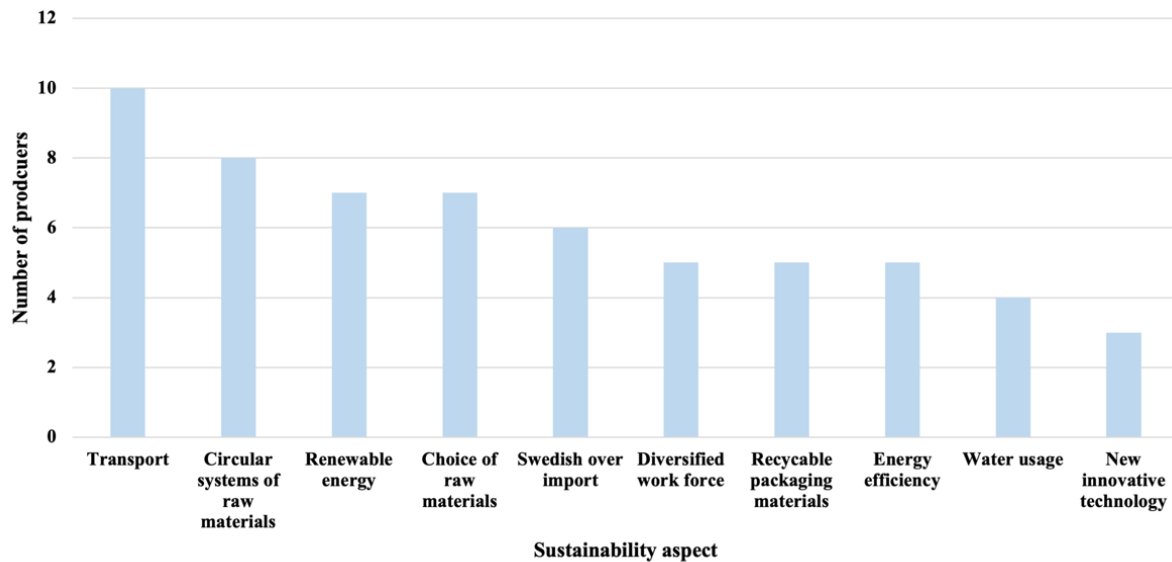


Figure 12. Summary of sustainability aspects that were most often mentioned by producers and how many producers that mentioned each aspect.

Figure 12 illustrate that the most mentioned sustainability aspect among all producers is *transport* which was mentioned by ten producers, followed by *circular systems of raw materials* with eight producers. The third most mentioned sustainability aspects are *renewable energy* and *choice of raw materials* with seven producers respectively. Sustainability aspects that were mentioned by less than three producers were not included in the figure.

All producers mention that they currently work according to Coop's supplier standards. However, several producers claim that they have never seen any retail company's CoC document. All producers stress the importance of CoC as standards as well as the need of high requirements since it will affect the market in a positive way. According to the producers, as more companies in the food industry implement higher requirements it will force producers to create safer products and motivate them to become more sustainable. Regarding the producers' own work with CoC in the business, most of the producers do not currently have a CoC (Table A26 in Appendix 8). Several producers mention that they rely on certifications where their suppliers are assessed or that suppliers must have a CoC since the producers are not required to have one themselves. Those who state that they do not have a CoC and do not make supplier assessments all have a revenue under 12 million SEK. Three out of these four do not have a CoC and stress that they make decisions regarding suppliers and environmental work based on their own moral compass. Moreover, four out of all the producers have a CoC or are currently developing one (*Ibid.*).

Several producers emphasize the increased consumer demand of local food products as a motivation for working with sustainability. The producers further stress the importance to influence consumers to make responsible food choices. They also mention that the consumer demand for organic products has decreased in favour of Swedish and local alternatives. Producer 9 state that even though he/she are certified with the organic certification KRAV, the term local food is more important for the customers and for his/her business to communicate. According to the producers, the consumers are interested in food products of good quality but that they are more forgiving regarding lack of quality when it is locally produced. Meanwhile producer 4 state that just because a product has its origins nearby it does not mean that it is more sustainable or that it is of better quality compared to other products further away. On the same note, producer 9 mention that he/she prioritise locally produced products above products of high quality.



*“Many has a sort of illusion that local food is to be good in some way, even though it could be completely dreadful at your neighbour’s business. There is nothing that grants a good animal husbandry or that they do not negligee with the use of pesticides, just because it happens to be local.”* Producer 4

*“Quality...its hard... that we aim for an acceptable quality is nothing we can write down on our products, what is requested is that it is locally produced and that we have a broad segment”* Producer 9

### *Support for sustainability work*

This theme covers what kind of support that the producers mention that they need to improve their sustainability work in their businesses, as well as to be able to report their impact to retailers. The type of wanted support depends on the size of the business and how well-established sustainability work the producer has. All producers are asking for clear requirements as well as for an open dialogue and discussion. The interviewed producers are also asking for education to be able to improve their businesses in the right way. Others pinpoint the need of consultancy support or financial support since they do not have the competence or ability to calculate and identify their impacts on sustainability. Producer 10 thinks that retailers can support and motivate small-scale food producers in their sustainability improvement work by signing long-term agreements with them.

*“Possibly, they could support us by being more honest and sign contracts, and really commit to it and not just do it in crisis or when confronted by the media. Or when they market their sustainability work and say how important it is to promote local actors... when they can do so much more. Actually... they need to put a bit more pressure on themselves”* Producer 10

Some producers are very confident in their sustainability work and do not see any problem with increased requirements, reporting their key figures of sustainability impact to the sustainability declaration or working with sustainability issues. Many producers, including them with well-established sustainability work, ask for a shared industry system for sustainability reporting. They state that it takes a lot of time to report the same aspects and numbers to numerous retailers and certification organisations.

*“It feels like I have written these numbers four times already this year...”* Producer 8

Producer 13 also state that laws and regulations can be a possibility for increased sustainability work within small-scale businesses and for accelerating the transition into sustainable food systems.

### *Barriers for sustainability work*

In this section the different barriers for sustainability work that are mentioned by the producers are gathered and summarised to illustrate what producers deem to be the greatest barriers for working with sustainability. Mentioned aspects is sorted by company size in terms of annual revenue and are illustrated in Table A27 in Appendix 8. All producers talk about that they deem sustainability work to be costly and that this is one of the major barriers for sustainability work. This is further shown in the category of producers with an annual revenue of below 10 million SEK where the most mentioned barriers are *certifications are expensive* and *lack of time* (Table A27 in Appendix 8). These producers mention that they feel that they are not able to work actively with sustainability due to the size of their company and the lack of resources. There is an ambition and a personal interest about sustainability issues among several producers, but they do not feel that they have the possibility to work with it since it is a time consuming and expensive work. Many of these producers also oversee their business operations by themselves and do not have any other or very few employees to rely on.

*“I experience that it is difficult to be a small business in general...I must take the role as head of HR, salesperson, CEO, and head of production”* Producer 9

Therefore, some producers feel that it is hard to adapt to sustainability requirements. In the producer group of an annual revenue of 10-50 million SEK, most producers instead stress the barrier of *increased administration*. Producers with an annual revenue of 50-100 million SEK again mention that sustainability work and investments are expensive. All sustainability aspects that were most mentioned during the interviews, regardless of the company’s annual revenue, have been summarised in Figure 13.

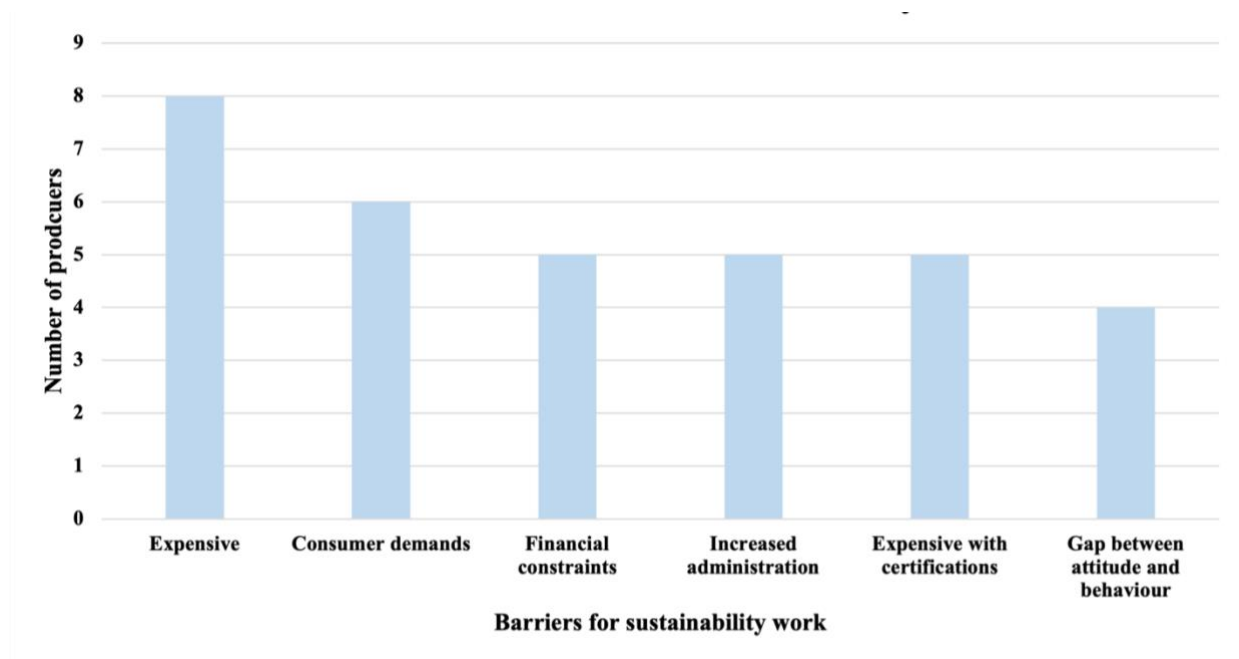


Figure 13. Summary of barriers for sustainability work that were most often mentioned by producers during the interviews and how many producers that mentioned each barrier.

Figure 13 illustrates that the most mentioned barrier for sustainability work among all producers is that it is *expensive* to invest in the needed infrastructure. This aspect was mentioned by eight producers, followed by *consumer demands* with six producers. They also state that they do not wish to invest in something that will not necessarily generate sufficient income for the company, even if they can afford it. The third most mentioned barriers for sustainability work are *financial constraints*, *increased administration* and that it is *expensive with certifications*. These producers mean that they would like to invest in the needed infrastructure or become certified but that they do not have sufficient income to do so. Four producers also mention the *gap between consumers attitude and behaviours* as a great barrier. The interviewed producers highlight that many consumers strongly believe in eating sustainable food such as organic, but that their purchasing behaviour diverts from this. They also stress that organic food is seen as expensive and that the interest for it has decreased. Another barrier with consumer demand is the local food culture. Producer 13 mean that the traditional food culture in the north of Sweden limits his/her ability to introduce new innovative and more sustainable food products. This producer mean that it is a lot easier for him/her to break new ground in Stockholm, the capital of Sweden, since consumers there are more aware and interested in sustainability. Aspects that were mentioned by less than four producers were not included in the figure (Figure 13).

Some of the producers mention that there is a lack of knowledge among consumers regarding how food is produced and what sustainable food is. According to the interviewed producers there is a gap between what product qualities the consumers expect a product to have, and the actual qualities of the product. They mean that consumers are projecting several qualities on to

local products which might not be true. The consumer demand also acts as a barrier for increased sustainability work since consumers have decreased their demand of organic food products. This could lead to a decreasing assortment of organic alternatives on the market and counteracts further development of organic production. Regarding risks for social sustainability the producers mostly speak about working conditions and human rights, in their own companies and throughout the food chain. Some of the producers also state that they do not actively work with social sustainability and that it is because of the small size of the company.

Some producers are dependent on global raw materials which risk both environmental and social sustainability. Several producers feel frustrations over not being able to improve their sustainability work by having sustainable packaging, because of the lack of food security in environmentally friendly packaging alternatives. Some producers also mention that the pandemic of Covid-19 has affected the debate about sustainability and that it has reduced their focus and commitment for sustainability issues.

*“The most important sustainability aspect is food production in times of crises”* Producer 9

Many of the producers see a risk in Coop's strive for a more sustainable assortment. In a scenario where Coop chooses to only include products from businesses that have third party-certifications or from companies that systematically reduce their environmental impact, many of the small-scale producers in Sweden face the risk of being excluded. According to these producers, the reason to this is limited resources such as time, finances, employees, and knowledge. They furthermore state that small-scale producers must rely on the sustainability work of other actors in the food chain due to their limited bargaining power. Some producers therefore may not always be able to reduce their environmental impact systematically according to set requirements by Coop. They mean that the consequences would be especially evident if other retailers on the market also followed in Coop's footsteps. This would in turn affect Sweden's self-sufficiency negatively since small-scale producers, with no possibility to actively reduce their environmental impact, could find themselves at a disadvantage where profitability could be difficult to uphold. They emphasize a great concern for food products that retailers import from other countries, which is most often possible to produce domestically, as well as the negative outcomes it gives for both the environment and Swedish food producers. Trust between retailers and producers is stressed as important, especially regarding sustainability issues. A few producers mean that they only get accepted as suppliers to Coop during crises within the Swedish food system when goods are lacking either nationally or globally. Others mention that the process of becoming a supplier for Coop is long and some must work hard for it. The producers think that Coop should benefit local suppliers more and set higher sustainability requirements for their own brands to minimize the risk of creating a skewed market. Moreover, many producers describe that Coop do not require any sustainability work from their suppliers. Some of the producers therefore feel that they are the ones, and not Coop, who push for increased sustainability work.

### 5.3.2 Preconditions for sales

This part of the thematic network represents the preconditions for sales stated by the producers that are needed for increased profit. The answers are divided into the section's *definition of local food, sale opportunities, sale barriers, benefits and support for new supplier requirements, and barriers for increased supplier requirements*. Several themes were identified under preconditions for sales which is shown in Figure A4 in Appendix 8.

#### *Definition for local food*

Most of the producers believe that local food is influenced by geographical regions and distances between producers and consumers. The interviewed producers further state that local food is a product that has been grown, processed, and packaged within a defined geographical

region. There are however some that state that the whole northern part Norrland or even Sweden is deemed to be local food. A few producers in the Coop union Norrbotten claim that food from the northern parts of Finland is local food. They also include all parts of Norrland to the perception of local food. Producers from Gotland instead state that local food is food that has been cultivated and grown on the island. Interviewees from Värmland use the same definition but with their own consumer union as the boundary. Some interviewees are also willing to accept products that has been cultivated nearby within other consumer regions as local food. Although, the common understanding is that it is the last stage of the production before the product is sold to consumers that influence the definition. On the other hand, producer 3 uses global raw materials and state that the possibility to cultivate the raw material in Sweden influence the term local food. She/he also say that she/he view herself/himself not as a local producer, but as a local company. A few producers also state that the term is unclear and that they are unsure about how to describe it. All producers see that the locality gives customer a great feeling and that their companies sometimes benefit from the mentioning of a local connection.

### *Sales opportunities*

In this section the sale opportunities that are mentioned by the producers are gathered and summarised (Figure 14; Table A28 in Appendix 8). Producers with an annual revenue of below 10 million SEK mention the use of *the product brand Gotland* and *consumer demand* for local food as sale opportunities. These producers are all located in Gotland. The added value for the term local is shown when producer 5 describe what the region Gotland mean for their company.

*“...the place has been associated with a lot of positive feelings for people, because a lot of people have been here on their vacation and think that it is beautiful. The region is a special place, and it is in itself a strong brand, and this was one of the reasons why we applied for our brand name. If it had not been accepted, then we would probably have not started the company”* Producer 5

The interviewed producers further stress that they perceive that Swedish food is more sustainable compared to imported alternatives and that Swedish consumers have higher willingness to pay for domestically produced products. This is shown in the quote from producer 2:

*“To become organically certified is nothing that I strive for, even though I probably could be if I put effort into it.... I just do not see any benefits from being certified compared to where I am today”* Producer 2

All the producers mention the sale opportunity that comes from the shift in consumer demand from organic toward Swedish products. Most of the producers also mention that the current idea in society that Swedish food have similar or equal qualities to organic alternatives offer many new sale opportunities. Consumer demand was also the most mentioned aspect for increased sales by producers within the group of companies with an annual revenue between 10-50 million SEK (Figure 14). Producers within the largest group with annual revenues of between 50-100 million SEK instead stress the sale opportunities that comes with certifications (Figure 14).

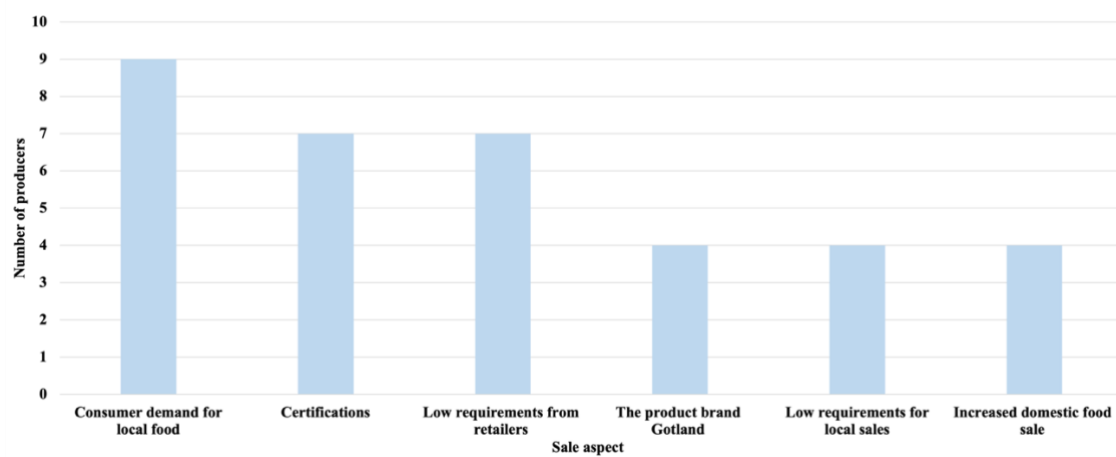


Figure 14. Summary of sale aspects that were most often mentioned by producers during the interviews and how many producers that mentioned each aspect.

Figure 14 illustrates that the most mentioned aspect for increased sales among all producers is *consumer demand for local food* which was mentioned by nine producers, followed by *certifications* and *low requirements from retailers* with seven producers. The third most mentioned aspects for increased sales are *the product brand Gotland*, *low requirements for local products* and *increased domestic food sales*. Sale aspects that were mentioned by less than four producers were not included in the figure. Further on, several producers are very positive towards the use of *certifications* as they perceive that it benefits their business in many ways. They mention that this however depends on the type of certification or standard they use, but that it can enable more effective production methods, strengthen the leadership, and work as a safety for them. Producer 12 address the possibilities with a certification in the following quote.

*“We got certified with a certain certification system and the whole process costed 700 000 Swedish crowns and it is one of my most profitable deals. Because we have become more effective and have had so much better preconditions since we now know what we did wrong, which made it easier to go back and do it right. So, certifications are not always a cost, there is a purpose with it which is really good.”* Producer 12

Furthermore, almost all interviewed producers engage in some way with their local society by cooperating with other local actors, retailers, and networks. They share knowledge, resources, distribution methods, promote each other and have shared product development. The degree to which this occur however varies depending on the consumer union. The interviewees from Gotland state that they experience that they are or have been highly engaged in collaborations with local businesses and retailers. They also mention that they perceive that they have a good and nonproblematic relationship with retailers. Interviewees from the other two studied consumer unions instead state that there are not as many active collaborations available to take part in within their region.

### *Sale barriers*

In this section the different aspects that producers mention as barriers for sales, are gathered and summarised (Table A29 in Appendix 8). Producers within the groups with an annual revenue of below 10 million and between 10-50 million both mention the *distant relationship with retailers* and *imported products* as great barriers for sales. Most of the producers mention that Coop is a heavy organisation where changes in price, logistics or agreements takes longer to implement in comparison to other retailer alternatives on the market. The producers 4, 7 and 12 further mention the different purchasing and distribution systems for local and national assortments as great barriers for increased sales. Producer 4b also mention that the use of two different purchasing systems lead to unfair market competition since most purchasers purchase their products from the national assortment. This producer means that this results in missed

opportunities for local producers' products to enter the shelves, since the purchasers may already have filled them with other national alternatives.

*“Coop Värmland has access to the national assortment and can purchase products in the national purchasing system. If a store would like to purchase a product from the union region Värmland they could do it, but then they must access another web portal... and that just does not happen!”* Producer 4b

Producers in the smaller group, below 10 million SEK, further mention the barrier of expensive certifications. These producers mean that as long as he/she can prove that he/she fulfil the requirements of an organic certification, he/she should be allowed to use that to enhance sales. Producers within the group of 10-50 million in revenue also mention the barriers *varying level of difficulty to enter central and local assortment, environmental work reduces sales, sustainable products are expensive, local food cannot compete with price* and that *consumers are not interested in sustainable food products*. Producers with a revenue of between 50-100 million mention the barriers *local products only requested in crisis, different local ordering systems* and *expensive raw materials*.

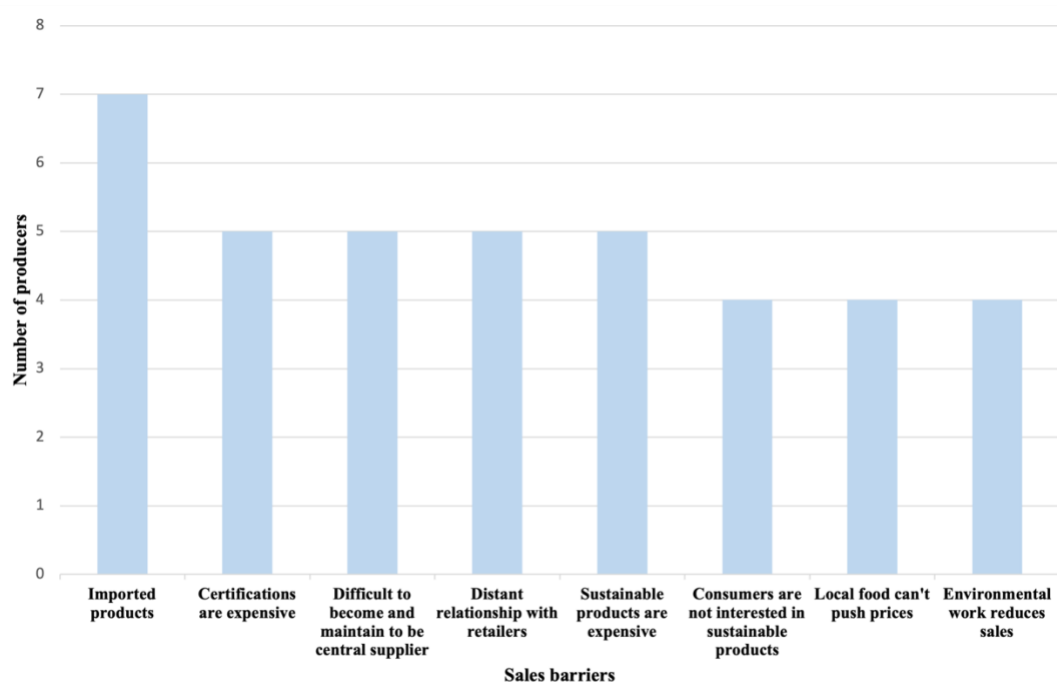


Figure 15. Summary of barriers for sale that were most often mentioned by producers during the interviews and how many producers that mentioned each aspect.

Figure 15 illustrates that the most mentioned barrier for sales among all producers is that they compete with *imported products* which was mentioned by seven producers, followed by *difficult to become and maintain to be national supplier*, *distant relationship with retailers* and that *sustainable products are expensive*. The third most mentioned barriers for sales are *consumer demand*, that *local food cannot compete with price* and that *environmental work reduces sales*. Sale barriers that were mentioned by less than four producers were not included in the figure. Producer 6 further mean that it is a gap between consumers attitude and their consumption behaviour.

*“Of 100 asked consumers that enters a retail store, 80% will state that they purchase local and organic products, but if you then look in their shopping bags when they exit the store only 8-10% of consumers act according to their stated belief. They want to be patriotic towards local products, but their wallets speak louder”* Producer 6

Some producers mention the barriers of time constraints, transportation distances, product origin and production costs. All producers mean that their local products cannot compete based on price with the retailers’ own brands. They also state that retailers often wish to benefit local food producers, but that they do not commit to any long-term supplier agreements due to unsure sale volumes. Some of the interviewed producers also highlight the fact that retailers can exercise their purchase power by choosing what kind of producers they want to prioritise, and that Coop does not have a process for accepting small-scale producers that wish to distribute their products nationally. It is also stated by some producers that they feel that the local assortment is only requested by retailers during national crises.

*Benefits and needed support for supplier requirements*

This section gather and summarise the different aspects that producers mention regarding what benefits they perceive with new supplier requirements, and what support they deem that they require in the implementation process (Table A30 & A31 in Appendix 8). Producers with an annual revenue of below 10 million SEK most mention the benefit of *increased trust* for the food industry that comes from higher supplier requirements. Producers within the group of 10-50 million SEK in revenue mention that it is beneficial that CoC *exclude nonserious actors from the market*. The producers with a revenue of between 50-100 million SEK mention that CoC also contributes positively to society in that *certifications improve food safety*. Figure 16 illustrates that the most mentioned advantage with supplier requirements among all producers, with five producers, is that it contributes to *increased trust* for the food industry and the company.

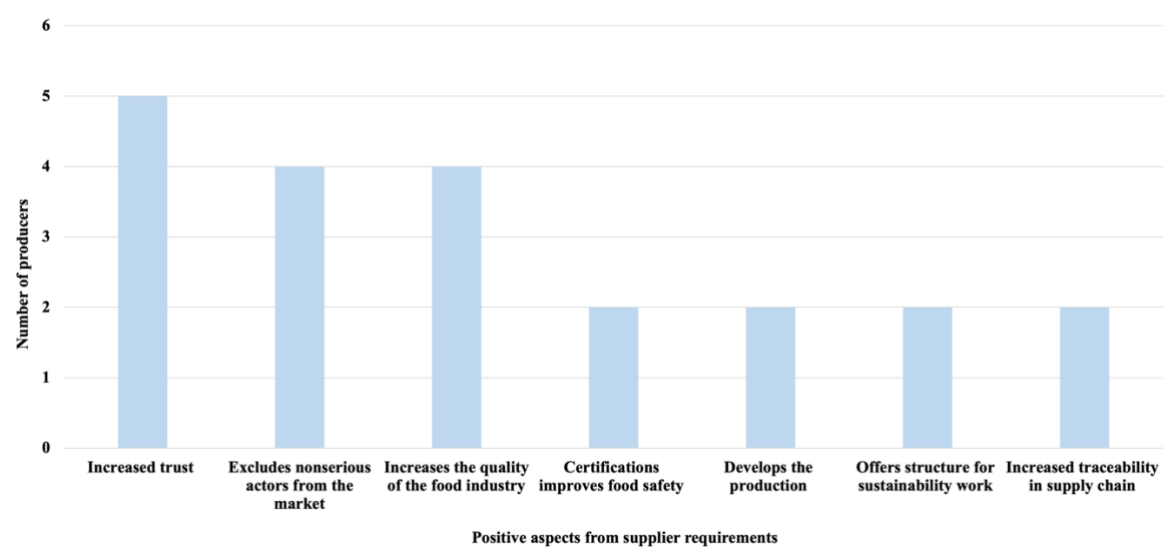


Figure 16. Summary of advantages with supplier requirements that were most often mentioned by producers during the interviews and how many producers that mentioned each aspect.

The second most mentioned benefits, with four producers, are that it *excludes nonserious actors from the market* and *increases the quality of the food industry*. The third most mentioned benefit are that *certifications improve food safety*, *develop the production*, *offer structures for sustainability work*, and *increase traceability in the supply chain*. These were mentioned by two producers respectively. Positive aspects that were mentioned by less than four producers were not included in the figure. Figure 17 illustrates that the most mentioned support aspects for adopting new supplier requirements among all producers, with three producers, are the feeling of *shared industry system for reporting data*, *clear requirements*, *consultancy*, and *no need of support*. The second most mentioned barriers, with two producers, are *long supplier agreements*, *financial support*, and *education*. Barriers that were mentioned by less than two producers were not included in the figure.



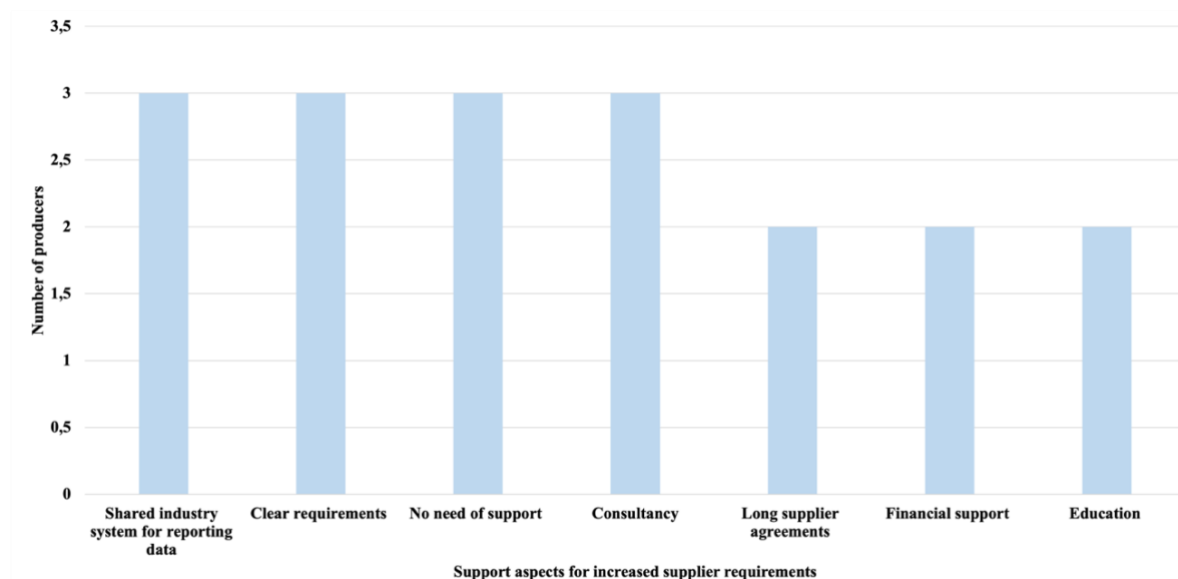


Figure 17. Summary of support aspects for adopting new supplier requirements that were most often mentioned by producers during the interviews and how many producers that mentioned each aspect.

Producers with an annual revenue of below 10 million SEK mention that they need *clear requirements* for adopting new supplier requirements (Table A30 & 31 in Appendix 8). The group of producers with an annual revenue between 10-50 and 50-100 million SEK furthermore mention the need for a *shared industry system* that they can report the required data to. Producers with a revenue between 10-50 million SEK also mention the need of *long supplier agreements* and *education* that secure income since sustainability work is deemed to be expensive. Producers with a revenue of between 50-100 million SEK mention that they *do not need any additional support* for their own sustainability work. However, they state that they would need *financial support* if the requirements would be too expensive for them to fulfil.

#### *Barriers for new supplier requirements*

In this section the different aspects that producers mentioned act as barriers for new supplier requirements are gathered and summarised (Table A32 in Appendix 8). Producers with an annual revenue of below 10 million SEK most mention the barrier of *lack of time*, *deficient knowledge*, and *financial risk* for adopting new supplier requirements. Both producer with revenues under 10 million SEK and between 10-50 million SEK mention that *financial constraints* are a barrier for adopting new standards. Producers with a revenue of between 50-100 million SEK mention that *deficient control over supply chain* and that *sustainability is not prioritised by purchasers* as great barriers for adopting new supplier requirements.

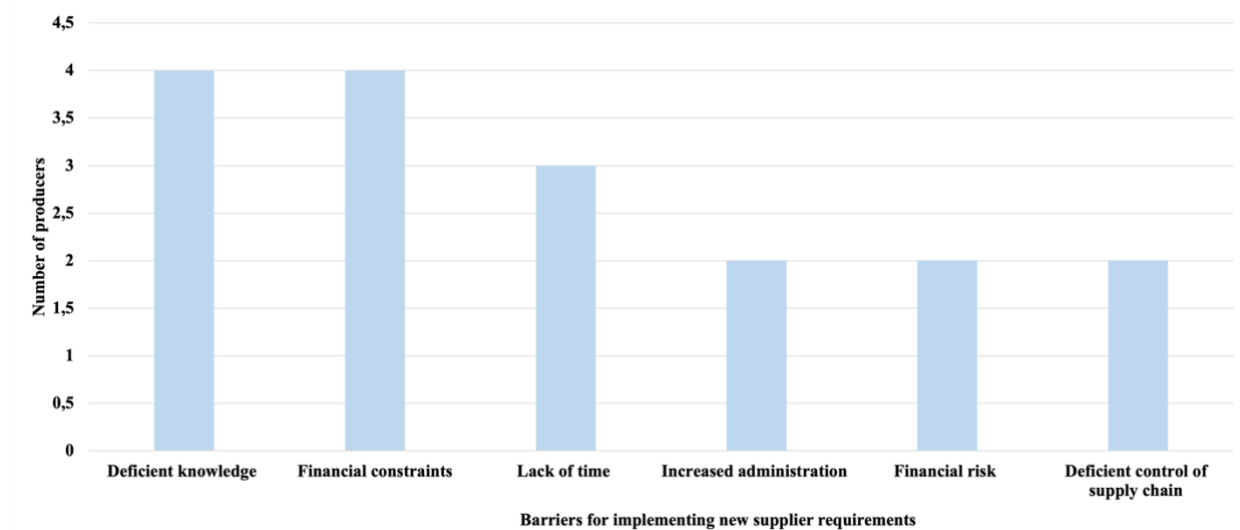


Figure 18. Summary of barriers for adopting new supplier requirements that were most often mentioned by producers during the interviews and how many producers that mentioned each aspect.

Figure 18 illustrates that the most mentioned barriers for adopting new supplier requirements among all producers, with four producers, are the feeling of *deficient personal knowledge* and *financial constraints*. The second most mentioned barrier, with three producers, is *lack of time*. The third most mentioned barriers for adopting new supplier requirements, with two producers, are *increased administration*, *financial risk*, and *deficient control of supply chain*. Barriers that were mentioned by less than two producers were not included in the figure.

### 5.3.3 Current global events

This part of the thematic network represents how current global events stated by the producers influence the implementation of new supplier requirements (Figure A5 in Appendix 6). Several themes were identified under the subtheme *preparation for national crisis* which are shown in Figure A5 in Appendix 6. Seven out of 13 producers mention that they perceive that the current global state with the war in Ukraine and Covid-19 pandemic will lead to increased self-sufficiency in Sweden (Table A33 in Appendix 8). All producers state that they believe that the demand, production, and sale of Swedish products will increase over the next ten years.

*“It has to be said that Swedish products have worked and for that we are happy, and this crap with the war that is currently happening...the only good thing that could come from this is that agricultural products suddenly are given a value”* Producer 12

Six producers mention that they experience an increased consumer demand for local food. Three produces also highlight that they perceive that the consumption of Swedish food products will increase, and that this will lead to decreased import of food products.

*“The goal for the country should be to become self-sufficient on products that we are able to produce here. I understand that we must import those kinds of products that cannot be grown or cultivated here. That I understand. But of those products that already exists here, domestic products should be prioritised first.”*  
Producer 5

The interviewed producers also state several factors that could act as sale barriers (Table A34 in Appendix 8). Seven out of 13 producers mention that the dependency of import decrease Sweden’s self-sufficiency. Three producers mention that the war in Ukraine has led to high fuel prices and high taxes for producers which risk the income for their businesses. Three producers further mention that the war has increased the price on raw materials which act as sale barriers due to higher consumer prices.

## 6. Analysis

*This chapter will construe and explain the result from the previous chapter through the perspectives of the theories in the thematic framework found in chapter 3. The analysis is divided into different parts covering the interviewees perception of the term local food, their sustainability work, views and implementation of supplier requirement and purchasers as barriers for sales. The analysis is based on the theories of institutional theory and sustainability sourcing, CSR in the food supply chain by Maloni & Brown (2006), Implementation of CoC and standards, and the Channel theory and gatekeepers.*

### 6.1 The perception of local food

Today a new norm has emerged beyond the idea of the institutional theory where companies now are expected to take greater responsibility for their environmental and social impact (Shrivastava & Hart, 1995; Phillips *et al.*, 2004). This is shown in the result section in chapter 5, where almost all the interviewed producers have based their business idea on the terms locality and quality. This is most probably an effect of the changed expectations of the society mentioned by Shrivastava & Hart (1995) (Chapter 3). The interviewed producers also use the term local in the business idea more often than aspects connected to sustainability. As shown by the results the interviewed producers are patriotic and believe that it is very important with local food. These attitudes could most likely have been shaped by current trends, talks and written texts in society as explained by the institutional theory (Phillips *et al.*, 2004). Consumer demand is for example expressed both through consumers actions and their dialogue. All interviewees were also asked to explain if they perceive that the consumer demand for local food will increase in the next coming decade. This is shown in questions 20 and 16 in the interview guide (Appendix 2). The answers to this question offered a cohesive result where the common belief was that both the production and consumer demand will increase. Purchaser 3 mentioned that the past years has shown a clear shift in the consumer demand from organic to local products. This indicates that a new norm of purchasing local food products in favour of imported alternatives may be establishing in society.

However, the definition of local food differs amongst producers and purchasers. Some of the producers say the closest area, others the region or even the surrounding regions. A few even stated that everything from Sweden is local and most of the interviewees stressed the significance of choosing food produced in Sweden. On the other hand, a few producers in the Coop union Norrbotten claimed that food from the northern Finland is a lot more local for them than what food from Skåne in the south part of Sweden is. The interviewees from Norrbotten were furthermore quite liberal with the definition of local food and included all regions in Norrland to the perception and not just Norrbotten. These producers claim that the definition need to be adjusted due to longer geographical distances between producers and consumers in the northern part of Sweden. While almost all the interviewees at Gotland agreed on that local food is food cultivated and processed on the island. Interviewees from Värmland instead set their consumer union as a boundary for the definition of local food. However, some were willing to accept cultivated products from the nearby region into the definition as well. Even if

the interviewed purchasers stated different criteria for local food, they still mention that they feel unsure about how to use the definition.

How much the purchasers and producers interact with each other in the different Coop unions varies greatly. At Gotland, most of the producers were highly engaged in collaborations with other local businesses where they together develop products, promoted each other, and exchanged knowledge. There they also purported that they have a good and non-problematic relationship with the retailers who are eager to sell the local products, due to the high consumer demand during the summer season. In the other two studied union regions there are not as much collaboration among local businesses.

## 6.2 Sustainability work of interviewees

The result from this study illustrates that both purchasers and producers work actively with present sustainability issues, however the personal interest and the extent of what the sustainability work grasps fluctuates between the interviewees. To identify what purchasers and producers deemed to be the most important issues to work with, the interviewees were asked to explain how they work with sustainability in their business role. This is shown in questions 7-9 and 7-8 for producers and purchasers respectively in the interview guide (Appendix 2). These answers closely connect to the figure of CSR in the food supply chain by Maloni & Brown (2006) (Figure 6 in Chapter 3.2). One big difference between purchasers and producers is that the producers touched upon all eight categories, while the purchasers only talked about five. Purchasers did not mention the categories *Animal welfare*, *Biotechnology* and *Fair trade*. The reason for this could be purely situational, that they in their business role do not come across issues within these categories often, that the study included a higher number of producers compared to purchasers, or that the interview questions simply did not manage to grasp these topics in the interview guide designed for purchasers. Further on, the sustainability aspects that were mentioned during the interviews varied greatly between different producers, and between producers and purchasers. Based on the answers it seems that the smallest producers, in terms of annual revenue, deem the choice of raw materials and local sourcing to be the most important sustainability aspects for their businesses (Chapter 5.3.1). This connects to the categories *Procurement*, *Fair trade*, and *Community* by Maloni & Brown (2006). Producers with an annual revenue between 10-100 million SEK instead talked a lot about the importance of transport to reduce their climate impact which connect to the category Environment (Chapters 5.3.1 & 3.2). The reason for this could be that these producers have expanded their distribution to other adjacent parts in Sweden. They also have greater production volumes and thus demand of raw materials that need to be shipped within or to Sweden. Producers with an annual revenue of between 50-100 million SEK further mentioned renewable packaging materials and food safety as important sustainability aspects to work with (Chapter 5.3.1; Table A25 in Appendix 8). This connects to the categories *Environment* and *Health and safety* (Chapter 3.2). What is interesting here is that the producers in this segment were the only producers in this study that mentioned food safety during their interview. One reason for this could be that they aim to become nationally listed for Coop to be able to distribute their products to all Coop stores in Sweden. This puts greater requirements on them from both retailers and the Swedish food agency regarding food safety, compared to the requirements set for local producers which solely sell products within their region.

The shift from the focus on raw materials, to transport, to food safety and renewable packaging materials could be closely connected to the companies' available resources. A small company that is operated solely by the owner experience constraints in form of both time, work force and finances which may lead them to focus on the raw materials that they choose to base their products on. Most of these producers further produce their products with the main purpose of

selling them to consumers within their region. Medium sized producers in this study have between 10-30 employees and an established production line (Chapter 5.1). They may therefore feel that it is important to reduce the climate impact of the increased transports of raw materials and products that is distributed over larger areas in Sweden. These producers may also try to reduce costs from inefficient transportation systems. Large producers in this study have between 20-50 employees and have expanded their production to include other regions in Sweden (Chapter 5.1). They also state that transports are an important part to work with which could be due to similar reasons as for medium producers (Chapter 5.3.1; Table A25 in Appendix 8). However, they also mention renewable packaging materials as an important sustainability aspect (*Ibid.*). The reason for this could be that they have reached a production volume where they can actively choose to invest money into new sustainable alternatives, or technology for reducing the use of unsustainable materials. They may also experience that the society and consumers start to expect that they work more actively with these questions as a part of their CSR work.

Purchasers in this study mentioned the sustainability aspect food safety, supporting local producers, and information and education as the most important sustainability aspects to work with. These aspects are closely connected to their business role as purchasers for Coop and are to some extent expected of them. This is further connected to the categories *Health and safety* and *Community* in Figure 6 from Maloni & Brown (2006) (Chapter 3.2). All the purchasers stated that they actively try to support producers by nudging them towards consumers in stores by great shelf placements or by marketing. They further talk about the importance of offering support in the form of information and education for producers that need to develop their products to fit the local market. All the purchaser further talked about the importance of great personal interest for sustainability in the role as a local purchaser (Chapter 5.2.1). This illustrate that they are aware of that sustainability issues are an important part of their business role, even if this is not evident in their assessment criteria of new suppliers (Chapter 6.4). Common for most interviewed producers in this study is that they talked about the importance of reducing emissions from transportation of raw materials or products (Chapter 5.3.1). This is followed by the sustainability aspects circular systems of raw materials, renewable energy, and choice of raw materials. Producers in this study thus seem to focus much upon environmental sustainability and the categories environment and procurement as their CSR work. This was also shown in the quotes from producers 3 and 5 that addressed these issues during their interviews (Chapter 5.3.1). This is in stark contrast to purchasers that instead focus much upon social sustainability aspects within the category's *Health and safety* and *Community*. Sustainability aspects connected to social sustainability is however still mentioned by producers in the aspects Swedish over import and Diversified work force. This connects to the categories *Community* and *Labour and human rights* by Maloni & Brown (2006) (Chapter 3.2) It is though apparent that social sustainability is not the focus for producers since seven out of ten most mentioned aspects connects to environmental issues (Chapter 5.3.1; Figure 6). Some producers further mentioned the use of new innovative technology to reduce their climate impact which connects to the CSR category *Biotechnology* (Chapter 3.2 & 5.3.1).

Very few producers mentioned the category *Animal welfare* as an important sustainability issue to work with, and no purchaser mentioned this during their interviews. The reason for this could be that primary producers of animal products deem this to be an obvious part of their production and that they rather focus on other sustainability issues that they believe to be more pressing to improve, such as energy or packaging. It could also be that they want to redirect the focus away from the ethical issues of animal production and talk about other aspects that gives them great publicity among consumers. Another reason for not addressing animal welfare during the interview could be that it is the elephant in the room, in other word, it is their great challenge that takes the most resources to address. It may therefore be easier for them to start with other aspects that require less effort and resources.

## 6.3 Reasons for working with sustainability

To identify why producers' work with sustainability issues they were asked to explain what advantages and disadvantages they experience by working with sustainability, and if they deem that they would benefit economically from working with sustainability. This is shown in questions 10 and 11 in the interview guide (Appendix 2). Producers in this study state different reasons for working actively with sustainability issues, however common for all is the opportunity of increased profit for their company (Chapter 5.3.2). Profit thus seems to constitute a foundation for why producers want to or feel that they must invest resources into sustainability aspects connected to their business operations. This is closely connected to institutional theory that state that the main goal for companies has historically been to generate profit for its stakeholders (SFS 2005:543 chap. 3 §3; Philips *et al.*, 2004; Chapter 3.1). The producers further stated demands from consumers or retailers as a main driving motivator for reducing their negative social or environmental impact (Chapter 5.3.1). Producers therefore seems to follow the market demand as an indicator of what sustainability aspects they should work with. This illustrates that society's expectation on companies has changed and that consumers now expect producers to work actively with sustainability issues. This closely connects to the CSR theory of Maloni & Brown (2006) and sustainability sourcing that mean that producers are not only expected to be profitable, but also that they should contribute positively to the society (Chapter 3.2). The result further show that a lot of the producers believe that a great personal interest for sustainability issues is crucial for the motivation of working with sustainability issues (*Ibid.*). The scope and incorporation of the sustainability work within a business thus seems to depend on having a dedicated owner or person in charge of the sustainability work.

All producers in this study also stated that they are willing to fulfil higher sustainability requirements if it is required of them by their present retailers, some however stress that they need help and guidance in the process (Chapter 5.3.1). Some of the producers further mentioned that they work with certifications since it is sometimes a supplier requirement by retailers. The reason for working with sustainability issues is therefore often based on requirements connected to their supplier agreement. If they do not comply with the retailers' requirements then they will not be able to sell their products, thus resulting in reduced sale opportunities. Some producers further state that they work with certifications to improve their leadership, create more efficient production systems, and to get access to education and information (Chapter 5.3.1). This was evident in the quote from producer 12 regarding how he/she perceive his/her expensive investment for a new certification (Chapter 5.3.2). The root of these reasons however still stems from the motive of increased profit for the company, and the results thus clearly indicate that most producers experience that they need to work with CSR to increase the profit of their company.

## 6.4 Barriers for increased sustainability work

To identify present obstacles for increased sustainability standards the interviewed producers were asked to explain what disadvantages they experience with working with sustainability issues (Appendix 2, question 10). Purchasers were further asked to explain how they work with sustainability in their role as purchasers, and how they perceive the sustainability declaration as a support tool in their business role (Appendix 2, question 7 & 9). The result of the gathered answers clearly shows that both producers and purchasers perceive and experience that the greatest barrier is that sustainability work is expensive, such as investments in sustainable infrastructure or the extra amount of labour sustainability work requires (Chapter 5; Appendix 7&8). They however highlight different segments within this topic. Purchasers seem to experience a lack of financial resources from Coop for projects connected to sustainability, while producers experience that they cannot afford the great price tag on certification systems.



Three out of the six most mentioned barriers for sustainability work also address the issue of financial resources (Chapter 5). The focus on profit thus seem to constitute both the foundation for working with and for not working with sustainability. It is therefore apparent that the interviewees focus on profit over sustainability, which connect to the idea of institutional theory that state that a company should focus on generating profit (Chapter 3.1). This is also apparent in the answers from the interviewed purchasers that stated that one of the greatest barriers is that profit is prioritised above sustainability within Coop (Chapter 5.2.1). The reason for this is somewhat obvious since both producers and Coop must earn an income to be able to exist as a competitive business in the retail market. Producers within the group with an annual revenue of below 10 million SEK and all purchasers also often mentioned that they experience time constraints as a barrier for sustainability work (Chapter 5.3.2). This was clear among all producers that stated that sustainability work is time consuming and therefore not always prioritised. Time constraints for purchasers were also evident when purchaser 1 described his/her business role as mostly marketing and communication focused, with less than 20% of the assigned tasks dedicated to sustainability work (Chapter 5.2.1). Producers within the group with an annual revenue between 10-50 million SEK also stated that they experienced increased administration as the greatest barrier for working with sustainability aspects. These companies are often operated solely by the owner, and they therefore must take on many roles which leaves little time for additional work. This was shown in the quote from producer 9 (Chapter 5.3.1). The thought of increased requirements from retailers may therefore put additional pressure on producers that already state that they experience time constraints from their own business operations.

Two of the most mentioned sale barriers for producers connect to consumer behaviour, and consumer demand was the second most mentioned barrier overall (Chapter 5.3.2). Many of the producers stated that the gap between consumer belief and what they purchase is one of the most difficult barriers to overcome. Producers may want to work more actively with sustainability issues but if it is not requested by consumers then they will not invest money into the issue. Consumers may also demand unsustainable products in favour of more expensive and sustainable alternatives which hinders producers' motivation for reducing their climate impact. The increased consumer demand for Swedish and local products may also act as a barrier due to the perception of Swedish products as sustainable as shown in the quote from purchaser 9 (Chapter 5.3.1). Producers may therefore not invest money into an issue that they believe to be too expensive for them to handle when it is currently not requested by the market. The low consumer interest for sustainable food is also highlighted by producers as a barrier for increased sustainability work (Chapter 5.3.1). This combined with the perception among producers that sustainability does not lead to increased profit and that it is a financial risk for the company reduces the motivation further. The purchasers also mentioned that lack of interest for sustainability issues at floor level in stores hinder sustainability work within Coop. This illustrates that it is important that Coop appoints the right person to handle sustainability issues out in the retail stores since they otherwise would be neglected.

## 6.5 Implementation of new supplier requirements

To identify how retailers could successfully implement higher supplier requirements the producers were asked to explain what support they would need to fulfil new requirements (Appendix 2, question 17). Purchasers were further asked what they believe that Coop could do to simplify the implementation of the sustainability declaration (Appendix 2, question 15). The results of the gathered answers show that it is crucial that Coop develops a shared industry system for reporting of data that producers can use since Coop aim to establish the sustainability declaration as a new industry standard (Bergquist, 2022). It is therefore important that they develop a system that can be easily adjusted or used by all retailers on the Swedish food market.



This further connect to the research by Pedersen & Andersen (2006) that state that businesses can improve the chance of a successful implementation by offering technical support (Chapter 3.2.2). The difficulty with different systems for reporting data was also illustrated by producer 8 that experienced that he/she has had to report the same number to different actors several times each year (Chapter 5.3.1). All purchasers also believe that Coop should actively help producers to adjust to the new supplier requirements or even do the data collection for them as a free service (Chapter 5.2.2; Appendix 7&8). This was shown in the quote from purchaser 3 that stated that if Coop demands more from local producers, then Coop should actively support and help them in the process (Chapter 5.2.1). Several of the interviewed producers mentioned the importance of clear requirements, consultancy services and the need of education as support for adopting new requirements (Chapter 5.3.2; Appendix 8). The need of education in the implementation process was also an aspect that purchasers deemed to be of great importance. This is closely connected to the research regarding implementation of CoC by Mamic (2005) that stress that new visions and CoC need to be incorporated to all parts of an organisation (Chapter 3.2.2). This was also mentioned by a few producers that stated that each level in the supply chain could implement the requirements to the level below themselves (Chapter 5.3.2). Coop could therefore educate their producers about the sustainability declaration which could motivate them to adopt and further implement the new requirements in the supply chain.

All the largest producers in this study, with a revenue between 50-100 million SEK, stated that they do not feel that they need any additional support from Coop to fulfil increased requirements and to continuously fulfil increasing requirements for sustainability work (Chapter 5.3.2; Appendix 8). However, all these producers also mentioned that they need financial support from Coop if it is requested that they invest in expensive infrastructure or certification systems. The reason for this could be that many of these producers are on the verge of becoming national suppliers for Coop and that they are already working actively with sustainability issues. They may therefore not want to invest even more money into meeting supplier requirements since they focus on expanding their production and distribution to all parts of Sweden. A few of the producers further stated that it is very important that Coop include them in the implementation process by dialogue and by adapting the sustainability declaration to fit local food systems (Chapter 5.2.2). This further connect to the research findings stated in Chapter 3.2.2. by Mamic (2005) and Pedersen & Andersen (2006) where dialogue is mentioned as an important part in the implementation process of new CoC. Finally, some producers stressed the importance of long supplier agreements to increase the motivation for complying with new requirements (Chapter 5.3.2). They mean that it is unfair of Coop to expect that producers should adopt new standards when they are unwilling to sign long supplier agreements with them. These producers state that since it is expensive to constantly improve their sustainability work, they need to be offered the reward of a stable income from Coop through long supplier agreements. This was also shown in the quote from producer 10 that stated that she/he believe that Coop should commit to supporting suppliers with supplier agreements, and not just during times of crises (Chapter 5.3.1). Furthermore, the use of rewards when implementing new CoC was mentioned by Pedersen & Andersen (2006) as a strategy for increasing motivation among those who need to adopt the new requirements. If Coop can offer producers a more secure income that span over several years, then they may successfully persuade small-scale producers to adopt the sustainability declaration, and continuously work to reduce their negative impact.

## 6.6 Barriers for implementing new supplier requirements

To identify what barriers there are for implementing new supplier requirements the producers were asked to explain what challenges they experience with adopting new standards from retailers (Appendix 2, question 15). Purchasers were further asked what disadvantages they perceive with Coop using the sustainability declaration in the purchasing process, and what

barriers they perceive exist for implementing the sustainability declaration for small-scale producers (Appendix 2, question 12&14). The results of the gathered answers show that most of the interviewed producers experience that they personally have insufficient knowledge about sustainability issues and standards (Chapter 5.3.2; Appendix 8). Of 13 included producers only four producers stated that they have developed their own CoC. Most of them belonged to the largest companies in this study (Chapter 5.3.2). The producers that stated that they had not developed a CoC all belong to the company group with the smallest revenues of below 12 million SEK. The reason for this could be that the smallest producers in this study are mostly operated solely by the owner that oversee all the business operations. These producers are also all located in Gotland, and they have mentioned that a sale opportunity that they utilise is the regional name (Chapter 5.3.2; Appendix 8). They may therefore not feel that they need to develop a CoC since they mainly source, produce, process, and distribute their products within the region. They may also feel that they do not have time to develop a company standard or add administration work since they need to focus their effort on production, or that it does not lead to increased income. Some producers further mentioned that they do not feel that they need a CoC since they rely on their own moral compass for decisions. However, one producer below five million SEK in annual revenue stated that she/he rely on certified suppliers as a form of CoC (Chapter 5.3.2; Appendix 8).

Common for producers with a revenue below 10 million SEK and 10-50 million SEK are that they experience financial constraints and risks for adopting new higher supplier requirements. Producers with an annual revenue of between 50-100 million SEK stated that they experience that they have deficient control over the supply chain and that this is a great barrier for increased supplier requirements. The reason for this could be that these producers have expanded their production and that the need for increased raw material volumes lead to increased import from other countries. They may therefore experience that increased requirements on transparent supply chains may be difficult to fulfil. The incentive and commitment for working with CoC and sustainability therefore varies between different actors in the food chain and decreases with increased distances between producer and consumer. This connect to the research by Foerstl *et al.*, (2015) and Solér *et al.*, (2010) that state that it is of great importance to give companies enough incentive to adopt new supplier requirements. Coop should therefore motivate producers to adopt the sustainability declaration by offering sale opportunities or other rewards such as beneficial supplier agreements or purchasing prices.

All purchasers stressed that a great barrier for implementing the sustainability declaration is the dilemma that it is not certain that local producers will get a good score (Chapter 5.2.2; Appendix 7). There is therefore a risk of exposing unsustainable practices of small-scale producers which in a worst-case scenario could jeopardise their income and businesses. Furthermore, the positive sustainability aspects that small-scale producers contribute to may also not be visible in the tool. Purchasers thus highlight that the sustainability declaration may not be beneficial for local producers since it is designed for larger companies. They further mention that a great barrier for the sustainability declaration is that few consumers presently use the scan-and-pay app in stores. The possible motivation for using the sustainability declaration would therefore be absent. They further stress that the sustainability declaration will become an important and beneficial tool only after it has been applied on all products in Coop's assortment and that it will take time (Chapter 5.2.2). Producers that adopt the new supplier requirements may therefore not experience any immediate effects from complying with the standard, which could reduce their motivation for complying with requirements from Coop in the future. Producers may thus choose to sell their product to other retailers that have lower supplier requirements, since increased effort does not necessarily lead to increased sales.

Lastly, the purchasers experience that the sustainability declaration may be seen by the local producers as greenwashing tool for Coop if the company still favours import over local alternatives (Chapter 5.2.2; Appendix 7). The purchasers mean that this may harm the trust

between producers and Coop and create a distant relationship between them. This could furthermore reduce producers' motivation for adopting higher standards, and thus lead to procurement issues for Coop that wish to broaden their assortment of sustainable and local food products.

## 6.7 Purchasers as gatekeepers

Lewin (1943) described that there are gatekeepers within the food chain that have a great impact on our daily food choices because of the decisions they take in their business role. The gatekeepers base their decisions on the present food culture, meal patterns, their own values and competence, as well as the current situation (*Ibid.*). In this case, the gatekeepers are the Coop unions purchasers. The purchasers are those who decides what, who, how much and when local producers can deliver food to the stores. Food culture and consumer demand are closely related, and the channel theory and gatekeepers are therefore strongly affected by the institutional theory and how norms in society are shaped (Phillips *et al.*, 2004). As gatekeepers, the purchasers constitute barriers for the producers due to their perception of local food. Even though the perception between producers and purchasers are relatively similar, it could be problematic if the purchasers change their definition of local food from case to case. Unclear definitions could therefore lead to a skewed market competition for small-scale producers. Further on, purchasers act as gatekeepers when designing the assortment in their consumer union since they base it on their own preference in food and packaging appearance. The purchasers do have competence in how the regional consumer demand currently looks like, but it could also constitute a barrier for new producers to enter the market. Even though the purchasers state that all regional production is of interest, they are also actively searching for new small-scale producers who offer products which fill gaps in their Coop union assortment. Producers with products that are already covered in the unions assortment will thus be excluded. The personal preferences of the purchasers, based on taste, competence and own values is therefore limiting the producers' sales opportunities (Lewis, 1943). Though, it must be noted that even if Coop want to expand their assortment of local food products, purchasers have made clear that the number of small-scale producers is only slowly increasing (Chapter 5.2.2; Appendix 6).

There are several producers who mentioned that they have no collaboration or almost no communication with the purchasers, whereby distant relationship with retailers is one of the most mentioned sale barriers (Chapter 5.3.2; Appendix 8). The lack of communication and collaboration could furthermore constitute a barrier for small-scale producers since their products are not marketed towards consumers. Distant relationship towards consumers has also been brought up in the study as a limitation for further product development (Chapter 5.3.2; Appendix 8). The Coop union purchasers possess an important role where they have knowledge about both consumers and producers. If they do not provide the producers with information about the consumer demand, the development of local products will potentially stagnate. Consumer demand is also identified by the interviewed producers as the second most mentioned barrier for working with sustainability. Hence the information that purchasers withhold is of utmost important for the producers to get access to. The Coop union purchasers could therefore act as limiting gatekeepers for the development of local food production systems when they do not share crucial information about the market. On the other hand, all purchasers state that they actively support producers with knowledge, advice, and marketing (Chapter 5.2.2; Appendix 6). This could potentially explain why most of the interviewed producers in this study experienced that it was somewhat easy to become a supplier for Coop. To identify potential barriers for becoming a supplier for Coop, the producers were asked to explain how they experienced the process (Appendix 2, question 18). The producers at Gotland stated that they only had to go to the store, ask them directly and offer the store manager a product example to test out. However, after the acceptance process the producers state that they have very little communication with

the union purchaser. In Norrbotten, some producers mentioned that they only got to become suppliers for Coop in time of crises, and that they feel that they are expected to step in when the large-scale food production system is lacking nationally. Whereas in Värmland, purchaser 3 is actively searching for new small-scale producers and supports them in the process of becoming suppliers for Coop, which is also confirmed by some producers (Chapter 5.3.2).

The relationships and personal contact between the producers and the union purchasers varies among the Coop union regions. One reason for this could be because of the varying geographical distance between purchasers and producers in the different consumer unions. Regardless, the communication between the union purchaser and producers needs to improve after the entrance. The lack of communication is not just a barrier for producers, but the purchasers also constitute a barrier for Coop to implement their standards and communication of information. As Mamic (2005) stressed, it is highly important that the union purchasers continue their communication with the producers, so that old and new requirements are implemented with an open dialogue with the producers. This is also what the interviewed producers were asking for (Chapter 5.3.2). The interviewed producers were furthermore asked what positive effects they perceive with retailers having standards and requirements regarding sustainability (Appendix 2, question 16). They stated that they are not against higher requirements since they believe that it would be beneficial for their company and that it will develop their businesses (Chapter 5.3.2). The fact that increased requirements could lead to more serious actors at the market with more transparency, less food frauds and increased trust in the food industry, were brought up by several producers in the interviews. Purchaser 1 and 3 furthermore discussed if Coop should set higher requirements for suppliers to secure serious actors (Chapter 5.2.2). Gatekeepers could in this aspect be used in a beneficial way in the creation of more sustainable food systems (Lewin, 1943).

Some of the interviewed producers experienced a limitation in their sustainability work due to short supplier agreements with Coop (Chapter 5.3.1). These producers already have a well-established work with sustainability but are eager to do more, however it requires expensive infrastructure. According to these producers, Coop often say that they promote small-scale food producers, but on the other hand they are not actively supporting producers by signing long term agreements. For producers to invest in the necessary infrastructure, they need to be sure that they will get a sufficient return on the investment. At the same time, the purchasers act in the best interest for Coop by promoting the retail chains own brands in favour of local alternatives. This steers the consumers product choices and could increase the risks of economic losses within the society and a greater environmental impact. A reduced income for small-scale producers could lead to fewer job opportunities within the union region, and reduced sustainability efforts within their businesses. It can also lead to a skewed market where the local producers have no chance of competing with large-scale companies.

It has been apparent in the interviews with the purchasers that they all recognise their own role as an important part in the creation of a sustainable assortment for Coop. This was shown based on the answers from question 6 of the interview guide (Appendix 2). The purchasers were further asked how they use the sustainability declaration tool in their daily work, and how it could be used as a support in the evaluation process of new suppliers. The result showed that they do not use it and instead mostly evaluate the suppliers based on their gut feeling. As the purchasers mentioned Coop is often seen as a sustainable retailer, but without support and guidelines for the Coop union purchasers this could be undermined. The problem with the equalisation of the concepts sustainable and local is highlighted by Purchaser 3. This purchaser stated that they proceeded to buy from some small-scale producers even though they knew that the producer was far from sustainable. By ignoring this problem, the purchaser was acting as a non-beneficial gatekeeper in a sustainability perspective, by letting an unsustainable producer through and selling their product. Just like the institutional theory state (Phillips *et al.*, 2004) a norm has been established in the Swedish society, where local or Swedish food is equalised with

sustainability (Chapter 1&3). Considering this, the concept of local food could easily be connected to greenwashing. By using standards as the sustainability declaration in the daily work the purchasers could instead base their decisions on given values and competence, which would encourage sustainable food production and constitute a fairer competition among producers (Lewin, 1943). This is also supported by the purchasers as they have stressed the importance for Coop to work for the greater good.

There are furthermore physical barriers in the stores of Coop. When personnel in the store are supposed to order new products there are two different ordering system for the local and national assortment. According to producer 4, the staff mostly order food through the national assortment system which leads to missed sale opportunities for both Coop and for the producers (Chapter 5.3.2).

## 7. Discussion

In this chapter the research questions for this study stated in chapter 1.3 are discussed. The result of the study in chapter 5, the analysis in chapter 6 and the literature review in appendix 1 are analysed with the information from the empirical background in chapter 4. This chapter aims to put the study's result and analysis in the light of present global events. The research questions that the study aim to answer are:

- *What definitions of local food are used by different actors and in literature?*
- *How can Coop motivate small-scale food producers to adopt their supplier requirements to secure the procurement of local sustainable food products for a more sustainable assortment?*
- *What problems could arise when retail chains set higher sustainability requirements for small-scale producers?*

### 7.1 What definitions of local food are used by different actors?

This research question generated a cohesive result where all the interviewees stated that local food is food that has been produced, processed, and distributed within a defined geographical area (Chapter 5.2.2 & 5.3.2). This is also in line with the result of the literature review in Appendix 1 where ten out of fifteen included studies had the same definition. However much like Granvik *et al.* (2017) stated, the definition is flexible, has nuances to it and change depending on the actor's role in the food chain (Appendix 1). Purchasers in this study stated that they view local food as food products that have been processed within a defined geographical region. They therefore mean that the raw materials used in the production could be imported or grown in other parts of Sweden. This is in stark contrast to the results of the producers that instead mean that local food is food that has been grown and processed within a defined geographical region. They therefore do not view food products that have been based on imported raw materials as local. Producer 3 however stated that the definition is influenced by the possibility to cultivate the needed raw material (Chapter 5.3.2). This producer means that products based on imported materials can be viewed as local food if it is not possible to source the products from the geographical region or Sweden. This producer further stated that she/he does not view herself/himself as a local producer due to imported raw materials, but rather as a local company.

Producers in this study stated that the definition is flexible depending on the size of the defined geographical region, and that the distance between producer and consumer therefore change depending on if the producer is in the north or south part of Sweden (Chapter 5.3.2). The purchasers in this study also mention that they believe that the definition of a local food depends on the size of the production company and if they distribute their products mainly within their region or to other parts of Sweden. They therefore mean that local food comes from small-scale producers that aims to distribute their products mainly within their production region. The reason for this could be that they base their understanding on the court rule from the Swedish

market court that stated that; *food products distributed to all parts of Sweden are not allowed to be marketed as local* (Appendix 1). None of the interviewees mentioned any limiting distance in kilometres which could be that they rather base their perception on defined regions since these greatly vary in size in Sweden.

This study has illustrated that there is a somewhat cohesive understanding of the term local food within the food industry, but that they disagree with each other in what production stages should be included to the term. They are though in agreement, much like the literature review, that it is the last stage in the production stage that somewhat defines local food. Consumers may however have a different perception of the term since they tend to base the term of their individual preferences, meanings, and experiences (Chapter 4.2). Consumers may therefore feel cheated when their definition of the term does not align with the definition of different actors within the food industry. The risk is that this may create a distant relationship between consumers, producers, and Coop thus a diminished trust for the food industry. It is therefore important that the food industry creates a common definition for the term that can be clearly communicated towards the consumers. In doing so the consumers can get a better understanding of what qualities they can expect from the product which would lead to fewer misunderstandings, a higher trust in retailers, and possibility a better relationship between all actors. On the other hand, a definite definition of the term local food could also lead to reduced sale opportunities for some small-scale producers that would no longer be allowed to utilise it in their marketing.

## 7.2 How can retail chains motivate local producers to adopt new standards?

This study's results show that the implementation process of new supplier requirements depend on several different factors. The common denominator for a successful implementation is however that it is crucial that these new requirements lead to increased income for the interviewed producers. If the implementation of the sustainability declaration only leads to increased administration, financial expenses, and time constraints for producers, then it will not be adopted (Chapter 6.7 & 4.3). This would in turn lead to fewer producers for Coop to source from and a reduced assortment of local food products that could be offered to their consumers. However, all interviewed producers stated that they are willing to adopt increased supplier requirements from Coop if they get support from the retailer in the process. (Chapter 6.6). This is a beneficial starting point for Coop to work with. The results further clearly show that the interviewed producers need a standardised system in how they should report key figures of their sustainability impact to all retailers. This is especially important since many producers experience that they are already required to report the same numbers, repeatedly, to a vast array of different actors within the food industry. If all the different retailers develop their own kind of system for reporting key figures for sustainability impact, then producers may feel that they do not have the motivation for adopting new supplier requirements due to increased administration. Since Coop aims to implement their sustainability declaration as a new standard for the food industry, they thus need to develop a system that can be shared with all retail companies on the market. A shared system would furthermore make it possible for producers to report their data once which then would be available for all retailers on the market.

Many of the purchasers stated that they believe that one way to motivate producers to adopt new supplier requirements would be that Coop implement the declaration for them (Chapter 5.2). In other words, that Coop actively gather the needed information for the sustainability declaration. One way to further motivate producers to work with sustainability issues, and to continuously improve their sustainability work, would be to nudge their products towards consumers. This could be done by nudging local products in the scan-and-pay app directly towards consumers in stores. However, the interviewed purchasers stated that very few consumers use the scan-and-



pay app, and that even fewer know how to use the sustainability declaration. The possibilities of increased market visibility and income for producers would then be excluded from the implementation process. It is therefore of utmost importance that Coop communicate what the sustainability declaration is and how consumers could utilise it to make more sustainable food purchasers. All the interviewees further mentioned the Coop union purchasers as a great barrier for increased sustainability work and sale possibilities since they act as gatekeepers when approving new suppliers. It is also evident from the results that sustainability has not been a prioritised selection criterion for purchasers when designing their local assortment in stores (Chapter 6.8). There is therefore no guarantee for the producers that adopt new supplier requirements that they will be prioritised above other suppliers that do not work as actively with sustainability. It should also be mentioned that the Coop union purchasers on the other hand have the possibility to act as gatekeepers and avoid unsustainable alternatives. However, most of the interviewed producers stated that the reporting of key figures regarding sustainability impacts does not constitute their main problem, instead it is the continuous improvement and visibility of their current impact that stirs up feelings. Some producers point to the difficulty of having to continuously improve great figures, while other does not know how to start the process. Producer 10 also highlighted the fact that Coop needs to walk the talk and actively support small-scale producers with supplier agreements. By securing a sufficient income this producer means that they would be more motivated to invest in needed infrastructure. The interviewed producers in this study therefor stressed the importance of education, consultancy services, financial support, long supplier agreements and clear guidelines to increase their motivation for continuously improving their sustainability work (Chapter 6.6). Furthermore, the union purchasers could increase the incentive for working with sustainability issues if it was a basic requirement that suppliers needed to fulfil. All the interviewed producers also stated that they presently work with sustainability issues and that they are positive towards companies having standards and supplier requirements. Increased requirements may therefore not be an unreasonable request for retailers to ask of producers, as long as they support them in the process.

Almost all the interviewed producers have developed a business idea that is based on either the term quality or local, and many also stated that they perceive local food as sustainable (Chapter 6.1). The shared result among most interviewees is that they are very patriotic towards Swedish food. This combined with an increasing consumer demand for local food products may decrease the producer's motivation for adopting new supplier requirements. This is especially evident for the interviewed producers from Gotland that stated that they do not experience the need of adopting sustainability certifications due to consumer demand for local food (Chapter 6.6). These producers state that they do not perceive that they would get any additional benefits from working with sustainability since it is the regional brand Gotland that generates sale opportunities. The interviewed producers are further one the smallest producers in this study in terms of revenue and size. They may therefore feel that increased requirements would only hinder their business idea that is based on locality and not sustainability. The risk is therefore that they would choose to sell through other sale channels or to other retailers instead. It is therefore of utmost importance that they will benefit economically from adopting the sustainability declaration for a successful implementation.

Purchasers in this study stress the importance of adapting the sustainability declaration for small-scale producers since it is not obvious that they would get a good score (Chapter 6.6). One reason for this is that many of the interviewed producers state that they cannot afford to become organically or socially certified, even if they fulfil many of the requirements of the certification (Chapter 5.3.2). The total positive impact on the categories; *biodiversity*, *soil fertility*, *pesticide use*, and *animal welfare* would therefore not be visible for small-scale producers in the tool. Furthermore, many of the interviewed producers state that they must rely on the sustainability work of their suppliers and that they experience the lack of bargaining power in the supply chain (Chapter 5.3.1). Small-scale producers may thus get lower scores in the category *local*

*population and labour standards* since they are not able to secure that the human rights of workers in the food chain have not been violated. This is especially relevant for the producers in this study that are dependent on imported raw materials from other countries. The sustainability declaration is developed to fit large companies with great resources and power to change their environmental impact. Present preconditions for using the sustainability declaration are therefore not the same for all producers. Furthermore, the positive effect that small-scale producers contribute with for their local community, like work opportunities, tourism, recreational values, and history preservation, are not included or visible in the tool. Many additional values regarding sustainability are thus not appreciated which could lead to an unfair score for small-scale producers. This could subsequently give rise to more sale barriers and increased market competition when products from large scale producers are given better scores. It should however be mentioned that many of the categories are dependent on the production country of origin for the raw materials and the negative impact from the production country Sweden is quite low in all categories (Appendix 3). This combined with Coop's willingness to give producers the benefit of the doubt when data is missing will most possibly lead to good scores for the producers. Instead, the main problem for producers will therefore most likely be to continuously improve their sustainability work. Many of the interviewed producers further mentioned that they have not developed a CoC for themselves and that they trust that their suppliers, certification organisations or their own gut feeling to guide them in their CSR work. The trust in oneself is especially evident for the smallest producers in this study that refer to a moral compass when sourcing products. If Coop offer educational support for producers, then they may perceive this as a similar support. Small-scale producers could furthermore use the sustainability declaration in similar ways to how they market themselves with third part certifications. This which would be especially beneficial for producers that currently cannot afford to become certified. However, this poses the risk of undermining already established certification systems. Furthermore, if producers would be able to prove their sustainability work without a certification, then Coop would have to adopt the role and responsibility of an auditor. This could be a complicated position where Coop undermines other established certification systems.

So why do retailers need to adopt new standards for retailers? If countries and companies do not take responsibility for the environmental damage caused by today's society, the environmental changes will drastically affect the global food production, causing hunger among millions of people with low income and ultimately cause an inhospitable world for humans to live in (Global Justice Now, 2018; Mbow *et al.*, 2019 p. 476; Steffen *et al.*, 2018). The local food systems have an important role in the transformation to sustainable and resilient food systems, as well as ensuring food security. Many of the interviewed producers highlighted the vulnerability in large-scale food production systems. Resilient food systems are especially important in times of war when raw material is lacking, and food prices are rising (Barragan, 2022; Svahn, 2022; TT, 2022; Ekot, 2022; The Swedish Retail and Wholesale Council, 2022). The producers' worry about Swedish self-sufficiency is furthermore serious since Cohen & Babey (2012) mean that the Swedish food systems are sensitive to external pressures due to the high dependency on imported food. With almost 19% of the market shares of the Swedish retail market Coop has a great responsibility for what products the Swedish population are offered (DLF Sweden 2021; Lewis, 1943). The power that the retailers withhold are thus needed to shape sustainable and resilient food systems, to fulfil the Paris agreement and to avoid future environmental catastrophes (Hoang, 2019; United Nations Climate Change, 2022; Steffen *et al.*, 2018). Initiatives like the sustainability declaration may therefore be a step on the way into transition to a sustainable world.

### 7.3 What problems could arise from increased supplier requirements?

The future need for more sustainable and locally produced food requires that small-scale producers work actively with sustainability issues. However, small-scale producers and large companies have very different starting points and resources available to work with sustainability and the expectations should therefore differ between them. Small-scale producers cannot however be excused from working with sustainability issues since they to a large extent contribute to the Swedish food system. According to The Swedish food federation (2022), almost a third of the food businesses in Sweden are solely operated by the owner, and these together generate 40% of the total sale revenues on the market (SAERG, 2022). Furthermore, the implementation of the sustainability declaration as a new industry standard could create many opportunities for small-scale producers to get support and guidance from Coop, either through more structured communication channels, networks, economical support, or by clearer requirements. However, it also poses some challenges for Coop both in terms of ethics and for increased Swedish food self-sufficiency. Common for all interviewees is that they believe that the consumer demand and production of Swedish food products will increase in the upcoming ten years (Chapter 5.2.2 & 5.3.3). It is however evident, that the current war in Ukraine, the Covid-19 pandemic, and the draught in summer 2018 have had and will continue to pose great challenges for small-scale producers in Sweden (Hobbs, 2020; Lindgren *et al.*, 2021; The Swedish Board of Agriculture, 2021; The Swedish Retail and Wholesale Council, 2022). Producers are currently experiencing increased prices on fuels, raw materials and inputs which lead to higher prices on food products for consumers, and thus possibly reduced sales. All interviewees further state that there is a gap between consumer attitude and behaviour and that many consumers continue to buy imported products in favour of local alternatives.

All the interviewed producers stated that the major barrier for continuously improving their sustainability work and for adopting new requirements is financial constraints. It is therefore clear that producers are currently more focused on surviving on a changing market. The timing of implementing the sustainability declaration as an industry standard may therefore be mismatched. If it is implemented at this stage, then it poses the risk of losing sight of Coop's initial vision of creating a more sustainable food system by only creating more sale barriers for small-scale producers. The sustainability declaration may also serve as a sale barrier for producers that feel that they do not have the time, finances, or work force to continuously improve their sustainability work. Producers that do not adopt the new industry standard may therefore face the risk of being excluded from the retail market which could possibly result in bankruptcy. An ethical risk of gathering and visualizing the sustainability impact of all food producers in the sustainability declaration is that retailers then can compare producers against each other. Competing retailers could also utilise this information for marketing purposes since they can get an understanding on how sustainable a retailers' producers are. This also poses the risk for Coop of losing suppliers with a good score to other retailers that offer them a better price. Furthermore, an ethical risk of gathering sensitive company data in a shared industry system is the possibility of other competing producers accessing and exploiting it for their own purposes.

This study's result shows that there is also a worry among the interviewed purchasers that the sustainability declaration will not be beneficial for small-scale food producers (Chapter 6.6). The idea of local food as sustainable is something that many of the interviewed producers utilise to create sales. According to Ilbery & Maye (2005), consumers share this perception. If Coop were to expose the small-scale producer's businesses as unsustainable by giving them a high score in the sustainability declaration it could lead to decreased sales. The implementation of this new industry standard therefore poses the risk of affecting the income for small-scale food producers negatively. Coop aims to increase their assortment of sustainable food products and to influence

the food industry to do the same. It should however be mentioned that this may come at a cost for small-scale producers. The act of forcing suppliers to adopt new supplier requirements is a clear example of how a retailer can utilise power dynamics in their favour (Chapter 1.2.2 & 4.3). Coop wants to position themselves as a sustainable brand on the market and may therefore not consider how this could affect small-scale food producers (Chapter 2.4.1). They may also overlook to address this since they have the option of purchasing imported or other alternatives from larger companies in Sweden. Producers that refuse to or are not able to adopt the new supplier standard therefore find themselves in an unfavourable situation since they cannot exercise any power over Coop. It should therefore be questioned if it is ethically sound for Coop to expect that their small-scale food suppliers fulfil the same requirements as multinational food companies. This is especially relevant for the included producers in this study that is owned and operated solely by the owner. The implementation of the sustainability declaration as a new standard may therefore create a distant relationship between Coop and producers who feel that they are not given the same sale opportunities. This poses the risk of dissatisfied producers that may reduce their sustainability commitment. Coop would then find it difficult to increase their assortment of sustainable local food products. It is therefore important that Coop nurture the relationship between themselves and small-scale producers to secure that they will be able to source sustainable and/or local food products during present national or global crisis (Chapter 5.2.2&5.3.3).

## 8. Conclusions

*In this chapter the aim of the study and the answers for the research questions stated in chapter 1 is presented. This section ends with suggestions for future research.*

The aim for this study was to identify how Coop's supplier standard, the sustainability declaration, could be implemented for small-scale producers to create sustainable and resilient food systems. The gathered result from this study shows that the interviewees share an overall understanding of the definition of local food as food that has been produced within a defined geographical region. Producers in this study however state that local food is food that has been grown and processed within a geographical region, while interviewed retailers state that it is where the food has been processed. The views of the producers therefore divert from each other, but the common understanding among them is that local food depends on the last production stage before it is sold to consumers. This study's result shows that a problem with implementing new supplier requirements for sustainability is that it may not be beneficial for all parties. Therefore, retailers need to make sure that it will lead to increased income for their producers. If the implementation process for the most part leads to increased administration, financial expenses and time constraints for producers, then they will not be motivated to fulfil them. The results further show that all the interviewees are willing to work to continuously reduce their negative sustainability impact. However, all interviewees state that Coop need to take an active role in the process. This could be done by offering education, communicating clear guidelines, and offering long supplier agreements that secure a stable income for producers that invest in meeting the requirements set by Coop. They further state that they need a standardised system for reporting data for the sustainability declaration that then can be shared with all retail actors within the food industry.

All interviewees mentioned that they are concerned over the consequences that may come from the current war in Ukraine. The effects are visible in higher prices on fuels, raw materials, inputs, and food prices for consumers. The higher prices on food combined with varying consumer demand have created a situation where the interviewed producers experience that they are struggling to maintain a profitable business. The timing of implementing higher sustainability requirements may therefore be ill suited due to ongoing global events. If the sustainability declaration is implemented at this stage, then Coop may risk losing sight of their initial vision of creating a more sustainable food system. Instead, they would only create more sale barriers for producers. This is further evident in that interviewed purchasers worry that the sustainability declaration may not give a good score for local producers that import raw materials, which could lead to more sale barriers and reduced sales. Although, the climate change and environmental changes are urgent, which require a systematic change in our way of living. It is therefore of utmost importance to motivate small-scale producers to reduce their sustainability impact, so that all food systems can become more sustainable.

## 8.1 Suggestion for future studies

In this study, Coop is the unit of analysis. However, the conclusions from this study can be applied to other retail chains since they all buy local food products and needs to make a shift towards a more sustainable assortment. The results from this study can thus be applied to other retail chains that wish to adopt the sustainability declaration as an industry standard. However, more research must be conducted within the following topics.

For future research a suggestion is to study how Privpack implemented the PANT system in Sweden. This implementation process was dependent on the involvement and motivation of several different actors to collaborate much like the sustainability declaration. Furthermore, more research must be conducted to identify how Coop can motivate their consumers to actively use the sustainability declaration tool in their scan-and-pay system. They can therefore take inspiration from how Privpack successfully influenced consumers to change their behaviours to start recycling their plastic bottles and aluminium cans.

Another suggestion is to continue explore how the sustainability declaration should be adjusted to better fit local food systems, and how additional positive sustainability aspects of local food systems can be added into the tool. However, the effects of including additional aspects to the tool must also be studied and assessed. Moreover, during this study it has been recognised that the knowledge about the sustainability declaration among different stakeholders is deficient. Future studies regarding how to reach and educate consumers about the tool must therefore be conducted. Finally, more attention must be given to how to make the tool more intuitive and easier for consumer to use in retail stores to increase the number of users.

## 8.2 Contact details

If you wish to get in contact with us regarding this study and get access to the codes of the thematic network, then please contact us through LinkedIn:

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# Appendix 1. Literature review

A literature review was conducted between 4<sup>th</sup>-11<sup>th</sup> of February 2022 to identify the definition for local food. Included sources have been compiled in a list followed by an analysis of the gathered material (Table A1 & A2).

Table A1. List of gathered sources from different countries that define the term “local food”.

Reference	Country	Definition of “local food”
Björklund <i>et al.</i> (2008)	Sweden	Food that is produced, processed, and distributed to consumers within a designated county, region, or geographical area
Bondens egen marknad. (2022)	Sweden	Food that is produced and processed at a maximum distance of a 250 km radius from the farmer’s market
Brunori. (2007)	Italy	Food that is produced and consumed locally. Locality is food that is produced and consumed nationally
Coelho <i>et al.</i> (2018)	France	The French Ministry of Agriculture decided in 2009 that the official definition for local food is: food that is produced at a maximum radius of 150 km from the end consumer. For a food product to be classified as locally produced it must be either directly sold from the producer to the consumer, or by a maximum of one middleman between the producer and the consumer
Coop. (2008)	Sweden	Food products that have been produced and processed in the same or an adjacent geographical region
Coop. (2009)	Sweden	Food products that are produced within a specific geographical area
Coop. (2021a)	Sweden	Food products that have a strong brand locally and that creates work opportunities for the local community within their specific region or geographical area. The producer is often a leading actor on the local market
DEFRA. (2003)	United Kingdom	Food that is produced, processed, traded, and sold within a specific geographical area of approximately a maximum radius of 48 km from the end consumer
Dubois. (2019)	Sweden	Food that is produced, processed, and sold within a specific geographical region. Studied small-scale producers in the county Norrbotten that were located at a maximum of approximately 90 km from the end consumer
Granvik <i>et al.</i> (2017)	Sweden	Food that has been produced, processed, sold, and consumed within a specific geographical area, within 2-500 km from the production sight to the end consumer. The definition is flexible since it is based on an idea of a specific geographical area, however it is the last stage before consumption that is of interest for the definition  Farmers interpret the definition as where the raw materials have been produced  Representatives from the food industry refers to the processing stage as the defining factor for the definition. Food that is produced close to the end consumer with mainly Swedish raw materials, however imported materials can also be included  The Public sector/restaurants consider food that has been prepared in their kitchen and sold to end consumers as locally produced

Table A2. List of gathered sources from different countries that define the term “local food”.

Reference	Country	Definition of “local food”
Kneafsey <i>et al.</i> (2013)	United Kingdom	Food products with a short distribution chain between the producer and the consumer, and that is produced and processed within a specific geographical area. The food product is produced within a maximum of a 160 km radius from the end consumer
Lehtinen. (2012)	Finland	Food that is produced by using raw materials and inputs from the specific geographical region to improve or enhance that region’s economy, and that furthermore offers employment for people in that region. The produced food is consumed within the specific geographical region
National farmers retail and markets association. (2022)	United Kingdom	The food product is distributed to end consumers at a maximum of a 160 km radius from the farm. No middleman is allowed between the producer and the end consumer
Redig mat från trakten. (2022)	Sweden	Local food that is produced within the specific geographical county’s Blekinge, Öland and Småland in Sweden. The distance between the producer and end consumer is approximately a maximum radius of 250 km
The Swedish Patent and Market Court. (2010)	Sweden	Food products that are produced in one geographical area and then distributed all over Sweden is not allowed to use the definition local. A local food product is produced and sold within a specific geographical region

Ten out of the fifteen included articles define local food as “*Food that is produced, processed, and distributed to consumers within a defined geographical area* (DEFRA, 2003; Björklund *et al.*, 2008; Coop, 2008; Coop, 2009; The Swedish Patent and Market Court, 2010; Lehtinen, 2012; Kneafsey *et al.*, 2013; Granvik *et al.*, 2017; Dubois, 2019; Redig mat från trakten, 2022). Seven of the included articles stated a definition in terms of number of kilometres from the producer and the end consumer that varied between 0-500 kilometres radius (DEFRA, 2003; Kneafsey *et al.*, 2013; Granvik *et al.*, 2017; Coelho *et al.*, 2018; Dubois, 2019; Bondens egen marknad, 2022; National farmers retail and markets association, 2022)

However, most sources stated a distance of approximately 0-160 kilometres radius from the producer to the consumer (DEFRA, 2003; Kneafsey *et al.*, 2013; Coelho *et al.*, 2018; Dubois, 2019; National farmers retail and markets association, 2022). The Swedish sources Granvik *et al.*, (2017), Bondens egen marknad (2022) and Redig mat från trakten (2022) stands out from the rest of the included sources since they stated a radius between 250-500 kilometres.

Two articles defined local food regarding the number of middlemen between the producer and the consumer. Coelho *et al.* (2018) state that a food product that is defined as locally produced in France must be sold directly from the producer to the consumer, or that the product has only been handled by one middleman between the producer and the consumer. The National farmers retail and market association (2022) in Great Britain instead state that no middleman is allowed between the producer and the consumer for the food product to be defined as locally produced. The Swedish market court has also decided that a food product that is produced in one region and then distributed to the whole Swedish country is not allowed to be sold as locally produced (The Swedish Patent and Market Court, 2010).

Granvik *et al.* (2017) state that the definition for local food is flexible since it depends on the actor stating the definition. Farmers interpret local food as the where the raw materials have been produced. Representatives from the food industry refers to local in the sense of where the food product has been processed (*Ibid.*). Restaurant instead consider local food as the food dish they prepare in their own kitchen. However, the shared idea among these actors is that it is the last stage before the food product is sold to the consumer that defines the locality of the food product (*Ibid.*). Brunori (2007) confirms this by stating that local food is produced and consumed locally, while locality is food that is produced and consumed nationally. The definition for local food is therefore rather flexible depending on the geographical area for the region where the production or the processing of the food product takes place and varies depending on perspective and preferences of different actors in the food value chain.

Coop (2021a) recognised local food as having strong brands locally where the company often is the market leading actor on the local market. Furthermore, two sources stated local food as companies that creates employment for the local community in their specific geographical region (Lehtinen, 2012; Coop, 2021a). Lehtinen (2012) also state that local food is produced by using local raw materials and inputs to enhance the economy of the specific geographical region and community, and then consumed within the same region.

The international studies agreed with the Swedish authors that local food is defined in terms of geographical regions or county. However, they define much smaller distances between the producer and the consumer compared to the Swedish studies. Since the study focuses on the Swedish retail market, the definition of local food has therefore been based on the data from the included Swedish sources. The international studies have thus instead been used as a guideline and a conformation of a basic understanding and definition for the term local food.

For this study, the definition of local food has been defined as: *Food that is produced, processed, and distributed to consumers within its specific geographical region or to an adjacent defined geographical county or region.*

## Appendix 2. Interview guides

This section presents the interview guide with questions for purchasers and producers connected to the theories from the theoretical chapter 3.

*Table A3. Interview questions for purchasers*

Interview questions	Maloni & Brown	Explanation	Sustainability sourcing	CoC	Implementat ion of CoC	Gatekeeper
<b>Background questions</b>						
1.What is your business background within this industry, and how did you end up in this position as a local purchaser for Coop?						
2.How do you define the term local food?						
3.How do you nudge local food products towards consumers in your region?					Collaborations with local society	
4.How do you collaborate with local producers? Is it done in any organised form?					Collaborations with local society	
5.How do you perceive the consumer demand for local food in your region?		Consumer demand for local products		Local food		

Table A4. Interview questions for purchasers.

Interview questions- purchasers	Maloni & Brown	Explanation	Sustainability sourcing	CoC	Implem-entation of CoC	Gatekeeper
Sustainability						
6.How do you evaluate potential suppliers? What criteria do you base your assessment process on?	M&B categories for CSR		Sustainability aspect in the local community	Do they use CoC in the decision process?		Selection of suppliers
7.How do you work with sustainability in your business role?	M&B categories for CSR	How do the purchasers take sustainability into account when approving new suppliers?	Sustainability aspect in the local community			Selection of suppliers
8.What questions connected to sustainability do you deem to be most important in your work as a local purchaser for Coop? Follow up question: Why is that issue/aspect the most important to work with?	M&B categories for CSR	The purchaser´s own preferences influence what sustainability aspects that are addressed	Sustainability aspect in the local community			Selection of suppliers
Supplier requirements						
9.Do you know what the sustainability declaration is? If yes: How do you perceive that it could be used as a support in your business role? If no: short explanation of what it is. How do you perceive that it could be used as a support in your business role?			Sustainability aspect in the local community	How do they use CoC in the decision process?		
10.How do you perceive your own business role for producers' possibility to sell their food products to Coop?						Barriers between producers and retailers
11.How do you think that Coop can benefit from implementing the sustainability declaration?		How do they view the sustainability declaration as a new supplier standard?	Sustainability aspect in the local community			

Table A5. Interview questions for purchasers.

Interview questions- purchasers	Maloni & Brown	Explanation	Sustainability sourcing	CoC	Implementation of CoC	Gatekeeper
<b>Supplier requirements</b>						
12.What disadvantages do you predict may come from implementing the sustainability declaration as a supplier standard?		Risk that Coop does not get products from producers if standard is not adopted, fewer sustainable products, reduced income for Coop, reduce requirements in the food industry.	Sustainability aspect in the local community	Effects from implementation		
13.What benefits to you perceive that small-scale producer would get from adopting the sustainability declaration as a new supplier standard?	M&B categories for CSR	Effects on society. More sustainable food products, knowledge, reduced climate impact?	Sustainability aspect in the local community	Effects within the company		
14.What barriers do you predict may come from implementing the sustainability declaration as a supplier standard for small-scale producers?				Barriers for implementation		
15.What can Coop do to simplify the implementation of the sustainability declaration for small-scale producers? What is needed for a successful implementation?				Support aspects		
<b>Concluding questions</b>						
16.How do you predict that the demand and production of local food will develop during the next 10 upcoming years?						

Table A6. Interview questions for purchasers.

Interview questions- purchasers	Maloni & Brown	Explanation	Sustainability sourcing	CoC	Implementation of CoC	Gatekeeper
<b>Concluding questions</b>						
17.Is there anything else that have crossed your mind during this interview that you wish to address?						
18.If we have questions after this interview, may we contact you?						

Table A7. Interview questions for producers.

Interview questions- producers	Maloni & Brown	Explanation	Sustainability sourcing	CoC	Implementation of CoC	Gatekeeper
<b>Background questions</b>						
1.What is your business background within this industry, and how did you end up in this position today?	M&B categories for CSR	Producers can have a business idea that is based on sustainability				
2.What do you produce in your company? What is your business plan? How long have you been producing? What is your annual revenue and number of employees? What sale channels do you use?						
3.What is your experience from being a small-scale producer in your region?						
4.What values or qualities in your products do you experience that your consumers are requesting?	M&B categories for CSR	What values are the consumers talking about?	Local food			
5.How do you define the term local food?		The definition of local food				



Table A8. Interview questions for producers.

Interview questions- producers	Maloni & Brown	Explanation	Sustainability sourcing	CoC	Implementat ion of CoC	Gatekeeper
<b>Background questions</b>						
6.Are there any collaborations between local producers and/or with stores that markets your products? Are you a part of that collaboration today?		Suppliers' negotiation power, possibility to sell their products and to develop their business	Power dynamics			
<b>Active questions</b>						
<b>Sustainability</b>						
7.How do you work with environmental/social issues in your company?	M&B categories for CSR	What sustainability aspects are producers working with?	Sustainability aspect in the local community			
8.What positive/negative impact do your company has on society in terms of sustainability aspects?	M&B categories for CSR	What sustainability aspect do they talk about? What do they not talk about?	Sustainability aspect in the local community			
9.Which sustainability aspects do you perceive is crucial for your business?	M&B categories for CSR	What sustainability aspects are prioritised by small-scale producers?	Sustainability aspect in the local community			
10.What advantages or disadvantages for your business do you experience from working with sustainability?	M&B categories for CSR	What benefits and barriers do producers perceive with CSR work?	Sustainability aspect in the local community		Barriers for supplier standards	
11.Do you perceive that you would benefit economically by reducing your business negative sustainability impact? How do you think that consumer perception would change if you actively communicated your sustainability work?		Economic sustainability within the company. What is hindering producers from improving their sustainability work?			Motives for implementing new supplier standards	

Table A9. Interview questions for producers.

Interview questions- producers	Maloni & Brown	Explanation	Sustainability sourcing	CoC	Implementation of CoC	Gatekeeper
<b>Supplier requirements</b>						
12.A code of conduct is a guiding document that tells a company how it should act according to present ethical questions regarding environmental and social aspects. How do you work with codes of conducts in your company?	CSR	Question that can illustrate how serious the producer is and what capacity they have for working with sustainability questions				
13.How would it benefit your business if it became certified with a sustainability certification? Do you have the capacity to become certified?		What resource capacity do the company have for working with sustainability?			Possibilities for adopting new supplier standard	
14.How do you work according to retailers' supplier requirements today? How do you experience that the requirements have changed during the time that you have been an active producer? Do you think that the requirements are reasonable?					Possibilities for fulfilling supplier requirements	Barrier between retailers and producers
15.What challenges do you experience with adopting different retailers' supplier requirements?					Possibilities for fulfilling supplier requirements	Barrier between retailers and producers
16.Which positive effects do you perceive that retailer's supplier requirements could have for your business and for the society?					Motives for implementing new supplier requirements	
17.What support do you perceive that you would need to fulfil higher supplier requirements regarding sustainability aspects?					Possibilities for fulfilling supplier requirements	

Table A10. Interview questions for producers.

Interview questions- producers	Maloni & Brown	Explanation	Sustainability sourcing	CoC	Implementation of CoC	Gatekeeper
<b>Supplier requirements</b>						
18.How did you experience the process of becoming accepted as a supplier for Coop?					Barrier for new supplier requirements	Barrier between retailers and producers
19.How could Coop simplify the implementation process for small-scale producers to become suppliers?					Barrier for new supplier requirements	
<b>Concluding questions</b>						
20.How do you predict that the demand and production of local food will develop during the next 10 upcoming years?					Possibilities for fulfilling supplier requirements	Barrier between retailers and producers
21.Is there anything else that have crossed your mind during this interview that you wish to address?						
22.If we have questions after this interview, may we contact you?						

## Appendix 3. The sustainability declaration

A further presentation of the ten categories for calculating the sustainability declaration is offered in this section, combined with an explanation of how the impact from different categories is calculated. This appendix is based on the source Coop (2021b).

### *Biodiversity*

Coop has chosen biodiversity as one of the categories in the sustainability declaration tool. The reason for this is the huge negative impact that food production systems cause with processes like the use of pesticides, changes in land use, use of tools in fisheries and deforestation. However, agricultural processes could also contribute with positive aspects on biodiversity which is often regulated by third party certifications. Therefore, this category is assessed and scored based on certifications and the Environmental performance index (EPI) which ranks countries achievements in ecosystems and environment.

### *Climate change*

Climate change is caused by the increase of greenhouse gases (GHG) in the atmosphere, and it is urgent to decrease our emissions. To assess this category, Coop uses the measurement carbon dioxide equivalent (CO<sub>2</sub>-eq) per kilo of product, information that is collected from the Research Institute of Sweden (RISE) database that contains over 3500 products. Suppliers can improve their score in this category by providing verifiable data on the climate aspects of their product.

### *Soil fertility*

Coop mean that soil fertility is an ecosystem service that consists of a diversity of decomposers and microorganisms which convert organic materials. Changes in the microenvironment decrease the soil fertility since many of the organisms that uphold this ecosystem service cannot survive in the new environment. This can be caused by improper use of mineral fertiliser and pesticides, the amount of grazing pressure, monoculture, use of organic materials, as well as drought. The products get scores based on third party certifications and FAOSTAT, a database owned by the United Nations (UN) which contains data on food and agricultural production in 245 countries and territories. FAOSTAT contributes with information on the amount of carbon in the topsoil per country (%).

### *Water use*

Some food products require large amounts of water in their production process, which could affect the local or regional water supply. Coop has therefore included water use in the sustainability declaration and base the evaluation on a country's water risks, as well as the amount of water a product requires. The tool *Water risk Filter* by WWF could be evaluated with *Overall Basin Risk Score (OBRS)* and is therefore used as a source for data about water risk in different countries. Furthermore, the *Water Footprint Network* is used as a source of information about water use. Several certifications, such as Rainforest Alliance, UTZ, RSPO, RTRS and likely are also used as assessment basis.

### *Pesticides*

Pesticides are often used in food production and could be dangerous for both humans' health and for the environment. This is especially a risk in countries where there is an intensive use of pesticides in combination with low safety requirements. Therefore, statistics of pesticide residues in food products within different countries is used as assessment basis. So, if it is more common with pesticide residues in food products from a country, a product from that country would get a higher score. Third part certifications such as KRAV, EU-organic, Fairtrade and likely are also used as assessment bases.

### *Eutrophication*

Emissions of phosphorus and nitrogen to land and water is mainly caused by agricultural and forestry businesses. This causes an extreme production of alga and creates a hostile environment for species to live in. Assessment for this category is based on the World banks data on sales of mineral fertilizers per hectare land in countries, as well as third part certifications such as KRAV, EU-organic and GLOBAL G.A.P. Coop also highlight that data for any country's total use of fertilisers are not available for the tool. For that reason, the total sales amount of mineral fertilisers for the relevant country is instead used as basis.

### *Animal welfare and use of antibiotics*

Coop works to improve the animal welfare as well as reducing the use of antibiotics within the food industry. Their animal welfare policy is therefore based on the definition of Five freedoms" by the EUs Farm Animal Welfare council/World Organisation for Animal Health. This category in the sustainability declaration is partly based on animal welfare and partly on the use of antibiotics. The assessment biases are the Animal Protection Index (API) calculations on animal ingredients, country of production origin as well as third part certifications.

### *Labour standards*

All products that are sold through Coop must be produced with safe working conditions throughout the whole food chain. Coop's assessment biases for this category is the Amfori BSCI risk country list, third part certifications, production of risk, as well as GLOBAL G.A.P. GRASP, Rainforest Alliances, UTZ and KRAV.

### *Local population*

Coop as a business have decided that they should not contribute to any violation of human rights throughout the whole food supply chain. Within this category there are several assessment biases, such as third part certifications, production methods (of palm oil, soy and animal raw material), RSPO, RTSO, ProTerra, Donausoja, KRAV, Rainforest Alliance/UTZ. But one of the main assessment bases is the Rule of Law from the Amfori BSCI, which ranks countries based on their upholding of human rights, laws, and courts.

### *Legal compliance and traceability*

Products must be produced according to the legislation in the country of production origin. There must be transparent supply chains and terms of production to reduce the risk of fraud and violations of the law. This category is therefore based on "Regulatory Quality" and "Control of Corruption" by Amfori BSCI, as well as third part certifications.

## Appendix 4. Ethical considerations

This section explains the ethical issues for this study and how they were addressed.

*Table A11. Description of the ethical issues present in the study, the different steps and how they have been addressed. (Adapted version of Creswell & Creswell, 2018, p. 145, with modifications.)*

<b>Place of ethical issues occurrence in the research process</b>	<b>Type of ethical issue</b>	<b>How the ethical issue has been addressed</b>
Prior to the study	Seek University approval on campus from course leader, supervisor, and examiner.	A proposal for the study was submitted and approved
	Gain permission to handle data from Coop	Signed non-disclosure agreement (NDA)
	Select a site without a vested interest in the outcome of the study	The interviews were conducted on the Swedish University of Agricultural Sciences
	Negotiate authorship of the publication	Credit for work done in the study has been given to respective authors. We have not received financial funding for conducting this study

Table A12. Description of the ethical issues present in the study, the different steps where they occur and how they have been addressed. (Adapted version of Creswell & Creswell, 2018, p. 145, with modifications.)

Place of ethical issues occurrence in the research process	Type of ethical issue	How the ethical issue has been addressed
Start of the study	Identify a research problem that will benefit participants	Informal conversations with key persons within Coop's different unions and head office to identify a present research problem  The study wishes to identify and respect the needs of producers to facilitate their sustainability work, and at the same time enhance their business income
	Disclose purpose of the study	The participants got an E-mail prior to the interview with information regarding the purpose of the study and that the study was done as a collaboration with Coop Sverige AB
	Protect participants data	The participants were contacted using our own personal E-mail addresses and not by using the one offered by Coop
	Do not pressure participants to sign consent forms	The participants got an E-mail prior to the interview with a General Data protection Regulation (GDPR)-agreement  They were informed about that the sound from the interviews were going to be recorded  The participants were informed about their rights that it was voluntary to sign and participant in the study. They were informed that they could withdraw from the study at any time without stating a reason, and that they had the possibility to withdraw their answers up until publication in June
	Avoid deceiving participants	The purpose of the study and how the data will be used was disclosed prior to the interview
	Respect potential power imbalances and exploitation of participants when interviewing	Avoided leading questions. Withheld sharing personal impressions and disclosing sensitive information. The participants were involved as collaborators and got the possibility to share their own experiences and questions  The research was conducted as master students and not as representatives for the company Coop
Data collection	Do not "use" participants by gathering data and leaving site	The participants received their recorded file and transcribed material after the interview  The participants got a recorded presentation of the study in June
	Avoid siding with the participants	Report multiple perspectives and a nonbiased view
Data analysis		



*Table A13. Description of the ethical issues present in the study, the different steps where they occur and how they have been addressed. (Adapted version of Creswell & Creswell, 2018, p. 145, with modifications)*

<b>Place of ethical issues occurrence in the research process</b>	<b>Type of ethical issue</b>	<b>How the ethical issue has been addressed</b>
Data analysis	Avoid disclosing only positive results	Report contrary findings
	Respect the privacy and anonymity of participants	The personal names and company names of participants have been decoded as either producer 1 or purchaser 1. An overall food category and production regions have been stated but the location of the companies within the regions and specific food products have not been disclosed
Reporting, sharing, and storing data	Avoid falsifying authorship, evidence, data, findings, and conclusions	The study was reported honestly. Data gathered from interviews have been validated by participants before publication
	Do not plagiarize	Supervisors have offered a critical view on findings and conclusions The study has been audited by the program URKUND before publication
	Avoid disclosing information about participants that would harm them	Included stories have been composite so that individual cannot be identified
	Communicate with clear, straight forward, and academic language	Used unbiased and gender-neutral language appropriate for the audience of research
	Share data with others	Copies of the report have been distributed to participants and to Coop  Two presentations of the study were conducted. The first presentation was held and recorded at the Swedish University of Agricultural Sciences, and then sent per E-mail to the interviewees (to uphold their anonymity). A second presentation was held at Coop's Head office where staff members were invited

*Table A14. Description of the ethical issues present in the study, the different steps where they occur and how they have been addressed. (Adapted version of Creswell & Creswell, 2018, p. 145, with modifications.*

<b>Place of ethical issues occurrence in the research process</b>	<b>Type of ethical issue</b>	<b>How the ethical issue has been addressed</b>
Reporting, sharing, and storing data	Share data with others	The study is published online on Epsilon which is the Swedish University of Agricultural Sciences web page for student publications
		The study is published in English for a broader audience
		The study contains a popular scientific part that aims to distribute the study's research results to a broad audience
	Keep raw data	The recorded and transcribed material is stored on USB for 6 months after publication before being erased

## Appendix 5. Presentation of the interviewees

This section presents more detailed information regarding the interviewees in this study.

*Table A15. Presentation of the purchasers and their background.*

<b>Purchaser</b>	<b>Region</b>	<b>Background</b>
1	Norrbottn	This person has worked in marketing within different industries for over 20 years and has during the last few years worked more actively with communication and sustainability within the food sector. This purchaser has worked with both FMCG (Fast moving consumer goods), brand marketing and communication
2	Gotland	This purchaser has worked within the food retail sector for over 30 years and has during the last few years worked actively with sustainability issues in retail stores. This person is experienced in how to operate retail stores and has worked both with sales of food products and alcoholic beverages
3	Värmland	This person has worked for Coop for over 30 years and has worked both with in-store operations and with external support functions for local distribution and purchases. The purchaser has furthermore worked with the sector non-food, food safety and global import systems

*Table A16. Presentation of producers in the region of Gotland.*

<b>Producer</b>	<b>Role</b>	<b>Number of employees</b>	<b>Revenue (SEK)</b>	<b>Product category</b>	<b>Business idea</b>
1	Business owner and sole manager	0	>5 mil	Baked goods	Produce home baked goods with local ingredients
2	Sole operator	0	>5 mil	Confectionary	Produce home baked goods with local ingredients that are free of allergenic ingredients
3	Business owner and sole operator	0	>5 mil	Beverages	Produce organic beverages of high quality
5	One of two business owners	>10	>5 mil	Convenience food	Produce products with a strong regional connection
11	Gotland	20	10-50 mil	Convenience food	Create a product of high quality that tastes good

Table A17. Presentation of producers in the region of Värmland.

Producer	Role	Number of employees	Revenue (SEK)	Product category	Business idea
4a & 4b	Shared business owners	10 + seasonal employees	10-50 mil	Vegetable and preserved food	Produce organic food of high quality
7	Head of production	20	50-100 mil	Animal product	Produce products of high quality while still upholding their reputation brought forth by their legacy
8	One of several business owners	>10	10-50 mil	Animal product and vegetables	Produce food products of high quality and to run a sustainable business
9	CEO	>10	10-50 mil	Vegetables	Sell a wide assortment of locally produced food products of high quality

Table A18. Presentation of producers in the region of Norrbotten.

Producer	Role	Number of employees	Revenue (SEK)	Product category	Business idea
6	Business owner	30	10-50 mil	Convenience food	Have a wide assortment of food products to make it easier for consumers to access nutritious food
10	Head of sustainability and quality	20	50-100 mil	Animal product	Sell local food products of high quality within the region
12	Norrbotten	40-50	50-100 mil	Vegetables	Process fresh produce and sell it to the Swedish market
13	Norrbotten	20 +100 seasonal employees	10-50 mil	Animal product	Produce local food products by using circular production methods

## Appendix 6. Thematic networks

In this section the thematic networks developed in the analyse of the gathered results are presented. The results for the interviewed purchasers and producers are separated into the thematic networks: preconditions for sustainability work, preconditions for sale, and current global events. See following figures in this section.

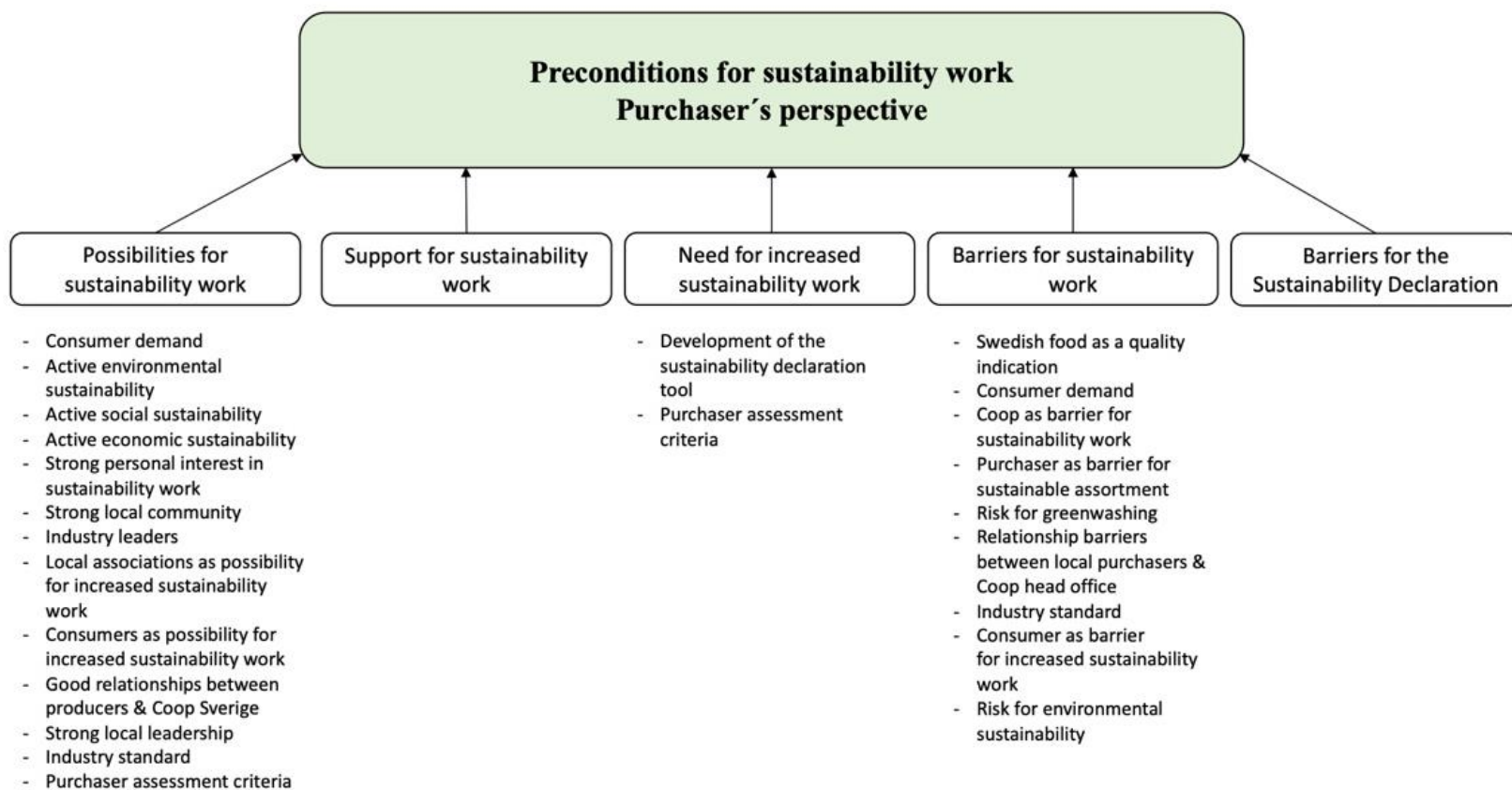


Figure A1. Thematic network for preconditions for sustainability work from a purchaser's perspective.

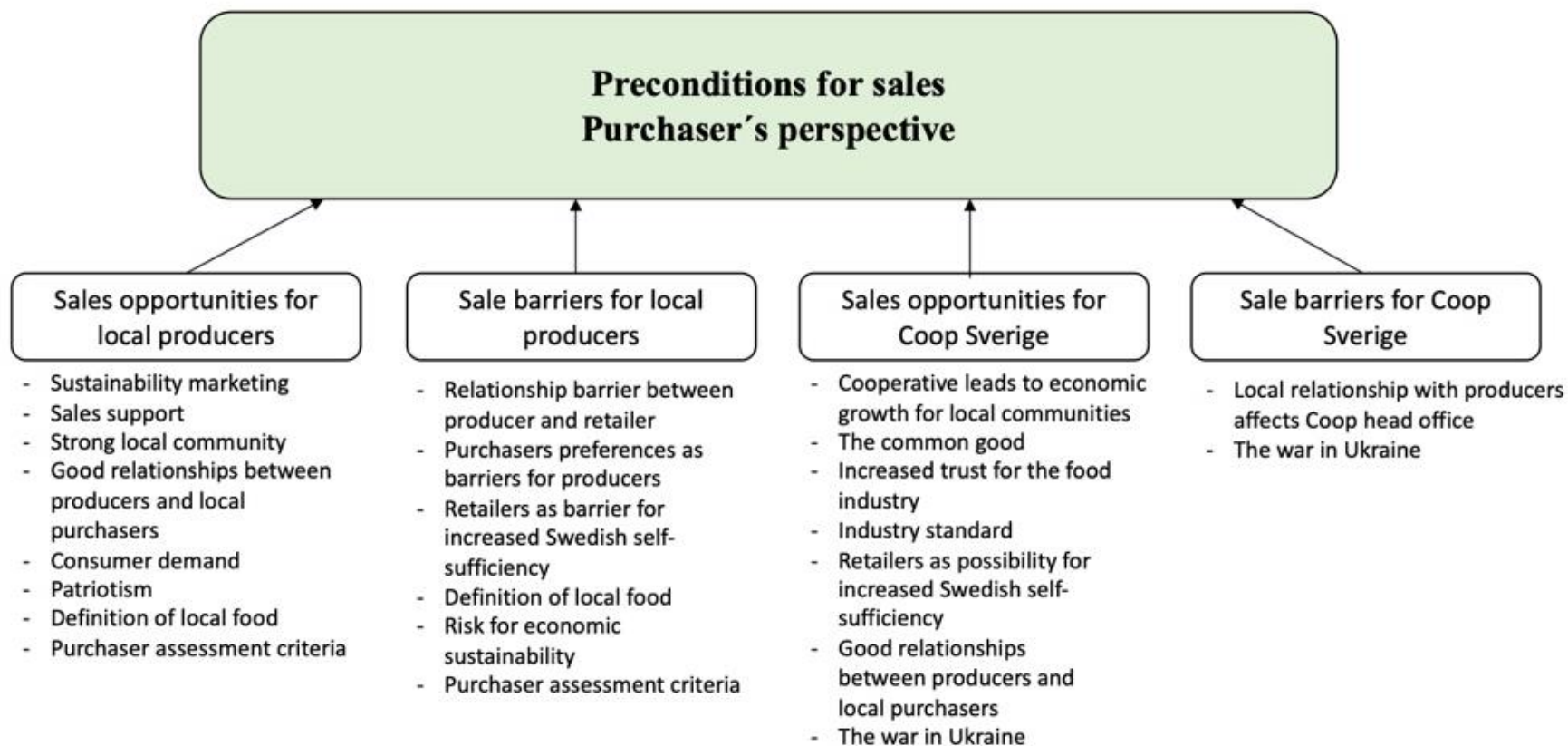


Figure A2. Thematic network for preconditions for sales from a purchaser's perspective.



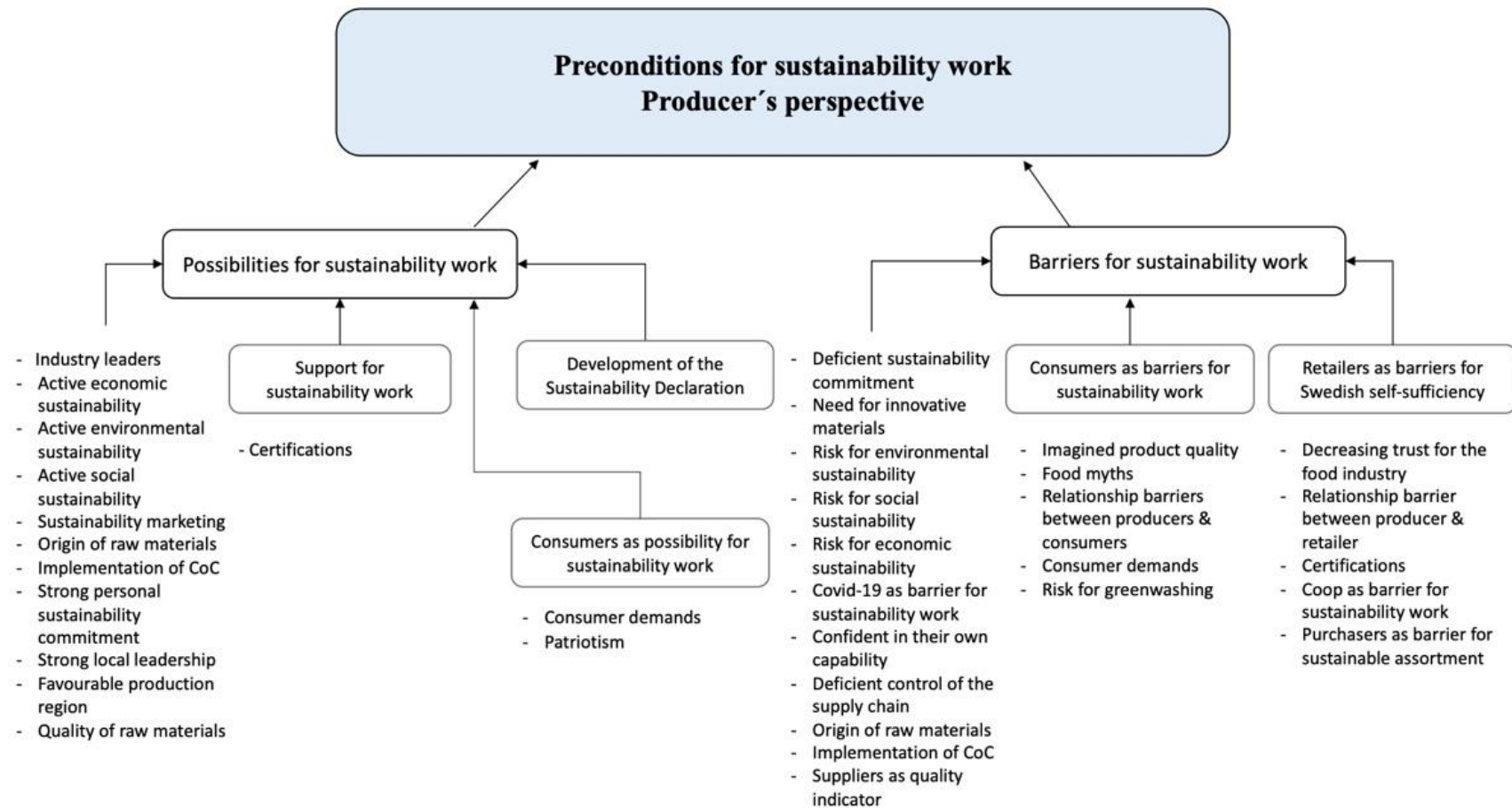


Figure A3. Thematic network for preconditions for sustainability work from a producer's perspective.

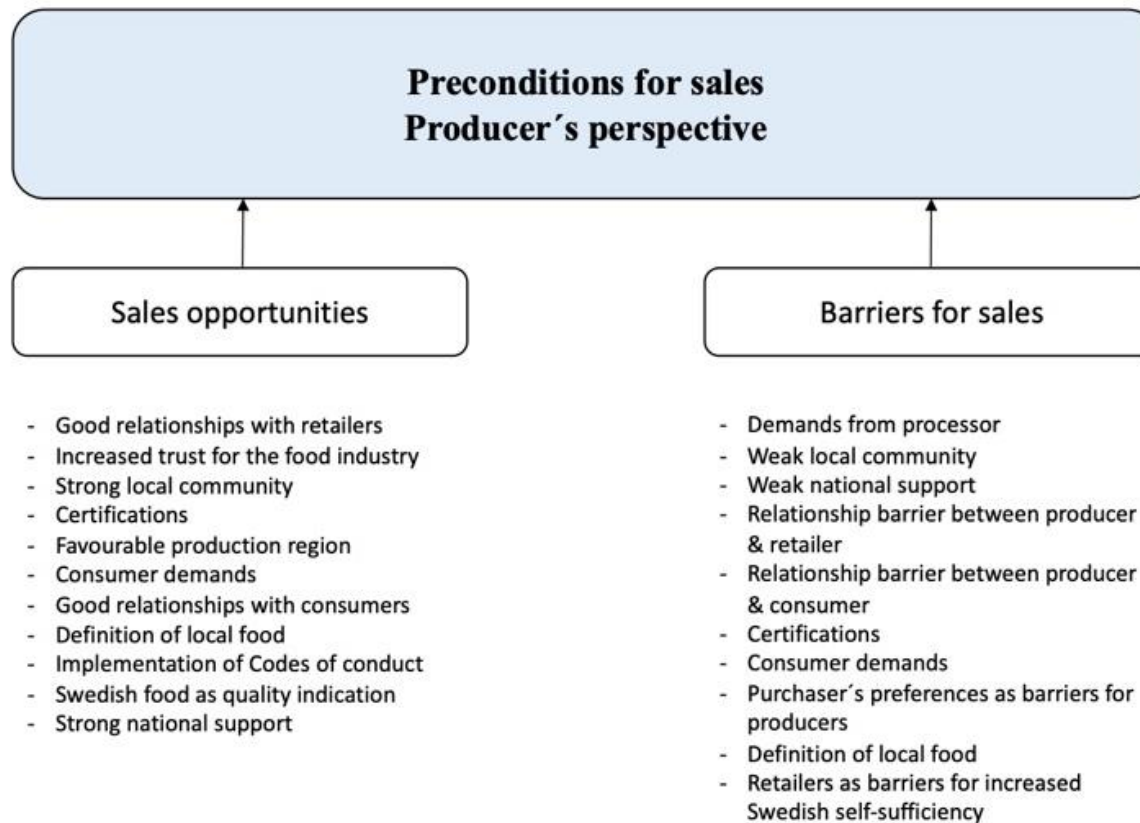


Figure A4. Thematic network for preconditions for sale from a producer's perspective.

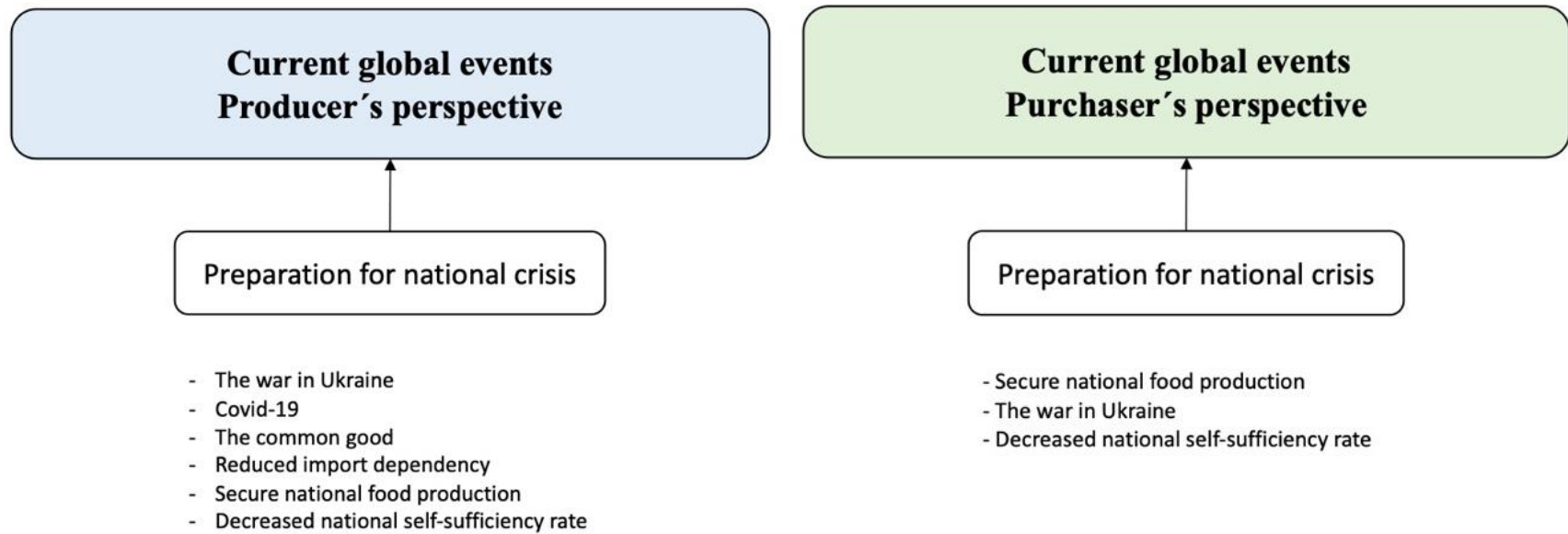


Figure A5. Thematic network for preconditions for current global events from a producer's perspective (blue) and a purchaser's perspective (green).

## Appendix 7. Summary of results for purchasers

This section explains the most mentioned aspects within different subject areas that were mentioned by the purchasers during the interviews. Several aspects mean that they have been mentioned by the same number of purchasers.

*Table A19 Summary of the most mentioned sustainability aspects that purchasers work with.*

<b>Purchaser</b>	<b>Sustainability aspect</b>
1, 2, 3	Food safety Supporting local producers Information and education Great personal interest for sustainability issues

*Table A20 Summary of the most mentioned barriers for sustainability work by purchasers.*

<b>Purchaser</b>	<b>Barrier for sustainability work</b>
1, 2, 3	Lack of time Consumer demands Financial constraints Deficient sustainability interest at floor level Unsure how to use the sustainability declaration Profit over sustainability

*Table A21 Summary of the most mentioned aspects for increased sales for producers.*

<b>Purchaser</b>	<b>Sale aspect for producers</b>
1, 2, 3	Purchasers support producers in supplier process Marketing for local products Consumer demand for local products

Table A22 Summary of the most mentioned aspects that act as barriers for increased sales for Coop and for producers.

<b>Purchaser</b>	<b>Barriers for sales for Coop</b>
1, 2, 3	Time limitations for collaborations with local producers Consumer demands
	<b>Barriers for sales for producers according to purchasers</b>
1, 2, 3	Consumer demands Purchaser evaluations on product taste and appearance Profitability is difficult in small-scale production

Table A23. Summary of the most mentioned aspects for how Coop can successfully implement the sustainability declaration.

<b>Purchaser</b>	<b>Support for implementing the sustainability declaration</b>
1, 2, 3	Coop actively help producers in the process Coop do the reporting for producers Offer education and information

Table A24. Summary of the most mentioned aspects that act as barriers for the implementation of the sustainability declaration.

<b>Purchaser</b>	<b>Barriers for implementing the sustainability declaration</b>
1, 2, 3	Uncertainty of score for local producers Producers will not benefit from the sustainability declaration if it is expensive or time-consuming Too few consumers use the scan-and-pay app

## Appendix 8. Summary of results for producers

This section explains the most mentioned aspects within different subject areas that were mentioned by the producers during the interviews. Several aspects mean that they have been mentioned by the same number of producers.

*Table A25. Summary of the most mentioned sustainability aspects that producers work with, divided into three groups based on annual revenue for the company.*

<b>Annual revenue (SEK)</b>	<b>Producers</b>	<b>Sustainability aspect</b>
< 10 mil	1, 2, 3, 5	Choice of raw materials Swedish over import
10-50 mil	4a.b, 6, 8, 9, 11, 13	Transport
50-100 mil	7, 10, 12	Renewable packaging materials Transport Food safety

*Table A26. Compilation of how many producers work with Code of Conduct or likely and what their revenue is.*

<b>Work with code of conduct</b>	<b>Number of producers</b>	<b>Annual revenue (SEK)</b>
No code of conduct	4 out of 13	< 12 million
No code of conduct but suppliers must have	2 out of 13	40-80 million
No code of conduct but relies on certifications which require supplier assessment	3 out of 13	5-15 million
Have or are currently developing a code of conduct or environmental policy	4 out of 13	25-100 million

Table A27. Summary of the most mentioned barriers for sustainability work by producers, divided into three groups based on annual revenue for the company.

<b>Annual revenue (SEK)</b>	<b>Producers</b>	<b>Barrier for sustainability work</b>
< 10 mil	1, 2, 3, 5	Certifications are expensive Lack of time
10-50 mil	4a.b, 6, 8, 9, 11, 13	Increased administration
50-100 mil	7, 10, 12	Expensive

Table A28 Summary of the most mentioned sale opportunities for producers, divided into three groups based on annual revenue for the company.

<b>Annual revenue (SEK)</b>	<b>Producers</b>	<b>Sale opportunity</b>
< 10 mil	1, 2, 3, 5	The product brand Gotland Consumer demand for local food
10-50 mil	4a.b, 6, 8, 9, 11, 13	Consumer demand for local food
50-100 mil	7, 10, 12	Certifications

Table A29. Summary of the most mentioned sale barriers for producers, divided into three groups based on annual revenue for the company.

<b>Annual revenue (SEK)</b>	<b>Producers</b>	<b>Sale barriers</b>
< 10 mil	1, 2, 3, 5	Certifications are expensive Distant relationship with retailers Imported products
10-50 mil	4a.b, 6, 8, 9, 11, 13	Distant relationship with retailers Varying level of difficulty to enter central & local assortment Environmental work reduces sales Sustainable products are expensive Local food cannot compete with price Consumers are not interested in sustainable products Imported products
50-100 mil	7, 10, 12	Local products only requested in crisis Different local ordering systems Imported products Expensive raw materials



Table A30. Summary of the most mentioned benefits of supplier requirements for producers, divided into three groups based on annual revenue for the company.

Annual revenue (SEK)	Producers	Benefits with supplier requirements
< 10 mil	1, 2, 3, 5	Increased trust for food industry actors
10-50 mil	4a.b, 6, 8, 9, 11, 13	Exclude nonserious actors from the market
50-100 mil	7, 10, 12	Contributes positively for the society Certifications improves food safety

Table A31. Summary of the most mentioned support aspects for adopting new supplier requirements, divided into three groups based on annual revenue for the company.

Annual revenue (SEK)	Producers	Support for implementing new supplier requirements
< 10 mil	1, 2, 3, 5	Clear requirements
10-50 mil	4a.b, 6, 8, 9, 11, 13	Shared industry system for reporting data Long supplier agreements
50-100 mil	7, 10, 12	No need of support Shared industry system for reporting data Financial support

Table A32. Summary of the most mentioned barriers for implementing new supplier requirements, divided into three groups based on annual revenue for the company.

Annual revenue (SEK)	Producers	Barriers for new supplier requirements
< 10 mil	1, 2, 3, 5	Lack of time Deficient knowledge Financial constraints Financial risk
10-50 mil	4a.b, 6, 8, 9, 11, 13	Financial constraints
50-100 mil	7, 10, 12	Deficient control over supply chain Sustainability not prioritised by purchasers

Table A33. Summary of the most mentioned opportunities from current global events by producers.

Number of producers	Possibilities with current global events
7 out of 13	Increased self-sufficiency in Sweden
6 out of 13	Increased consumer demand on local food
3 out of 13	Increased consumption of Swedish food and decrease in imported food

*Table A34. Summary of the most mentioned barriers for sale from current global events by producers.*

<b>Number of producers</b>	<b>Barriers with current global events</b>
7 out of 13	The dependency of import decreases the Swedish self-sufficiency
3 out of 13	High fuel prices due to the war in Ukraine and high taxes
3 out of 13	Expensive raw material due to the war in Ukraine

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