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**SUSTAINABLE SOURCING OF NORDIC WINE
IMPORTERS:
THE ROLE OF DRIVERS AND BARRIERS**

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ABSTRACT:

This thesis aims to study the main drivers and barriers of sustainable sourcing of Nordic wine importers. There has been a growing interest in sustainability in wine industry in the literature, in the form of new academic journals. Moreover, wine businesses have begun to understand the productivity and competitive advantage of sustainability which has resulted in development of sustainability as a priority in wine supply chain. As much as 0,3% of global greenhouse gas emissions (GHG) is produced by wine supply chain, which is a significant number by a single type of product. As the importance among wine supply chain is growing, there are differences in global wine industry. Nordic wine market is a unique wine industry because of the state monopolies. Furthermore, Nordic countries are a significant wine importer, ranked as third largest importer in Europe. Therefore, it is important to study Nordic wine importers and their sustainable sourcing. To achieve a better understanding of the phenomenon, a literature review in sustainability in wine industry, Nordic wine market, sustainable sourcing, and drivers and barriers in sustainable sourcing is conducted. This is a qualitative research where the data is collected through semi-structured interviews. The sample of data is consisted of nine Nordic wine importers.

Key findings indicate that state monopoly, reputation, financial benefits, benevolence, customer pressure/demand and top management commitment are the main drivers for Nordic wine importers. The two main barriers found from interviews were financial costs and consumers' willingness to pay for sustainable wine. State monopoly, benevolence, and consumers' willingness to pay, were the key findings that were not mentioned in the literature. Furthermore, differences occurred between Nordic wine importers. For instance, a significant difference with Swedish wine importer was the emphasis on reputational and image of their company as a driver, while Norwegian wine importer highlighted Norway's alcohol legislation as a barrier. This study complements the existing literature in sustainability in wine industry and sustainable sourcing by introducing wine importers' point of view. This thesis also contributes to the methodology part with semi-structured interviews and the literature of sustainable sourcing. Nevertheless, more research is needed to understand the growing phenomenon of sustainable sourcing and sustainability in wine industry.

KEYWORDS: Sustainability; Wine industry; Wine supply chain; Sustainable sourcing; Wine importer; Drivers; Barriers.

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TIIVISTELMÄ:

Tämän tutkielman tarkoituksena on tutkia Pohjoismaiden viinin maahantuojien kestävään hankintaan liittyviä kannustimia ja esteitä. Kestävä kehitys viiniteollisuudessa on aihe, joka on herättänyt kasvavaa kiinnostusta kirjallisuudessa, kuten tieteellisissä artikkeleissa. Lisäksi viinialan toimijat ovat alkaneet ymmärtämään kestävä kehityksen tuoman tuottavuuden ja kilpailuedun mikä on johtanut kestävä kehityksen priorisointiin viinin toimitusketjussa. Jopa 0,3% maailman kasvihuonekaasuista tulee viinin toimitusketjusta, mikä on merkittävä luku yhdestä ainoasta tuotteesta. Samalla kun viinin toimitusketjun tärkeys kasvaa, on myös suuria eroavaisuuksia globaalissa viiniteollisuudessa. Pohjoismaiset viinimarkkinat ovat ainutlaatuinen viiniteollisuus valtion monopoliin takia. Lisäksi Pohjoismaat ovat merkittävä viinin maahantuojia sijoittuen kolmanneksi suurimmaksi viinin maahantuojaksi Euroopassa. Näiden seikkojen vuoksi on tärkeää tutkia Pohjoismaisia viinin maahantuojia ja heidän kestävä hankintaa. Jotta ymmärtäisimme paremmin tätä ilmiötä, oli tehtävä kirjallisuuskatsaus kestävästä kehityksestä viiniteollisuudessa, Pohjoismaisesta viinimarkkinasta, kestävästä hankinnasta sekä kannustimista ja esteistä kestävässä hankinnassa. Tämä tutkimus perustuu laadulliseen tutkimukseen, jossa empiirinen data kerättiin puolirakenteisella haastattelulla. Datan otanta koostuu yhdeksästä Pohjoismaisesta viinin maahantuojasta.

Keskeiset löydökset viittaavat siihen, että valtion monopoli, maine, taloudelliset hyödyt, hyväntahtoisuus, asiakkaiden paine/kysyntä ja johdon sitoutuminen olivat tärkeimmät kannustimet Pohjoismaisille viinin maahantuojille. Haastatteluissa ilmeni myös kaksi estettä, jotka olivat taloudelliset kulut ja kuluttajien maksuhalukkuus kestävästä viinistä. Valtion monopoli, hyväntahtoisuus sekä kuluttajien maksuhalukkuus olivat keskeisiä löydöksiä, joita ei ole kirjallisuudessa vielä mainittu. Lisäksi, eroavaisuuksia ilmeni Pohjoismaiden viinin maahantuojien kesken. Esimerkiksi ruotsalainen viinin maahantuojia painotti yrityksen mainetekijöitä ja imagoa kannustimena, kun taas norjalainen viinin maahantuojia painotti Norjan alkoholilainsäädäntöä esteenä. Tämä tutkimus täydentää olemassaolevaa kirjallisuutta viiniteollisuuden kestävässä kehityksessä ja kestävässä hankinnassa tuomalla viinin maahantuojien näkökulman. Lisäksi tutkielma antaa panoksensa metodologiseen osuuteen keskittymällä puolirakenteisiin haastatteluihin ja kestävä hankinnan kirjallisuuteen. Kaikesta huolimatta, lisää tutkimusta tarvitaan, jotta ymmärrys kasvavasta ilmiöstä kestävässä hankinnasta ja kestävästä kehityksestä viiniteollisuudessa toteutuisi.

AVAINSANAT: Sustainability; Wine industry; Wine supply chain; Sustainable sourcing; Wine importer; Drivers; Barriers.

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1. Introduction

1.1. Background of the study

There has been a growing interest in sustainability of wine industry in the academia, in the form of new academic journals and scientific communities (Santini, Cavicchi & Casini, 2013). Also, wine industry has shown an increasing involvement in sustainability (Santini, Cavicchi & Casini, 2013). The research has recognized that institutional pressure has encouraged many sustainability initiatives in the industry, such as policy compliance (Pomarici & Vecchio, 2019). Pressure from media, retailers' worry and local request or voluntary work to environmental and social issues has further increased the pressure of the sustainability in the wine industry (Pomarici & Vecchio, 2019). Wine companies have begun to understand that sustainability offers possibility to differentiate which can evolve into productivity and competitiveness (Forbes, Cohen, Cullen, Wartten & Fountain, 2009). This has resulted into development of sustainability as a priority in wine supply chain (Forbes et al., 2009). Rugani, Vazquez-Rowe, Benedetto and Benetto (2013) found that wine supply chain contributed 0,3% to the total of annual global greenhouse gas emissions. While only measuring a single product category, the number is rather significant. Ponstein, Ghinoi and Steiner (2019) predicts that the topic of greenhouse gas emissions as part of a global supply chain point of view will only increase its importance in the future global wine supply chain.

It appears that the importance will only grow concerning global wine supply chain. There are also many differences in the wine industry. Report from CBI (2016) revealed that Nordic wine market is unique compared to many other wine markets because of the monopolies on the sales of alcohol. Nordic countries are a significant wine importer, ranked as third largest in Europe in 2014. Nordic countries of Norway, Sweden, and Finland have state monopolies that dominate the wine retail sector in these three countries. The Nordic countries are in the northern area of Europe where the weather circumstances do not enable the wine production. Thus, the wine consumed is mainly

imported from abroad. The similarity between these three Nordic countries is that their monopolies strongly push for sustainable wines. As such, Nordic monopolies often publish tenders for organic and fair-trade wines. Also, these state alcohol monopolies promote recyclable packaging. According to the report from Alko (2019), the black sheep of the Nordics is Denmark. Denmark does not have a retail alcohol monopoly and thus, alcohol is more available in the country. This can be seen in pricing and availability of alcohol products. Although Denmark differs from other Nordic countries by not having an alcohol state monopoly, it shares the same characteristics with Nordic counterparts. Thus, Nordic wine importers provide an exciting prospect to study their role on sustainability in wine supply chain.

Schneider and Wallenburg (2012) examined that implementing sustainability is strongly related to the purchasing function and its sustainable sourcing. Sustainability is a hot topic and an agenda in the field of purchasing and supply chain (Miemczyk, Johsen, Spencer & Walker, 2012). Schneider and Wallenburg (2012) emphasize that organisation is solely as sustainable as its supply chain. At present, organisations are aiming for corporate sustainability which in turn demands implementation of sustainable sourcing to fulfil this goal. The wine industry has been driven by market and regulatory forces to assess, reduce and communicate environmental and social issues (Forbes, Cohen, Cullen, Wartten & Fountain, 2009). There different drivers for corporate environmentalism are regulatory compliance, competitive advantage, stakeholder pressures, ethical concerns, and top management initiative (Giunipero, Hooker & Denslow, 2012). While there are drivers for sustainability, there are also factors that act as barriers for firms' goals to implement sustainable practices (Giunipero et al., 2012). Walker, Di Sisto and McBain (2008) learned that there are significantly less research studying on barriers compared to drivers, and the reason for this remains unclear. One observation has been that some of the drivers can also act as barriers. Although there has been some research about the drivers and barriers in sustainable sourcing, the lack of studies focusing particularly on wine importers gave the spark for the author to also

study the drivers and barriers for wine importers' sustainable sourcing to understand the phenomenon.

Therefore, this thesis aims to fill several research gaps. In the field of sustainable sourcing, there are many research gaps as the field is currently going through a fast growth period (Miemczyk, Johsen, Spencer & Walker, 2012). Sourcing literature of the last two decades revealed that only as little as 3% of 520 articles had research method of semi-structured interview (Giunipero, Bittneer, Shanks & Cho, 2019). As this thesis is conducted on semi-structured interviews, it gives some support for almost non-existent research method in the literature. Likewise, only 10% of sourcing literature have focused on sustainable sourcing (Giunipero et al. 2019). As in, sustainable sourcing is not a field that has been studied extensively. By focusing particularly on wine industry and wine importers, and linked with sustainable sourcing, this thesis will give much needed novelty to the field.

There have been some studies about drivers and barriers in sustainable sourcing, but very limitedly. It is argued that the research has intensively studied the performance impacts of sustainable sourcing implementation, but research that studied drivers and barriers for it, has been rather scarce (Sajjad, Eweje & Tappin, 2019). This motivated the author to study the drivers and barriers of sustainable sourcing, particularly in the field that has not been studied: sustainable sourcing of wine importers. By focusing especially on wine importers from Finland, addition to the Nordic countries, this study will give interesting information for Finnish wine importers and the Nordic wine importers. At present, there are not much research available of wine importers and the role of sustainable sourcing in their business. Thus, this is the topic that author wants to explore. Though there are studies about sustainability in wine production, lack of studies on wine importers and their role and effect on sustainability in wine industry are present. This thesis will fill this missing gap.

As wine importers can have an important role on how the sustainable and ethical practices are conducted in wine supply chain, employees making sustainable sourcing decisions should be understood. By studying the drivers and barriers of wine importers regarding sustainable sourcing, this thesis provides novelty for wine importers, wine industry, and governments.

Moreover, this thesis provides some comparison study between the wine importers. This comparison can raise thoughts for those wine importers that lacks any sorts of sustainability in their sourcing, about potentially developing it into sustainable. Also, this study helps to identify the main areas wine importers have focused on sustainable sourcing and the motives for it. This can be an useful information for governments on how to encourage the wine industry or wine importers to adopt sustainability through incentives such as taxation. Better understanding of the drivers and barriers behind sustainable sourcing of wine importers, will help the decision-makers in government and wine industry to enhance these drivers and mitigate these barriers. This helps wine industry's stakeholders and governments to provide the right tools to improve sustainability in sourcing and supply chain. Lastly, this thesis could also have importance for the government or society by examining what are the drivers and barriers that support wine importers to move from conventional sourcing to sustainable sourcing.

1.2. Research question and objectives

One of the most important factors in a successful research process are the research objectives and problems (Hirsjärvi & Hurme, 2008, p. 13). The thesis aims to discover the drivers and barriers behind the sustainable sourcing of Nordic wine importers. As discussed before, the research gap of drivers and barriers influencing Nordic wine importers' sustainable sourcing occurs.

Based on the research gap, the research question of the thesis is:

“What is the role of drivers and barriers in sustainable sourcing of Nordic wine importers?”

To specify and provide a detailed direction for the research paper, research objectives must be set. The aim of the research objectives is to assist in providing answers for the research question. Additionally, these objectives deliver clarity for the reader to understand the underlying themes of the thesis. First theoretical objective is to review the sustainability in wine industry and in Nordic wine market. By reviewing the literature of sustainability in wine industry, the author can provide a concise cross-section about the sustainability and its role in wine sector. This objective will be reached by first focusing on the general literature related to sustainability in wine industry. Then the focus will be on sustainability in wine supply chain to emphasize the importance of sustainable sourcing in the latter stage of the thesis. Also, this objective includes studying and comparing four Nordic countries: Finland, Sweden, Norway, and Denmark, to understand the Nordic’s phenomenon of sustainability in wine industry. Nordic countries are studied due to their unique wine market of lack of domestic production, strong emphasis on wine importing and the focus on sustainability. Characteristics of these countries regarding wine industry will be studied to enable the comparison of the Nordic wine industries.

This is followed by second theoretical objective of identifying the main drivers and barriers of sustainable sourcing. The reason to study these main drivers and barriers is in the novelty of the topic. There are studies related to drivers and barriers in sustainable sourcing, but the literature is lacking research of drivers and barriers in sustainability in wine supply chain. This objective will be reached by first describing the characteristics of sustainable sourcing and its role in sustainability. After that, the author will explain and reveal the main drivers and barriers found in the literature regarding sustainable sourcing.

After theoretical objectives, we will examine empirical ones. First empirical objective of this thesis is to understand why and how sustainable sourcing is adopted within Nordic wine importer through interviews. Second objective is to find the specific drivers and barriers in sustainable sourcing of Nordic wine importers. This empirical objective will be done by interviewing wine importers from the Nordics. Furthermore, this is followed by third empirical objective which aims to compare and assess the similarities, differences and the role of main drivers and barriers within Nordic wine importers through interviews.

Moreover, research methods chosen for this study will be further explained later in this thesis. To give a preview, this thesis is a cross-sectional study which indicate that the data collected in this thesis is from a specific point in time. This thesis will include one data collection method which means that this study has a monomethod approach by concentrating solely on qualitative data collection. Furthermore, this thesis has a research approach of a case study. Case study approach is chosen because of its characteristics of investigating contemporary phenomenon in real-life context. This thesis uses deductive approach which indicates that the theory in this study is the first source of knowledge which are then applied in empirical study. In this case, the theory is related to sustainability in wine industry, and sustainable sourcing and its drivers and barriers. Lastly, this thesis has a research philosophy of interpretivism which focuses on observing people and experiences through interviews (Eriksson & Kovalainen, 2008, p.118). These methodological choices and explanations will be further examined and discussed in chapter 3.

As previously mentioned in the background of the study, this thesis gives a much-needed novelty to the field for many reasons. One reason is that this thesis is conducted through semi-structured interviews which is a rare method used in sourcing literature (3%). Another reason is that this thesis focuses on sustainable sourcing, which is also a rare breed in sourcing literature as only 10% of sourcing literature studies sustainability. Hence, this thesis provided methodological novelty to the field. Concerning the

theoretical part, the lack of studies around drivers and barriers related to sustainability in sourcing, supply chain or equivalent act as an incentive for author to address these issues. By focusing solely on drivers and barriers in sustainable sourcing, this gives novelty to the field of sustainable sourcing. Furthermore, this thesis gives novelty to the literature of sustainability and sustainability in wine industry. By studying wine importers and their drivers and barriers, novelty is provided by regarding the drivers and barriers in supply chain. Also, by studying Nordic wine importers in the wine industry, we can learn how Nordic countries differ from other areas and why.

1.3. Delimitations

Delimitation of the thesis will provide information about the scope of the study. One of the delimitations is focusing on Nordics, thus leaving out other countries e.g., traditional wine producing countries. As mentioned, Nordic wine market provides a unique perspective due to the monopoly environment, and because of strong wine imports. Helsingin Sanomat (2020) revealed that the sale of organic wines increased up to 18% and at the same time, the share of organic wines sales consisted 17% of total sales of Finnish alcohol monopoly, Alko. This trend motivated to study whether the role of Nordic wine importers is significant on the sustainability in wine supply chain. Thus, this thesis will focus only in wine sector (red wine, white wine, rosé, sparkling wine). Therefore, this thesis excludes other alcoholic products such as beer, strong spirits, and liquors.

Furthermore, there is a lack of study on the drivers and barriers influencing sustainable sourcing. By focusing on drivers and barriers, it gives an important novelty to study wine supply chain generally, as the literature of drivers and barriers in wine supply chain is non-existent, although some research is available regarding sustainable supply chain generally. Also, by only focusing on interviewing wine importers, this thesis excludes other stakeholders such as wine producers, wine exporters, hotels, restaurants, catering field and alcohol shops. In this thesis, the author will not address sustainable wines

separately, but concentrates on sustainability in the wine supply chain and wine industry. In interviews, the focus will be on those employees who are working around product management, category management, supply chain management or sourcing/purchasing, thus leaving out other employees in marketing, sales, finance etc. CEOs can also be interviewed as wine importing companies might have only few employees.

1.4. Structure of the thesis

This thesis has five main chapters. In the first main chapter, the focus is on the background of the thesis, research gap, research question and objectives, and delimitations of the study. Also, the structure of the thesis is included.

The second main chapter is a literature review that consist of two integral sections to the thesis. First section examines the prior literature related to sustainability in wine industry and wine industry in the Nordics. Moreover, there will be comparisons between different Nordic wine markets of Finland, Sweden, Norway, and Denmark. Second section provides a comprehensive review of sustainable sourcing and its drivers and barriers. This section aims to give an understanding of the main drivers and barriers that has an impact to the sustainable sourcing of the companies. This second main chapter will be rounded up by a summary of the most important lessons learned during the literature review.

Third main chapter addresses the methodology of the research, the philosophy, research strategy, data collection, data analysis, and trustworthiness of the study. Then we will continue to fourth main chapter in which the empirical part of the thesis will be addressed. The author will provide an analysis of the empirical data. The fifth and last main chapter provides key findings of the whole study and offers answers to theoretical and managerial contributions of the study. Moreover, the limitations of the study and future research are introduced.

In the very end of the thesis, there are references and appendices presented. Below, you can find Figure 1. which reveals the structure of the study.

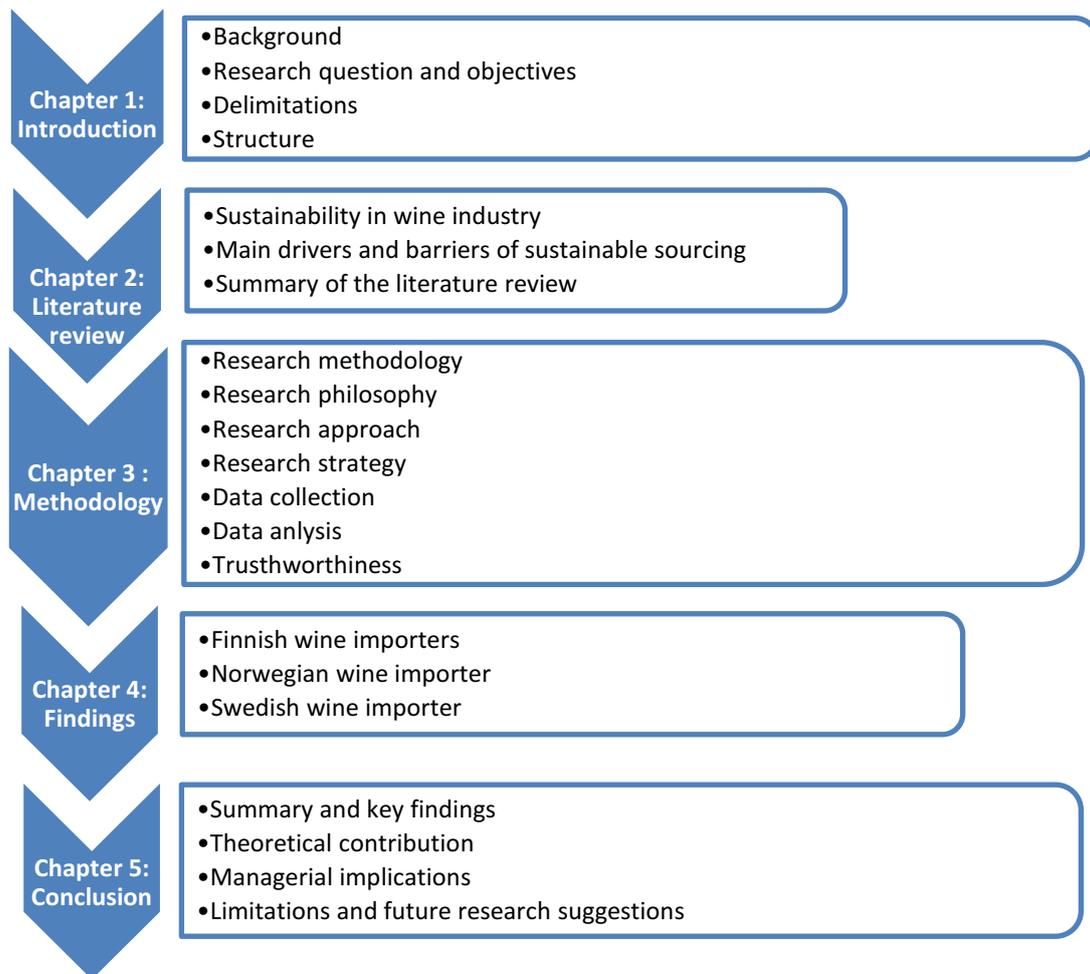


Figure 1. Structure of the thesis

2. Literature review

During the next chapters, the goal is to review topics such as sustainability in wine industry, wine industry in the Nordics, and drivers and barriers of sustainable sourcing. In the chapters of sustainability in wine industry, the author will address the significance and role of sustainability in wine supply chain. Also, the four Nordic countries of Finland, Sweden, Norwegian and Denmark will be studied and compared. After that, sustainable sourcing and its characteristics will be revealed. Then, main drivers and barriers of sustainable sourcing will be identified to understand what their influence in sustainable sourcing is.

2.1. Sustainability in wine industry

Since 1950s, the sustainability's modern research has progressed, but further evolution is required. Because of the growing pressure from consumers, markets, economic reasons, political reasons, sustainability is a topic that influences many sectors (Flores, 2018). It is a common consensus that sustainability is a global challenge which requires all society's sectors to act (Flores, 2018). However, the word of sustainability has multiple definitions (Santini, Cavicchi & Casini, 2013). Hence, addressing sustainability issues is a difficult topic which includes issues of how to define and measure sustainability, and for which period (Flores, 2018). Sustainability can be defined as a concept based on economic principles, ecological principles and equity-principles that concern the disparity of wealth among the different parts of the world or generations (Santini et al., 2013). It seems that there is no universal definition for sustainable behaviour (Santini et al., 2013). For example, there can be a separation between green and green-green businesses (Santini et al., 2013). Green-green businesses are green oriented from the beginning of the business, whereas green businesses transform as green after managers identify the benefits of sustainability through marketing, corporate image positive feedbacks or cost related issues (Santini et al., 2013).

Martins, Araújo, Graça, Caetano and Mate (2018) found that the wine industry has an important impact towards a sustainable development because of the characteristics of the industry. Wine industry includes a wide range of specificities, environmental issues and the stakeholders top operate with (Pomarici & Vecchio, 2019). Since 1987, due to the initiative from United Nations (UN), sustainability focus on international institutions and many national governments (Pomarici & Vecchio, 2019). From 1999, sustainability in wine sector was starting to get noticed by International Organization for Grape and Wine (OIV) (Pomarici & Vecchio, 2019). The last sustainability resolution from OIV was from 2016, and during this time frame, main wine producing nations have continuously increased their sustainability (Pomarici & Vecchio, 2019). Thus, it can be said that institutional pressure has been effective (Pomarici & Vecchio, 2019).

As stated in the introduction chapter, wine industry is strongly engaged with sustainability, and the interest towards sustainability in wine industry has been growing constantly (Santin et al., 2013). According to Szolnoki (2013), winemaking is a tradition of over thousand years and as an agricultural product, sustainability has a massive role in the wine business. But the research and literature on sustainability of wine industry has been little and a young research discipline (Szolnoki, 2013). The first research date back to 2005 which later have increased massively in the last decade (Szolnoki, 2013).

Flores (2018) state that wine industry has many unclear questions regarding sustainability issues. The wine industry faces challenges such as climate change, chemical exposure and water and energy resources, and simultaneously, wine industry's impacts are not well researched in the academia (Flores, 2018). The topic of sustainability in wine industry has many concerns regarding agricultural activities (viticulture), industrial operations and management processes and the logistics. Flores (2018) confirm that sustainability is a paradigm that influences many sectors due to increased pressure from stakeholders', economic or political reasons. Gilinsky Jr, Newton and Vega (2016) agree that the global wine industry face numerous challenges such as rising energy prices, water scarcity, chemical exposure, and climate change.

Therefore, it is crucial to set up specific sustainability programs, to create best practices and make sure that improvement is constant (Martins et al., 2018). These activities aim to promote the benefits of sustainable winegrowing and production, to communicate the results of sustainable performance and to consider the objectives of all the stakeholders involved (Martins et al., 2018).

Christ and Burritt (2013) discovered that wine production has significant impact economically and culturally in many parts of the world's regions. At present, sustainable production is a relevant issue for the wine industry (Christ and Burritt, 2013). Flores (2018) found that wines that are produced according to sustainable practices tend to attract consumers' choices of wine, and they are willing to pay higher prices for sustainable products. During the last few years, multiple sustainable wine production programs created and carried out by the government, retailers or wine industry organizations have progressed in the wine industry (Forbes & DeSilva, 2012). These implementations have been focused mainly on environmental aspects (Forbes & DeSilva, 2012).

In wine industry, the attention to sustainability has been anticipatory to consumer sensitivity (Pomarici & Vecchio, 2019). Recent evidence in literature suggests that consumer demand for healthy and quality food and beverages has increased in developed countries (Pomarici & Vecchio, 2019). It is recognized that significant segment of consumer all around the world have positive perception for sustainable wine (Pomarici & Vecchio, 2019). According to Christ and Burritt (2013), it is crucial that research regarding wine industry's activities and efforts to minimise the environmental problems will expand and grow. Due to the economic and cultural importance of wine production across many parts and areas of the world, the research towards wine industry is vital to ensure that the industry remains sustainable, both economically and environmentally.

In the study of Fusi, Guidetti and Benedetto (2014), it was found that wine's sustainability was mostly determined by the glass bottle production. Second biggest contributor to the environmental performance was from agricultural phase, meaning vine planting and grape production (Fusi et al., 2014). Transportation was discovered to have a significant impact when discussing about long distance distribution (Fusi et al., 2014). Fusi et al. (2014) emphasize that wine industry must address the emissions related to the production phase and distribution phase as wine largely contributes to the global agro-food trade. For instance, in 2011, 10 million tons of wine were exported globally which contributed as 19th highest agro-food product exported by quantity (Fusi et al., 2014). Therefore, the whole wine supply chain must be considered when calculating environmental impacts (Navarro, Puig, Kilic, Penavayre & Fullana-i-Plamer, 2017). Flores (2018) emphasize that sustainability can be considered as a competitive advantage, a driving force, and a key to innovative processes.

Empirical studies have revealed that consumers are sensitive to the concept of sustainable wine (Flores, 2018). Results reveals that consumers are willing to pay higher prices for sustainable products (Flores, 2018). To keep up with the increasing demands, trends, and competitiveness, there are more and more stakeholders in the wine industry beginning to analyse the environmental impacts deriving from wine (Navarro, et al., 2017). Thus, sustainability has become a priority with those stakeholders involved in wine supply chain (Navarro, et al., 2017). However, it seems to be unclear, whether consumers' willingness to pay higher price for sustainability really occurs in the purchasing situation. Thus, this topic needs further research.

At present, sustainable wine businesses are being developed around the globe to reach the main objective of the wine industry – leaving the land in better condition for future generations (Gilinsky et al., 2016). By adopting sustainable strategy, next generations can profit from the success of wine industry (Gilinsky et al., 2016). As a conclusion, we can declare that sustainability in the wine industry has gained relevancy and importance during the last decade. As a relatively new research area, there are lot of ground to work

on. However, there are certain features that arises from the topic of sustainability in wine industry. Wine supply chain is an issue that has gained importance both in research and in wine industry. Therefore, we will focus on wine supply chain during the next chapter and address the main topics related to it.

2.1.1. Sustainability in wine supply chain

Ponstein, Ghinoi and Steiner (2019) emphasize that while speaking about wine supply chain one must consider the wine production, wine logistics and the wine packaging which are all included in wine supply chain. Ponstein et al. (2019) discovered that plans in improving sustainability of supply chains, the use of systems approaches, such as analyses of greenhouse gas emissions, environmentally extended input-output analyses, and Life Cycle Assessment (LCA), has increased. These approaches have gained popularity due to the increased demands for transparency and sustainability standards, and the need for harmonization of sustainability claims (Ponstein et al.,2019).

In the wine sector, there are rising number of studies related to emissions of wine supply chains. According to Vermeulen, Campbell and Ingram (2012), reducing agri-food sector's carbon footprint is one of the most important contribution to mitigate greenhouse gas (GHG) emissions. Thus, GHG emissions are the most often used environmental indicator to address environmental impacts in agri-food chain (Vermeulen et al., 2012). As mentioned before, the wine supply chain is significant contributor to GHG emissions as a single product category with the number being 0.3% of total annual global GHG emissions. Ponstein et al. (2019) state that the increase in global sourcing of wines will raise the importance of GHG emissions as part of global wine supply chain. Studies from Amineyo, Camilleri and Azapagic (2014); Navarro, Puig, Kilic, Penavayre and Fullana-i-Palmer (2017), and Point, Tyedmers and Naugler (2012) confirms that growing interest in studies on greenhouse gas emissions have focused on the whole of wine supply chain which enables the better analysis of emission hotspots

and provides different emission reduction options. We will now address these articles to understand better the situation with sustainability in wine supply chain.

In the study of Amineyo et al. (2014), they studied the GHG emissions generated from wine imports from Australia to United Kingdom. They found that viticulture (agriculture of wine) is the main hotspot in the life cycle of wine, contributing 41 % of the GHG emissions. These emissions consist of pesticides, fertilisers, and fuels. Second largest contributor was transportation with average of 32 % of the impacts, this is due to shipping of wine from Australia. Also, the impacts of packaging were also remarkable with average of 24% of emissions. The percentage is mainly due to the production of glass bottles. Lastly, vinification (wine making) produces only 8 % of the total emissions of wine's life cycle while the impacts from the end-of-life management are rather little with 1 %. Therefore, the focus must be on viticulture, logistics and packaging forms to reduce greenhouse gas (GHG) emissions.

According to Navarro et al. (2017), environmental sustainability in the wine sector has become essential and a priority. This is caused by the growing interest in sustainability issues and consumers demand for more information of wine's environmental impact. As said, in the last decade, the pressure from authorities, and increasing demand from consumers and importers have created a demand for more sustainability information of the products. Increasing number of wine stakeholders have begun to analyse environmentally relevant results and sustainability has become a priority number one in wine supply chain.

Point, Tyedmers and Naugler (2012) also discovered that viticulture and consumer transport contribute the greatest impacts of wine's total environmental impacts. Point et al. (2012) point out that previous research in the literature of wine's life cycle and environmental impact suggests that packaging, product transport, and consumer shopping trips contribute most of the wine's total environmental impact.

However, sustainable adoption of these improvements is hindered by many technical and socio-economic factors. Some producers are refusing to use lighter bottles due to its brand and consumer perceptions. (Amineyo et al., 2014) Therefore, it seems that there is lack of studies related to the barriers of implementing sustainability. Moreover, the author finds that there must be more focus on the financial benefits with precise numerical information to support and drive the stakeholders to adopting sustainability in the wine supply chain. All these studies related to wine supply chains have concentrated to the benefits to the environment, but in business, to be competitive, there must be much more than altruism. Although, there have been lot of discussion of increase in consumer demand, it is not clear of whether the rise of the demand actualizes in the purchasing situation.

2.1.2. Wine industry in the Nordics

In this sub-chapter, the aim is to explore the wine market in the Nordics. The wine market in the Nordics is unique through many reasons. One of the reasons is that Nordic countries do not have domestic wine production. Because of lack of production, Nordic countries are strong wine importers. With the strong wine import-dependency, Finland and other Nordic countries' emission impact are highlighted in the sustainability of wine supply chain (Ponstein et al., 2019). Also, Nordic countries differ from other areas as they have strong state alcohol monopolies that regulate issues related to alcohol importing, sales etc. One characteristic is that these Nordic monopolies strongly promote the consumption of organic and ethical wines. Also, the aim of this chapter is to provide statistics of Nordic wine consumption, study the role of sustainability in wine supply chain and to understand the current trends in the Nordics.

According to Centre for the Promotion of Imports (CBI) (2016), the outcome of the monopolies dominating the sales of alcohol, Nordic wine market is a rare case compared to other European wine markets. By regulating quantity and quality of wine in the Nordic countries, Nordics have strict tender procedures. Tender process provides opportunities

for wine producers if the requirements are met. Also, these Nordic monopolies strongly promote consumption of organic and ethical wines which provides great potential for those wine businesses that has shifted the focus to sustainability (CBI, 2016).

As previously stated, the unfavourable climate for wine production, the Nordic wine market is open for foreign wines. As such, the Nordic countries are a considerable wine importer, ranked as third largest in Europe in 2014 (CBI, 2016). Wine imports to Nordic countries amassed 1.1 billion euros in 2014 with an average yearly increase of 5.6% since 2011 (CBI, 2016). By looking at the Nordic countries that has state monopolies, Sweden generated the most wine imports with €592 million, followed by Norway with €347 million and Finland with €189 million (CBI, 2016).

At present, there is a strong demand for sustainable and ethical wine in the Nordic wine market. According to CBI (2016), all Nordic monopolies are strongly encouraging to import sustainable and ethical wines. Nordic monopolies regularly publish tender procedures for organic and/or fair-trade wines and this has resulted to the strong increase of sales in sustainable wines. For instance, in 2015, Systembolaget (Swedish state alcohol monopoly) sold over 34 million litres of organic wine, which was a growth of 62% to the sales in 2014. The aim of increasing sales of organic wine to 10% out of total wine sales was already achieved in 2014 with 10,8% (2014). Also, particularly millennials (those who have born between 1982 and 2000), sustainable wines are hugely popular, and these consumers are the one who are environmentally aware. By their sustainable wine consumption choices, millennials want to relate to the image of sustainable and ethical wine. The Nordic monopolies also increasingly require wine in environmentally friendly packages. These are lightweight glass, recyclable packaging with PET bottles, and Bag-in-Box win (BiB). Addition to this, the Nordic monopolies require more single-serve packaging. This is motivated by the fact that by offering smaller containers, it can influence on consumers lower alcohol intake, but also to ease the on-the-go consumption for picnics or festivals (CBI, 2016).

Alko (2019) revealed in their report that since 2008, there has been strong cooperation and partnership between the Nordic alcohol monopoly companies on corporate social responsibility (CSR), with the aim of developing a sustainable supply chain for alcoholic beverages. The outcome for this was the Code of Conduct (CoC) that has included in all supplier agreements of the monopolies. This CoC is a set of principles and values which relates to international practices. It emphasizes the common beliefs of the Nordic alcohol companies and the demands towards their business partners. These values in CoC represent the ambitious targets and minimum demands that the monopolies have towards their supply chains. These Nordic alcohol monopoly companies value cooperation and open dialogue between the countries to enable the improvement of supply chains (Alko, 2019).

2.1.3. Finnish wine market

In Finland, the wine market is strongly concentrated for the two biggest importers, Pernod-Ricard and Altia, with their proportion amassing almost half of the Finnish market in terms of value (CBI, 2016). Although Finland is known for large share of vodka in alcohol consumption, the share of vodka and other spirits has decreased in recent years (CBI, 2016). Simultaneously, there is a strong and growing interest in wine with Finnish consumers preferring fruity wines, with strong in taste and bouquet (CBI, 2016). There is also interest in paying more for premium quality wines (CBI, 2016). Finland is not a traditional wine drinking country which can be seen as opportunity for New World wine as consumers do not have a strong preference for traditional wine (CBI, 2016). By global standards, Finland has a modest per-capita consumption of wine with 11 litres per year (Tilastokeskus, 2016).

However, wine has an important role in the Finnish alcohol supply chain. According to Wine Intelligence (2018) the decrease of government restrictions has enabled growth of Finnish wine market by allowing more options and availability of different wine outside the state monopoly. Also, recent tax increase has an impact on consumers who

are now more driven of value for money. Another spark for change in the Finnish wine market comes from importers having more possibilities to negotiate the greater variety of their wines via Finnish state alcohol monopoly, Alko's website. This enables new channel for customers to buy their wine and, it embraces exploration with wine (Wine Intelligence, 2018).

An interesting detail in findings regarding Finnish wine market is in its high share of packages that are not bottled in glass (Ponstein et al., 2019). Ponstein et al. (2019) found that 41% of the wines in Finland are in other forms of packages than glass bottles, while 59% of wines were bottled in glass bottles. It was remarkable to find that the glass bottle share of 59% caused as much as 72% of GHG emissions (Ponstein et al., 2019). For instance, 29% of these wines were bottled in bag-in-boxes, contributing only 20% of GHG emissions (Ponstein et al., 2019). Therefore, the study from Ponstein et al. (2019) confirms the previous chapters about the impact of packaging and bottle production on sustainability of wine. This is an impact that many wine businesses must strongly consider and focus on in future.

2.1.4. Swedish wine market

As previously mentioned, climate is the main reason why there is lack of wine cultivation. Report from CBI (2016) revealed that despite of rather difficult climate for grape cultivation, there are some vineyards that have managed to successfully produce wine. For instance, Sweden has almost 100 hectares of commercial vineyards that are owned by very small vineyards (CBI, 2016). As mentioned, wine consumption in the Nordic countries vary a lot between the countries. However, Sweden's wine consumption is massive compared to other Nordic countries with proportion of 89% out of total wine consumption in the Nordics in 2015 (CBI, 2016). Sweden is also above average in wine consumption per capita with 26 litres per capita compared to the Nordic average of 13.8 litres of wine per capita in 2015 (CBI, 2016). We have mentioned before that due to the climate issues, Nordic countries do not have a tradition of wine

production. However, currently and in near future, Swedish wine consumption is supported by the blooming scene of vineyards in Southern parts of Sweden (Forbes, 2019). Nevertheless, as alcohol legislation is strict, the wines from Swedish vineyards can only be purchased in Systembolaget, Sweden's state alcohol monopoly (Forbes, 2019).

According to CBI (2016), Sweden's state alcohol monopoly, Systembolaget introduced a packaging fee and has a requirement concerning bottle weight for bottles with still wine of 75 cl. These bottles should not weight more than 420 grams. Because of the significant impact on the environment of heavy and single-use glass bottles, not only in manufacturing but also in transport, this new regulation is aiming to decrease the environmental impact of Systembolaget. Also, due to health issues from alcohol, wine monopolies are pushing for more low-alcohol content wine. In Sweden this means looking for dry white, red and rose wines with an alcohol content under 10%, usually around 7%. It is predicted that this trend set by Systembolaget will be implemented by Vinmonopolet in Norway and Alko in Finland in near future (CBI, 2016).

In CBI's (2016) report, changing consumer preferences can be seen in Swedish wine market as Italian red wines are hugely popular because of their high residual sugar levels. Due to health issues, it is compulsory to announce the residual sugar level of a wine on the shop selves. There is also growth in consumption of dry red wines with low residual sugar levels, but at the same time, consumers are also driven by red wines with high residual sugar levels. In other wines, rosé wines are known to be popular among millennials and sparkling wine has also gained popularity. Sparkling wine imports have increased 9.2% between 2011 and 2015, and currently accounts for 10.4% of the total value of retail sales while natural wine is trending in high-end restaurants (CBI, 2016).

According to CBI (2016), Systembolaget has three types of product ranges. Fixed range products mean that the assortment can be found in every Systembolaget shop. Available-for-order range includes items that are ordered from the drink suppliers'

stocks. Last range is the temporary range that are aimed mainly for customers with interest in new items. From 2016, Systembolaget applied new listing times for new launches in the fixed range which meant that listing time for new products were extended from 6 months to 9 months. Addition to this, a wine that is labelled as ethical or organic will be given a guaranteed listing time of 12 months (CBI, 2016).

It was found in report from CBI (2016) that it is common in the Nordic countries to have high excise duties on wine. In Sweden, excise duties are 268,47€ per hectolitre (hl) of still and sparkling wine. Still and sparkling wines of lower alcohol content benefit from lower excise duties. For instance, excise duties on beer that are over 2.8% in alcohol content are 20.69€ per hectolitre in Sweden. So, the lower the alcohol content of wine importers' wine, the more benefit importers get from lower excise duties (CBI, 2016).

In Sweden, the share between wine importers is evenly divided compared to Finnish wine importers. From CBI's report (2016), there were almost 500 wine importers supplying the Systembolaget of which almost 20% are supplying around 99% of the monopoly's purchases in terms of value. Even though the wine monopoly dominates the wine market in Sweden, they face competition from internet-based wine merchants that are selling directly to Swedish customers. There are almost 100 online companies focusing on wine trade in Sweden, but at present, the online wine trade is still petite, accounting only between 0.3% to 1.7% of all wine sales. However, it is expected that this online trade wine market will grow in near future. In recent years, premium wine consumption has been remarkable, particularly in Sweden. The economic situation in Sweden is good, and consumers are ready to spend on wines. Trend is not only noticed in the off-trade (state monopoly), but also in the on-trade (restaurants, bars, clubs, hotels etc.), consumers are willing to spend more on wines (CBI, 2016).

2.1.5. Norwegian wine market

According to CBI (2016), Norway is the third largest wine importer in the Nordics with the value of wine imports rising to 347 million euros. Also, in Norway there is a strong culture of state alcohol monopoly as Vinmonopolet controlling most of the off-trade channels in Norway. In 2016, there were over 300 Vinmonopolet-stores in Norway (CBI, 2016).

CBI (2016) revealed that addition to the physical stores, Vinmonopolet has an online store for consumers to purchase online. Total wine sales in 2017 was almost 66 million litres. These Vinmonopolet stores are places where wine and other alcoholic beverages above 4.75 per cent in alcohol content can be bought. The reasons for this are historical establishment of the alcohol monopoly. In the 19th century, Norway had major alcohol problems. In 1921, the sale of alcohol was forbidden after the referendum. Year after, the Vinmonopolet was established, and the ban was lifted. Sales of alcohol has been regulated and modified during the years (CBI, 2016).

However, the main purpose of the monopoly has always been to limit consumption of alcoholic beverages (Cavicchi, Lai and Rickertsen, 2013). The consumption of wine has increased significantly since 2000, and in 2009, the yearly consumption per capita was 15 litres. The sales trend during the last decade has been consistent with a substantial growth annually. One of the factors for the increased sales of wine is the new licensing system that was introduced as a part of the new Alcohol Act in 1996. This new system enabled private persons and firms to get a licence to import or export alcohol and to sell wholesale within the country. For wine producers, hotels, restaurants, and catering firms are vital channels to reach the consumers. These channels are dominated by wine importers outside the monopoly. The monopoly then identifies importers and wholesalers for products based on quality, delivery, and price. Operators in hotels, restaurants, and caterings have freedom to decide their purchases ranging from the monopoly to importers or even the producers directly (Cavicchi et al., 2013).

According to Cavicchi et al. (2013), the prices of alcoholic beverages in Norway are substantially higher compared to the adjacent Nordic countries. Because of the high prices, it is not a rare situation to purchase wine in shops across the border. Furthermore, the advertisement of alcohol is banned. This means that there must be other strategies to promote wine. The role of the press is vital for wine sales. Also, the distributors must serve the hotel, restaurant, and catering channel as well as the tender contests provided by the Vinmonopolet. Many wine importers have focused on building partnerships with other operators to stay updated, monitoring both market channels, and being logistically ready to guarantee the availability of their products. It is also important to build strong relationships with bars and restaurants. Lastly, it is crucial to participate in every wine fair possible. (Cavicchi et al., 2013)

2.1.6. Danish wine market

As other Nordic counterparts, the Danish wine market is also dependent on wine imports due to lack of domestic production. It was found from CBI (2016) that a growth of private labels enables small wine exporters who have no resources to export large amounts of wine to concentrate on the multiple small importers that exist in Denmark. One of the key points is to distinguish themselves from the wines available, such as supplying sustainably produced wine, which is gaining popularity among Danish consumers (CBI, 2016). What differentiates Denmark from other Nordic countries when it comes to alcohol policy is that they do not have a state alcohol monopoly (Alko, 2019).

CBI (2016) describes Denmark as a medium-sized wine market. Since 2000, commercial production of wine was allowed in Denmark by European law. But as previously said, the unfavourable climate in the Nordics does not enable the existence of wine production on a bigger scale. However, few small vineyards exist with a low production volume. With the wine consumption around 779 million hectolitres in 2015, Denmark has a high wine consumption per capita, 30 litres. This amount is significantly higher than the European average of 23,9 litres. From 2011 to 2015, the annual increase has been around 1,7%.

With wine import value of 534 million euros, Denmark is a medium-sized wine importer in Europe and the second largest wine importer in the Nordics after Sweden (CBI, 2016).

CBI's report (2016) found that sustainable and ethical products have gained popularity increasingly recently among Danish consumers. Consumers in Denmark are interested about the impact of food production on the environment and working conditions. Danish consumers also care about other sustainable practices, for example reducing energy, water use, and recycling in wine market. Also, there has been a significant growth of organic and Fairtrade wine sales for few years, and it indicates that consumer behaviour towards sustainability in wine market is gaining foot hold. Interest in sustainability is seen in wine packaging as currently around 33% of wine on the Danish market is packed in Bag-In-Box (BiB). Low handling fees and the recyclability has contributed to the success of BiB wine. Also, government's strategy to promote sustainability has contributed to the large amount of BiB wines (CBI, 2016).

2.2. Main drivers and barriers of sustainable sourcing

Previously in this thesis, the author has highlighted the topic of sustainability of wine supply chain. It became clear that there is a great importance in addressing sustainability matters in wine industry, especially in supply chain. Now, we will study the sustainability in the supply chain more specifically, by concentrating on sustainable sourcing. During the next chapters issues related to terms such as sourcing, sustainability and sustainable sourcing will be clarified and studied. The aim is to emphasize the importance of sustainable sourcing but also to build a background for this topic through sustainability and sourcing. By understanding sustainable sourcing and its drivers and barriers, we will be a step closer to answering our research questions of "What is the role of drivers and barriers in sustainable sourcing of Nordic wine importers?".

2.2.1. Characteristics of sustainable sourcing

Lambrechts (2020), defined sustainable sourcing as *“sourcing the materials, products, and services an organization needs from its suppliers in a sustainable manner, thereby considering the environmental and social impact of its supply chain strategies and activities. Sustainable sourcing applies a holistic approach which is critical to business-as-usual (triple) bottom-line thinking and considers the environmental and social boundary conditions of sourcing strategies. Sustainable sourcing thereby exceeds formal accountability regarding sustainability as imposed by governments and goes beyond perspectives regarding the Triple Bottom Line as a balancing act.”* According to Pagell, Wu and Wasserman (2010) sustainable sourcing can be defined as ‘managing all aspects of the upstream component of the supply chain to maximise triple bottom line performance. Also, Reuter, Foerstl, Hartmann and Blome (2010) emphasizes the importance of triple bottom line and insists the integration of environmental and social aspects into supplier management processes. Likewise, Tate, Effram and Kirchoff (2010) describe sustainable sourcing as ensuring that selection of suppliers offers economic value at competitive costs, meet environmental requirements, and enforce the social values and standards of the organisation. However, it is unclear of how to measure sustainability, and whether lack of one factor from triple bottom line affects the sustainability definition of certain behaviour.

Krause, Vachon and Klassen (2009) discovered that firms are not only responsible of their behaviour but also for suppliers. Also, Schneider and Wallenburg (2012) discovered that close supplier relationships are essential in everyday business as poor environmental or social performance in other organizations related to sourcing can damage firm’s reputation. Therefore, it is essential for firm’s purchasing function to have good relationships to their suppliers. This brings the focus on the firm’s sourcing in succeeding in sustainability. It is widely acknowledged that purchasing function can have a strategic role in the economic performance of the company, and thus it is assumed that the purchasing function has a significant role in sustainability performance as well (Gelderman & Van Weele, 2005; Ageron et al., 2012; Large & Thomsen, 2011).

Giunipero et al. (2012) state that sustainability is defined in multiple ways in general business and within supply chain literatures. These definitions were green purchasing, purchasing social responsibility, closed loop supply chain and green manufacturing (Giunipero et al., 2012) There is some overlapping in the literature regarding the term of sourcing and procurement. For instance, Schneider and Wallenburg (2012) conducted a literature review by using terms such as “sustainable procurement, “sustainable sourcing”, and “sustainable supplier management”. According to Lambrechts (2020), the synonyms that can be used for sustainable sourcing are for example “Green Supply Chain Management”, “Purchasing Social Responsibility”, “Responsible Sourcing”, “Responsible Supply Chain Management”, “Socially Responsible Sourcing”, “Sustainable Buying”, “Sustainable Purchasing”, “Sustainable Procurement”, “Sustainable Supply Chain Management”, and “Sustainable Supply Management”.

Another example of overlapping terms is by Zorzini, Hendry, Huq and Stevenson (2013) who conducted a systematic literature review to find relevant articles by using keywords such as “Socially responsible sourcing/procurement/purchasing, “Ethical sourcing/procurement/purchasing”, “Sustainable sourcing/procurement/purchasing” and “Social responsibility/corporate social responsibility”. Giunipero, Bittneer, Shanks and Cho (2019) evaluated the sourcing literature and discovered that traditionally sourcing was, and still could be termed as buying, purchasing or procurement. All these definitions can be quite confusing and might influence on how people understand the definitions inside the literature but also outside the academia, such as business world, governments etc. Therefore, these definitions might need further addressing.

To clarify the terms, during this thesis, terms such as sustainable supply chain management (SSCM), sustainable procurement, sustainable purchasing or procurement are categorized under the terms of sustainable sourcing because of the corresponding nature of the topics.

Among academic researchers, there seems to be an emerging interest in sustainable operations, particularly in the field of supply chain management (SCM) and procurement. This can be seen in the number of journals related to sustainability in SCM and procurement. Miemczyk et al. (2012) says that sustainable procurement/sourcing is a field that is constantly growing, there also arises methodological challenges. For instance, it is common that respondents tell their views on sustainable procurement, whether through a questionnaire or interviews, with a positive tone (Miemczyk et al., 2012). This is caused by social desirability bias, in which the respondent feels pressure to be perceived in a socially acceptable way regarding sustainability (Miemczyk et al., 2012). Another methodological challenge is about being clear about the level at which one is conducting research, whether studying attitudes of individual buyers, buying teams, or purchasing directors, organisations etc. (Miemczyk et al., 2012).

Even though sustainable sourcing is being outlined by different definitions, they do not clearly describe when the purchasing activity is sustainable. For instance, it is unclear whether one of the dimensions in the triple bottom line can be compensated by the other two (Schneider & Wallenburg, 2012). This confusion can be clarified by emphasizing that sustainable sourcing processes includes all three sustainability dimensions: economic, environmental, and social (Schneider & Wallenburg, 2012). They specify that sustainable sourcing activities must go beyond legal requirements (Schneider & Wallenburg, 2012). For instance, social sustainability criteria are not fulfilled if the organization refuses child labour but at the same time, accepts defining children to be persons that are younger than three years old (Schneider & Wallenburg, 2012). This kind of act is not qualified as sustainable sourcing (Schneider & Wallenburg, 2012). They also clarify that sustainable sourcing is theoretically generalisable that when all sustainability dimensions are beyond legal requirements, there is a wide range of sustainable sourcing profiles, with different emphasis on the three dimensions (Schneider & Wallenburg, 2012). According to Porter and Kramer (2006), companies often place emphasis on certain selected sustainability dimension in sourcing. While concentrating on certain environmental and social problem, the organisations can gain

competitive advantage (Porter & Kramer, 2006). Thus, the impact of leaving out one sustainability dimension need further investigation (Porter & Kramer, 2006).

In recent years, researchers have paid growing attention to sustainable and socially responsible sourcing, in the context such as managing hazardous material, battling against child labour, improving producers' welfare, and selecting suppliers (Dai, Lin, Shi & Xu, 2018). Lambrechts (2020) state that in the age of globalization, supply chains of products and services expands to numerous countries and continents. Even though globalization has enabled competitive advantages and economic growth to most of the companies in the West, the negative impact has been the extension of supply chains (Lambrechts, 2020). At present, companies are increasingly held responsible for the way of managing supplier relationships, the ethical and sustainable behaviour must extend outside the organizational level to the supply chains (Goebel, Reuter, Pibernik & Sichtmann, 2012). Therefore, companies must cooperate with their suppliers to become more sustainable. (Luzzini, Brandon-Jones, Brandon-Jones & Spina, 2015). This can be seen in the increased attention towards sustainable supply chain management in the academia where ethical and sustainable sourcing are significant issues under investigation (Ahi & Searcy, 2013).

According to Bai and Sarkis (2010), supplier selection assessment, and development are important topics in sustainable sourcing initiatives. In the globalized supply chains, changing conditions, complexity and uncertainty have created new demands to organizations (Bai & Sarkis, 2010). The inclusion of sustainability into companies influence the supply chain design of the companies, and the way supplier selection is conducted, to improve the sustainability of its supply chain (Bai & Sarkis, 2010). Andersen and Skjoet-Larsen (2009) identify that multiple companies operating globally, are using code of conduct to implement ethical, environmental, social, or sustainable criteria on their suppliers. Though, these codes can be seen as an example of power dimensions, in which the buyer is using its power by forcing suppliers to implement sustainability practices (Andersen & Skjoet-Larsen, 2009). Therefore, suppliers must

receive positive incentives to allow a successful two-way relationship (Andersen & Skjoet-Larsen, 2009).

During the two last decades, the concept of ethical and sustainable sourcing, and sustainable supply chain management have grown and expanded from a narrow perspective of one dimension of either adding social or the environmental dimensions to available practices, to interpreting Triple Bottom Line as a balancing act (Lambrechts, 2020). Moreover, the near future can change the interpretation of Triple Bottom Line, by exceeding the formal accountability and surpassing the minimum act (Lambrechts, 2020). To sum up, it has come across that sustainable sourcing indeed is a wide concept which is defined by multiple definitions. Researchers in the academia are still not in the consensus of how sustainable sourcing is measured or what are the main attributes. However, one might argue that if it is the most crucial issue to have a specific definition. Nevertheless, it seems that the research around sustainable sourcing is increasing which is in line with the strong trend of sustainability in all kinds of fields.

2.2.2. Literature of main drivers and barriers in sustainable sourcing

In previous studies, researchers have identified different motives for corporate environmentalism such as regulatory compliance, competitive advantage, stakeholder pressures, ethical concerns, and top management initiative. The increase in environmental regulations, governmental pressure, international certification standards such as ISO 14 000, change in customer demands, and managers recognizing the need for reducing pollution are the reasons why companies have begun to develop environmental policies, and at the same time, being consistent with new regulations (Giunipero et al., 2012).

The previous studies on sustainable supply chain management (SSCM) have focused on the performance outcomes, but studies examining drivers or barriers to SSCM implementation, are lacking. Giunipero et al. (2012) also confirm that current research

suggests that wide range of factors can drive or inhibit firms to implement SSCM. New studies have reported that implementation for SSCM enables firms to improve their performance on economic and operational matters (Sajjad et al., 2019). Also, implementing SSCM can increase morale of personnel and client retention (Lee, 2012; Schnitfeld & Busch, 2016). Schnitfeld and Busch (2016) discovered that financial motives and appropriate control mechanisms were essential determinants of SSCM implementation. Moreover, the commitment and support of senior management are crucial for SSCM implementation (Bastas & Liyanage, 2018; Green, Zelbst, Meacham & Bhadauria, 2012; Wolf, 2011).

According to Lieb and Lieb (2010), and Sharfman, Shaft, and Anex (2009), ethical motives and sustainability values are vital sources of motivation that influence the senior management to go beyond the legal minimum and financial motives to prove the aspiration towards doing the right thing. There has been identified stakeholder pressures that influences firms to implement SSCM practices (Lieb & Lieb, 2010; Sharfman et al., 2009). For instance, non-governmental organization and the media may constantly imply pressure on firms to improve their social and environmental supply chain performance (Carbone, Moatti, & Wood, 2012). Also, the use of internet and social media have complicated companies ethical and moral misconduct deficiencies, and their attempts to hide these issues from the public, media, and customers (Carter & Rogers, 2008).

Moreover, Wolf (2014) adds that some firms engage to adoption of SSCM practices to improve their reputation and societal legitimacy. Hajmohammad and Vachon (2016) says that multiple studies have pointed out that SSCM enable companies to cope their social and environmental risks. Environmental regulations and legislations are also one of the key factors that drives companies to adopt SSCM practices (Giunipero et al., 2012).

In the next subchapters, there will be studies about the main drivers and main barriers that are related to sustainable sourcing. Even though the concepts are not directly named as sustainable sourcing, all these sustainability issues regarding sourcing, purchasing or supply chain are closely related, although not clearly defined, as previously mentioned in this thesis. These drivers and barriers are the most common ones that are found in the literature. Thus, these sub-chapters aim to study the main drivers and barriers to give a general understanding of the literature. These main drivers and barriers are divided into external and internal ones.

2.2.3. Internal drivers

According to Giunipero, Hooker and Denslow (2012), members of top management are essential in fostering the firms' environmental management leadership. Giunipero et al. (2012) emphasizes that managers are the force to reckon regarding the development of corporate environmentalism. Some studies emphasize that top management team members and company values are vital in evaluation of firms' role in society (Giunipero et al., 2012). They discovered that there are four antecedents in corporate environmentalism: public concern; regulatory issues; competitive advantage; and top management commitment (Giunipero et al., 2012). Top management commitment was the mediating force that influenced three other antecedents toward corporate environmentalism (Giunipero et al., 2012).

Hsu and Hu (2008) emphasize top management commitment as essential for the success of green supply chain management adoption. Also, Srivastav and Gaur (2015) argues that top management support is crucial in enabling organisations to adopt green supply chain management practices. Sajjad, Eweje and Tappin (2019) confirms that top management has a crucial role in the implementation of sustainable supply chain management. They discovered that sustainability values of top management, particularly the values of the CEO or owner, influences their immediate team members. These immediate team members spread these values and aspiration towards other

employees, who adapt their behaviour according to leader's ethical beliefs or desires (Sajjad et al., 2019).

Walker et al. (2008) examined that commitment of individuals, especially founder and owner, has influenced positively to green supply chain management. Also, personal values of the founder spreads across the organisation like a filter (walker et al, 2008). Aghelie (2017) acknowledged that owner commitment, aspiration towards green business, and sustainability awareness in organization's management are one of the most important drivers within the organization. However, it was found that middle management's support is positively related to environmental purchasing, instead of top management's support (Walker et al., 2008). To be successful in driving sustainable supply chain management does not always mean that the drive comes from top management, but from staff level (Walker et al., 2008). Staff level commitment to environmental issues is important and necessary, but insufficient for deployment of wider range of sustainability practices (Walker et al., 2008). As a conclusion, there is a strong evidence from the literature that top management commitment is a crucial driver, but how crucial and what is the impact of the personnel level commitment to the cause, remains as a mystery and needs further examining.

Walker et al. (2008) emphasize that the strategy to reduce costs are usually one of the driving forces for environmental supply projects. During the product's life cycle, all the pollution represents the hidden costs in the form of wasted resources and effort. By preventing pollution, costs can be reduced. Walker et al. (2008) found that the firm that was successful in many green supply chain management activities was not motivated by environmental compliance or a policy entrepreneur. Sustainability initiatives were usually driven by a focus on reducing costs, eliminating waste, improving quality. Most of the whole life cost of a product or service is committed in the design stage of the life cycle. Many firms and their suppliers have started to notice the importance of design and specification to minimize environmental impacts (Walker et al., 2008).

According to Bommel (2010), there are five approaches companies can take to integrate environment into their business to benefit financially. The approaches are differentiating the products and command higher prices; impose set of private regulations for competitors or by shaping government rules; reduce costs and help the environment at the same time; improve the management of risk; make changes to redefine competition (Bommel, 2010). Kamolkittiwong and Phruksaphanrat (2015) discovered that adopting environmental innovation practices indirectly improve financial performance. By adopting green supply chain management practices, economic performance can be boosted, ranging from cost reduction in development to supplier relationship (Kamolkittiwong & Phruksaphanrat, 2015). Finally, Hsu, Tan, Zailani and Jayaraman (2013) state that suppliers are more likely to adopt green supply chain practices if the costs related to information seeking, bargaining and enforcement are reduced.

Summarizing, these two internal drivers have strong support from the literature. Author understood that the role of top management was crucial to the sustainability thinking in the company. However, it was unclear of what was meant by the top management, and what kind of positions or titles it included. Furthermore, it was revealed that middle management and staff level employees had also a positive impact to sustainable supply chain management, but in wider range of sustainability, the drive must come from the very top. Financial benefits seem to be a main driver for majority of the companies, and sustainability and environmental protection was only the side benefit from adopting sustainable practices. Moreover, it was clear that for suppliers, it was critical that costs related to information seeking, bargaining and enforcement are reduced.

2.2.4. External drivers

It has been widely recognized that previous studies have revealed the importance of legislation as a driver for corporate environmental responsiveness (Giunipero et al., 2012). Giunipero et al. (2012) also emphasized that government regulations can act as

drivers in the green supply chain adoption. Also, penalties, fines and legal costs have forced firms to comply with legislation (Bhool & Narwal, 2013). Lee (2008) states that governments can encourage organisations with tax incentives or infrastructure developments for environmental complexes. Firms might react to a difficult regulatory environment or responding to market pressure in implementing environmental management practices (Montabon, Stroufe & Narasimhan, 2007). Berns, Townend, Kayat and Balagopal (2009) confirms that government regulation has the greatest influence on businesses out of all sustainability-related issues. Furthermore, it is examined that environmental policies aimed directly at emissions are the most important part of a cost-effective environmental strategy (Chien & Shih, 2007).

Walker et al. (2008) found that multiple studies emphasizes that government regulation and legislation is one of the main drivers for companies' environmental efforts. A firm's involvement in green sourcing is positively influenced by the firm's willingness to see the importance of environmental compliance. However, studies reveal that compliance with legislation did not ensure that environmental performance improves. It was discovered that companies that were proactive and motivated for environmental concerns, were the firms that integrated these concerns into value chain processes from top to bottom, compared to companies that were in reactive mode. Being proactive towards environmental regulation can generate successful green supply chain management projects. Also, it was found that environmental regulations act as a motivator for firms to innovate and reduce environmental impact at low cost. They also emphasize that confrontation of ecology and economy is not reasonable because innovation can develop more effective material usage, improved production, or better product yields. However, win-win situations are very rare and are becoming less apparent for many firms which can create dilemmas between profitability and environmental performance (Walker et al., 2008).

According to Niemann, Kotze and Adamo (2016), global environmental requirements have begun to focus on life cycle of the products. This forces governments to engage

green supply chain initiatives. To sum up, external regulation and legislation seem to be a major driver for environmental supply chain management, especially if firms are proactive towards regulatory compliance.

The literature has also found several interesting issues where customers act as a driving force for sustainable supply chain management. Walker et al. (2008) discovered that long-term and realistic customer demands can have a positive influence on environmental management compared to those demands with unreasonable timeframe. Also, the way customers drive the firms to sustainability vary a lot and depends on the industry. Customers build pressure on firms to improve their sustainability in supply chain management, and small firms are particularly under strong pressure from their customers. Due to media attention, large retailers must take responsibility of their suppliers' actions, which indicate that high-profile firms are usually under strong pressure from different stakeholders (Walker et al. 2008).

Hajikhani, Wahat and Idris (2012) state that customer demand for green products and services are one of the most crucial drivers for organization's green initiatives. Customers are more aware environmentally and they imply pressure on organisations to implement sustainable practices (Hajikhani et al., 2012). Liu, Zhang, Wang, Chen and Shen (2013) add that customers do not only want good quality products but environment-friendly too. These demands are confirmed in the article of Sarkis, Gonzalez-Torre and Belarmino (2010), as customers and clients may influence a company's decision to implement environmental practices. Clients of the firm might require that their vendors adopt environmental practices to improve the environmental performance. Some corporate customers may even require suppliers to provide certification of the compliance regarding environmental regulations (Sarkis et al., 2010).

A growing number of companies are implementing green marketing to gain a competitive advantage (Giunipero et al., 2012). Also, competitors have been identified as drivers in the literature regarding sustainable supply chain management. Competitors

might be environmental technology leaders who set the pace for environmental innovation. If a firm aims to gain competitive advantage, it must deploy a proactive environmental strategy by developing supply management capabilities. Giunipero et al. (2012) found that excelling in protection of environment increased opportunities to achieve competitive advantage. Also, it was discovered that environmental management in daily processes can have a major influence on the ability of the firm to develop and maintain a competitive advantage in environmentally friendly practices developed by purchasing and supply chain managers (Giunipero et al., 2012).

Furthermore, Hsu et al. (2012) discuss that many organizations are pressured by their competitors who induce organizations to implement sustainable initiatives to compete and gain competitive advantages. They emphasize that a company often gain competitive advantage by improving their original products by modifying them. Moreover, by focusing on cooperative actions, firms can gain sustained competitive advantage.

The environmental issues have gained further foothold in the business environment and the public is increasingly aware and influenced by the reputation of the firm regarding the respect of environment when making purchasing decisions (Walker et. al., 2008). The public demand more environmentally friendly products and are more socially conscious (Walker et. al., 2008). Jacobs and Singhal (2017) found that corporate reputation means different things to consumer and investors, such as product quality, employment desirability, investment quality, strategy efficacy, and corporate social responsibility. They describe reputation as an asset that is a source of competitive advantage. They also found that reputation can improve financial performance (Jacobs & Singhal, 2017). Rehman and Shrivastava (2011) in turn, found that organisations are motivated towards sustainability strategies, for instance, corporate social responsibility to improve their reputation and brand image. Chkanikova and Oksana (2015) revealed that the possibility to reinforce company's reputation and brand name through sustainability in supply chains is one of the most important drivers for many retailers.

Bhool and Narwal (2013) state that implementing sustainable practices and improved reputation walk hand in hand as they had positive relationship between them. Wolf (2014) found that sustainable supply chain management (SSCM) implementation is driven by companies wanting to engage in SSCM practices to improve their reputation as a “good citizen” to enhance their societal legitimacy. Sajjad et al. (2019) studied that reputation was second most mentioned external driver in their study, only beaten by customer expectation/pressure. Moreover, Sajjad et al. (2019) discovered that managers had variety of motives in perceiving SSCM. Some managers saw SSCM as a driver in improving corporate reputation and brand value, some saw the need of protecting corporate reputation and brand value (Sajjad et al., 2019). Managers also stated that reputation can quickly fade away if there is lack of commitment in sustainable practices (Sajjad et al., 2019).

2.2.5. Internal barriers

Nidumolu, Pralahad and Rangaswami (2009) discovered that many companies think that environmental friendliness can hinder competitiveness as it increases costs, and the financial benefits are long term basis but not immediate. Moreover, sustainability has staying power as only less than 1/4 of survey respondents said that they had made a step back on their commitment to sustainability during financial downturn (Berns, Townend, Khayat, Balagopal, Reeves, Hopking & Kruschwitz, 2009).

Mee, Axmawani, Yuhanis and Shafie (2015) discovered that increased investment in sustainable products concern many buying firms which believe that environmental programs increase total costs and consequently, decreases competitiveness. This can cause growth of costs and economic disadvantage compared to less environmentally responsible firms (Mee et al, 2015). Chkanikova and Oksana (2015) found that the literature has identified costs as one of the most mentioned barriers. Therefore, there are some tendencies towards addressing sustainability issues that require lower costs. Also, it is not so common to address profound impacts in sustainability as it is usually

more costly (Chkanikova & Oksana, 2015). Sajjad et al. (2019) support these findings by managers' declaration of cost-related barriers being the main hindering factors to sustainable supply chain management. Furthermore, Kumar and Rahman (2015) discovered that issues in costs affected the procedure of going green in supply chain. They found that higher investment and uncertainty of return of investment were significant barriers (Kumar & Rahman, 2015).

It also seems that firms automatically assume that sustainability increases costs, and thus, downgrading the profit (Wu & Pagell, 2011). The challenge for organization is when there is no clarity of impacts from environmental actions (Wu & Pagell, 2011). Environmental actions can cause costs in the short term while benefits in the supply chain and for the external stakeholder can only be seen in the long term (Wu & Pagell, 2011). To sum up, it seems that there is no clarity of certain financial benefits of sustainability practices, while the short-term costs are having a big role. Thus, the author feels the lack of clear information and the common fear of investing for the long-term is hindering firms to adopt sustainable sourcing.

Berns et al. (2009) discovered that lack of realising the importance of sustainability among leaders are hindering their sustainability practices. They found that there were three reasons for this. First reason is that managers lack knowledge of drivers and issues that are essential to their companies and industries. Second reason derived from lack of common definition of language for driving sustainability. The last reason stem from the lack of defining properly the goal of efforts. Most of the businesses do not have a strong business case for sustainability. There are many reasons for that. One reason is that it is difficult to forecast and plan beyond to five-year time horizon. Another reason is that gauging the effects of sustainability investments is experienced as rather difficult. Last reason can be found in planning as there is uncertainty regarding regulation and customer preferences (Berns et al.,2009).

2.2.6. External barriers

Giunipero et al. (2012) explains that globalization enables working with multiple suppliers, but such structure can be a burden for company to handle the supplier network and thus increases the complexity in purchasing. Global nature of current business environment requires large supply chains, and each continent has different standards of sustainability (Giunipero et al.,2012). Cooperating with these companies from different part of the world can be difficult as not every supplier agrees the restriction placed on them (Giunipero et al.,2012). Also, there are challenges to make sure that these suppliers are meeting the required environmental standards (Giunipero et al., 2012). Nidumolu et al. (2009) confirms that compliance for sustainability standards is difficult to implement as regulations vary depending on country, region, or city.

Previously the author has mentioned that regulation is one of the primary drivers in environmental or sustainability supply chain management. Simultaneously, regulation can act as a barrier. Environmental legislation and regulation can hinder innovation by imposing best available techniques and prescribing unreasonable targets (Mee, Azmawani, Yuhanis, & Shafie, 2015). They also found that, although there is growing concern on sustainable practices, there are lot of criticisms of the adoption of environmental initiatives because of the reactiveness of the process targets (Mee et al., 2015). According to Chkanikova and Oksana (2015), lack of common regulation between different countries can impose challenges for companies to implement sustainability. Sajjad et al. (2019) emphasize that government regulations play a key role in companies social and environmental impacts in sustainable supply chain management operations. With inadequate regulation or lack of governmental interest, it can deteriorate the process of sustainable development in companies (Sajjad et al.,2019). Niemann, Kotze and Adamo (2016), found that the lack of regulations and support systems are barriers for the adoption of sustainable practices. Also, Jayant and Azhar (2014), supports these views and results by adding that the lack of government regulation is the most dominant barrier in green supply chain management. Srivastav and Gaur (2015) states that limited

governmental support is another great barrier for firms to implement sustainability into their business.

Aghelie (2017) discovered that suppliers are found to be the easiest barrier for firms to deal with. Furthermore, cooperative customer-supplier relationships can improve organisations' abilities in managing sustainability issues more effectively (Vachon & Klassen, 2006). Zhu and Sarkis (2006) discovered that firms have differing drivers, barriers and sustainability practices depending on the industry they are operating. Therefore, these issues influence firms' reactivity or proactivity regarding environmental supply (Zhu & Sarkis, 2006). Walker et al. (2008) discovered that confidentiality between customer and suppliers are hard to reach in green supply chain management. This is since firms are unwilling to exchange information on green supply for fear of giving other firms a competitive advantage (Walker et al., 2008). Therefore, poor supplier commitment can act as a barrier for sustainable sourcing.

2.3. Summary of the literature review

In the first section of the main chapter 2.1., the focus was on studying sustainability in wine industry and examining more closely on wine industry in the Nordics. It was found that wine production has significant economic and cultural impact which inspired author to focus on wine industry and the environmental problems that occurs there. The focus on the Nordics was related to the uniqueness of the wine market. Nordic countries rely heavily on wine imports as they do not have domestic production. Also, having strong state alcohol monopolies and promotion of organic and ethical wines was part of uniqueness of Nordic wine industry. Nordics are also a remarkable wine importer by being the third largest wine importer in Europe. All Nordic monopolies encourages sustainable and ethical wines, and this has influenced on the increase of sales of organic wine. Among millennials, sustainable wines are massively popular.

Four Nordic countries of Finland, Sweden, Norway and Denmark and their wine market were studied. Every country had own features and differences. The common features were the lack of domestic production, promotion of sustainability, state alcohol monopolies, ecologically conscious consumers, and excise duties on alcohol. But there were also some differences. For instance, Denmark is the only Nordic country without state alcohol monopoly. Sweden's wine consumption also differs massively from Nordic counterparts with 89% of wine consumption out of total wine consumption in Nordics. Norway's characteristic is their substantially higher prices compared to other Nordic countries. Finland's special feature is that their wine market is concentrated to the two biggest importers who has the proportion of almost half of the Finnish wine market.

As we move on to the next section of 2.2., the focus was on studying the drivers and barriers behind sustainable sourcing. It was found that sustainable sourcing has many definitions in the academia. One definition for sustainable sourcing was described by Lambrechts (2020) as "sourcing the materials, products, and services an organization needs from its suppliers in a sustainable manner, thereby taking into account the environmental and social impact of its supply chain strategies and activities." As there are multiple definitions, there are also some challenges and problems in the literature caused by methodological challenges where respondents tell their views with a social desirability bias.

In recent years, there has been growing attention to sustainable and socially responsible sourcing. At present, companies are held responsible for the way of managing supplier relationships which is seen in the growing attention towards sustainable supply chain management in the academia (Lambrechts, 2020). According to Sajjad et al. (2019), there is a lack of studies on drivers and barriers in SSCM implementation. This led author's attention for the most common drivers and barriers used in the literature to understand the phenomenon. It was found that both internal and external issues related to drivers and barriers that influenced the decision-making of the firms.

The most common drivers in the literature of sustainable sourcing were top management commitment, financial benefits, regulation, customer demand or pressure, competitors or competitive advantage, and reputation. The most common barriers were costs or financial issues, misalignment of short term and long-term strategic goal, lack of sustainability standards, regulation, and poor supplier commitment. Drivers and barriers gave a general understanding of the importance of sustainability in sourcing and how these issues can influence on decision-making in the firms.

To summarize the chapter, below you can find Table 1 and Table 2 listing all the drivers and barriers found in the literature. It was found that certain drivers and barriers had more importance than others depending on the amounts of studies related to these. Furthermore, theoretical framework is formed based on the literature review studied above. Theoretical framework is formed and revealed in the Figure 2, right after Table 2.

Main drivers	Description
Top management commitment	A mediating force that influences reputation, regulatory issues, and competitive advantage (Giunipero et al., 2012). Top management commitment spreads throughout the firm to other employees who adapt to this commitment (Sajjad et al., 2019).
Financial benefits	By preventing pollution, costs can be saved (Walker et al., 2008). For instance, product life cycle is crucial in reducing costs (Walker et al., 2008).
Regulation	Tax incentives or environmental complexes (Lee, 2008). Government's engagement to green supply chain initiatives (Berns et al., 2009).
Customer pressure/ demand	Creates pressure for firms, especially to small firms (Walker et al., 2008). At present, customers are more aware environmentally (Hajikhani et al., 2012).
Competitors/ competitive advantage	Competitors can drive others with their examples and by being environmental leaders (Giunipero et al., 2012). Cooperative actions could be one solution to drive sustainable sourcing (Hsu et al., 2012). Purchasing and supply chain managers have crucial role in developing environmental issue as a competitive advantage (Giunipero et al., 2012).
Reputation	Reputation can be related to great variety of things such as product quality, employment desirability, investment quality, strategy efficacy, and corporate social responsibility (Jacobs & Singhal, 2017).

Table 1. Summary of the main drivers in sustainable sourcing.

Main barriers	Description
Costs/ Financial issues	Financial benefits are seen in long-term, but the increase of costs related to improving sustainability causes short-term increase in costs (Nidumolu et al, 2009). High investment and uncertainty of return of investment act as significant barriers (Kumar & Rahman, 2015).
Misalignment of strategic goals	Managers' lack of knowledge, common definition of driving sustainability and lack of defining clear objectives. This is very common as most of businesses have no strong cases for sustainability (Berns et al., 2009)
Lack of sustainability standards	Global nature of business environment requires large supply chains which makes it difficult because different parts of the world agree differently on sustainability restrictions (Giunipero et al., 2012).
Regulation	Regulation can hinder innovation by hindering best available techniques and prescribing unreasonable targets (Mee et al., 2015). Also, lack of common regulation between different countries can cause challenges to implement sustainability (Chkanikobva & Oksana, 2015).
Poor supplier commitment	Suppliers found to be the easiest barrier for firms to deal with (Aghelie, 2017). However, Walker et al. (2008) found that confidentiality between customer and suppliers are hard to reach in green supply chain management.

Table 2. Summary of the main barriers in sustainable sourcing.

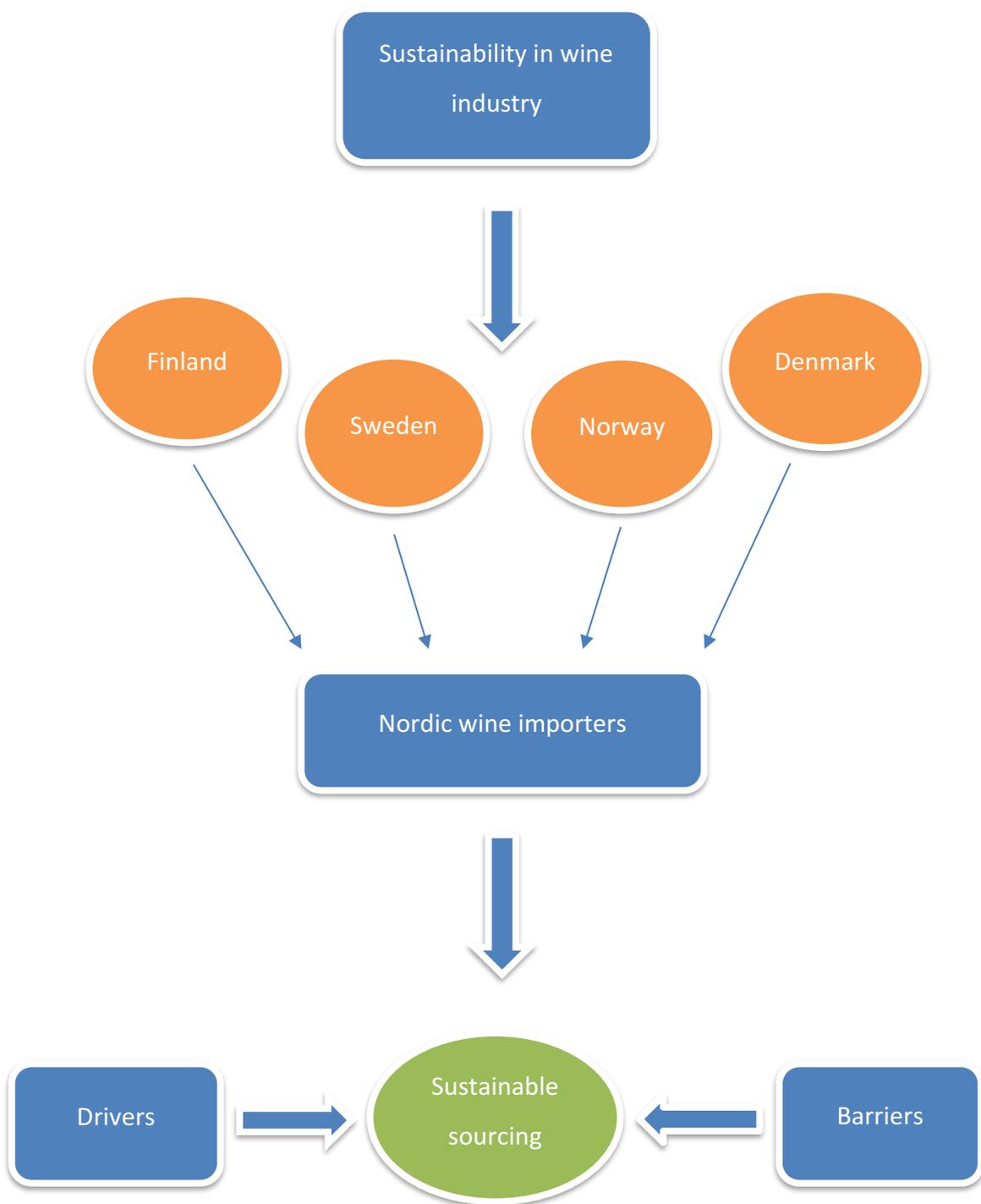


Figure 2. Theoretical framework.

3. Methodology

3.1. Research methodology

According to Hirsjärvi, Remes & Sajavaara (2010, p. 137) research always has a purpose or a mission. Purpose guides the research choices strategically, and can be described by four characteristics: exploratory, explanatory, descriptive or predictive (Hirsjärvi et al., 2010, pp. 137-138). The purpose of this thesis is exploratory. The reason for this is that the author wants to study whether there are new point of views and new phenomenon. This thesis aims to explore and study the drivers and barriers of sustainable sourcing of wine importers to find different point of views and investigate known phenomenon. Hirsjärvi et al. (2010, p.138) emphasizes that the strategy for exploratory approach is usually qualitative research.

In the next chapters, the focus will be on discussing the different layers of Saunders, Lewis, and Thornhill's (2019) research onion, which was shown previously in this thesis. The areas we will be discussing are research philosophy, approaches, strategies, choices, time horizons and techniques and procedures of data collection and data analysis. Below, in the next page, figure 3 will provide all the research methods used in this study by applying research onion by Saunders et al. (2019).

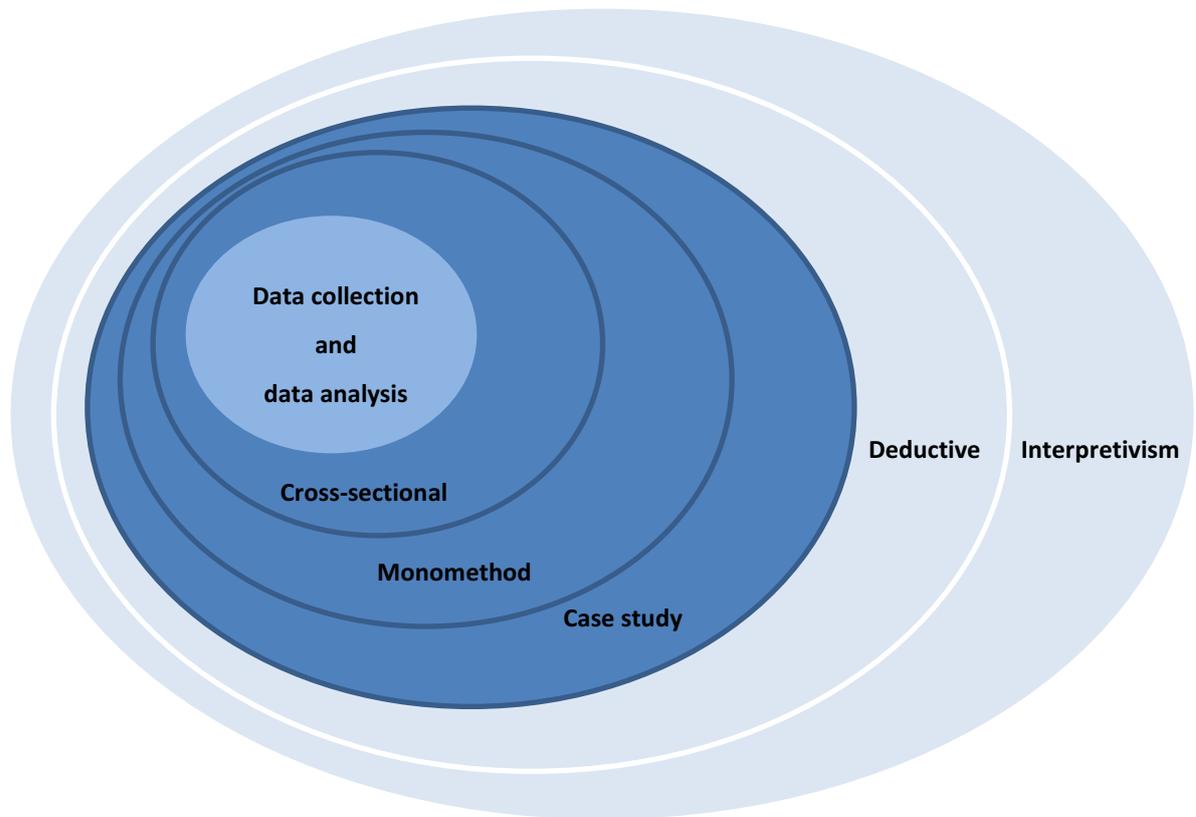


Figure 3. Research methods chosen for this study, applied from the research onion by Saunders et al. (2019)

3.2. Research philosophy

Every research method is in close relation with research philosophy and to the ways it is possible to bring forward novel information through research (Eriksson & Kovalainen, 2008, p. 11). Research philosophy helps us understand why qualitative research can be done in many ways, and how qualitative data can be collected and analysed in different ways (Eriksson & Kovalainen, 2008, p. 11). Furthermore, it helps to recognize differences in quantitative and qualitative research (Hirsjärvi et al., 2010, p.129). Also, philosophical issues explain why different methods are being used in analysing the data (Eriksson &

Kovalainen, 2008, pp. 11-12). The main philosophical positions vary across the literature (Eriksson & Kovalainen 2008, p.19).

The aim of this thesis is to answer the research question and fulfil the research objectives through interviewing Nordic wine importers about the drivers and barriers in their sustainable sourcing. Therefore, the appropriate research philosophy is interpretivism. The reason for the selection of interpretivism is because this thesis focuses on observing people and experiences which concerns subjective and shared meanings. (Eriksson & Kovalainen 2008, pp.18-19). Thus, these people and experiences with subjective and shared meanings are being provided through the semi-structured interviews where interviewees share their point of views and their experiences in sustainable sourcing.

3.3. Research approach

After defining what is the research philosophy, it is essential to clarify what is the research approach. There are two aspects of inquiry in social science research: deduction and induction. However, most of the studies have combination of both deductive and inductive approach. Deduction in research has been the superior way to build theoretical knowledge base. Deductive approach has the idea that theory is the first source of knowledge which is then used to create hypotheses, and these hypotheses can be applied in empirical study. In induction logic, the researcher starts from the empirical research and ends in theoretical results. (Eriksson & Kovalainen 2008, p. 22) In this thesis, the primary source of knowledge is the theory that exists in the literature which makes this thesis a deductive research.

Some researchers claim that most of the misunderstandings in the field originate from the unclarity of definitions of quantitative and qualitative methods (Hirsjärvi et al., 2010, pp.135-136). There are some of the confusion stems from seeing qualitative method as a methodology that lacks depth and generally it is associated to certain material

collection ways (typically to interviews and field research) (Hirsjärvi et al., 2010, p.136). Also, qualitative research is associated with non-numerical characteristics such as oral report (Hirsjärvi et al., 2010, p.136). However, Eriksson and Kovalainen (2008, p. 4) points out that quantitative research lacks the depth to deal with social and cultural construction of its own variables. Qualitative approaches usually focus on interpretation and understanding, compared to quantitative approach where the focus is more on explanation, testing hypothesis and statistical analysis (Eriksson & Kovalainen, 2008, p.5).

The method chosen for this thesis is qualitative method with semi-structured interviews. Qualitative method is chosen because of its interpretative nature that fits into this research. Semi-structured interviews give flexibility but has certain amount of structure but mainly the interviews can flow freely.

3.4. Research strategy

Research strategies can be defined as approaches used in the research process to collect data for further analysing and finding novel information or understanding the studied phenomenon (Eriksson & Kovalainen, 2008, p.16). There are three traditional research strategies that can be used in traditional research, and these are divided into experimental studies, survey research and case studies (Hirsjärvi et al., 2009, pp. 134-135). While considering the research questions and objectives for this thesis, the best option of these strategies is the case study. According to Eriksson and Kovalainen (2008, p.117), the similarities between the various definitions of case study research is the emphasis on detailed and holistic knowledge. Case study aims for diversity and complexity, thus, avoiding too simplistic research designs. Also, case studies can be divided into two groups: intensive and extensive case studies. The difference between intensive case study and extensive case study is the number of cases. In extensive case study, there are several cases from which to collect data, compared to intensive one where the aim is to base the findings on one case (Eriksson & Kovalainen, 2008, p.118).

In this thesis, the goal is to succeed in finding the drivers and barriers in sustainable sourcing of Nordic wine importers. For this purpose, many cases are studied and therefore extensive case study is a sound method for the thesis. Because of numerous research gaps in sustainable sourcing of wine importers, the extensive case study is particularly suitable for the research phenomenon that needs further research (Eriksson and Kovalainen, 2008, pp.122-123).

3.5. Data collection

There are multiple ways of conducting a qualitative case study. According to Hirsjärvi and Hurme (2009, p.34), most used methods for data collection is interviews. Particularly informal or semi-structured interviews as data collection methods are increasingly popular (Hirsjärvi & Hurme, p. 34). Other commonly used methods are surveys, observations and information combined from different documents (Hirsjärvi & Hurme, p. 39). Interviews are a flexible method, and it fits in many research purposes (Hirsjärvi & Hurme, p. 35). Interviews provide direct communication with the interviewee and gives an opportunity to find more information in that certain situation. (Hirsjärvi & Hurme, p. 35). Also, interviews can provide information of the motives behind the answers (Hirsjärvi & Hurme, p. 35).

As the objectives of this study is to examine the drivers and barriers behind sustainable sourcing of wine, a research interview proved to be the most suitable alternative. The reason for this is that in interviews the employees (managers or specialists) can relatively freely share their expertise about the drivers and barriers influencing the adoption or process of sustainable sourcing. Also, as the topic drivers and barriers influencing wine importers' sustainable sourcing has not been researched, an interview provides a wider perspective to gain understanding of the phenomenon.

There are three different types of interviews. First type is structured interview where the interview will proceed exactly according to the questions provided in the question

form (Hirsjärvi et al., 2010, p. 207; Eriksson & Kovalainen, 2008, p. 80). In semi-structured interviews, there is an outline of topics, issues, or themes with the author but there is a possibility to change the wording and the sequence of the questions (Eriksson & Kovalainen, 2008, p. 80). Semi-structured interviews have advantage in having relatively systematic and planned materials and questions while having conversational and informal interview (Eriksson & Kovalainen, 2008, p. 82). Third and last type of interview is unstructured and open interviews (Hirsjärvi et al., 2010, p. 209). This interview type is the closest one to the conversation (Hirsjärvi et al., 2010, p. 209).

In this thesis, the data will be collected through semi-structured interviews with open-ended questions and giving possibility for a discussion with interviewee. The interviews will be conducted remotely, through Zoom or Microsoft Teams. Interviews will be recorded to ensure that the data is as trustworthy as possible but also to enable the review possibility after the interview. Also, in addition to the Zoom recordings, the interviews will be recorded through a smart phone to ensure that if some problems occur, there is a backup option to support the data. The main purpose is to conduct these semi-structured interviews with Nordic wine importers who are in charge of making decisions of wine sourcing. Thus, managers must have expertise and insights to their work and decision-making power.

The size of the companies varies among the interviewees from a single entrepreneur to a wine importer with 19 employees and revenues of 45 million euros. The variation of size of the wine importers helped reaching a diverse scale of the target group. The aim of the thesis was to study Nordic wine importers but finding the interviewees' outside of Finland proved to be difficult as only one Swedish representative and one Norwegian representative answered and agreed for the interviews. Unfortunately, no Danish representative will be present in this thesis. However, luckily the author managed to conduct seven interviews with Finnish wine importers out of 17 contacts.

These interviews were rounded between February and March 2021. These interviews were conducted through Zoom, which is a video conferencing online application. The duration of interviews was from 26 to 46 minutes. As mentioned before, the interviews were recorded through Zoom, and supported by alternative recording via smart phone to ensure that there are back up material if problems appeared. Almost all the interviews were performed in Finnish, except the interviews with Norwegian and Swedish wine importer, which were held in English. All the interviewees were asked the same questions which can be seen in the interview form in Appendix 1. Interviewees are referred as A, B, C, D, E, F, G, H (Norwegian wine importer) and I (Swedish wine importer). Below you can find a Table 3 which includes all the statistics and information about the interviewees.

Nordic wine importers	Position/ Title	Years of experience in wine importing business	Employees	Revenues in million euros (€)	Duration of the interview (minutes)
A	Product & Brand manager	6	4	3,8	36
B	CEO & Founder	15	1	0,4	33
C	CEO	26	1	2	45
D	Product manager & Partner	10	19	45	40
E	Buyer & Founder	14	5	1,5	42
F	CEO	31	10	33	40
G	Portfolio manager	3	7	4,4	26
H	Portfolio Manager	26	9	14,2	36
I	Head of Product Portfolio	21	32	45	41

Table 3. Information about the interviewees.

3.6. Data analysis

According to Hirsjärvi et al. (2010, p. 221), analysing, interpretation and making conclusions of the collected data is the core of the research. It is an important stage as it is the goal when starting the research. In the data analysis part, the researcher will understand what kind of answers cause problems. Usually in the empirical research, conclusions can be made after some preparations. In the first phase, the researcher will check the information of the data: are there any false issues or lack of information. Second phase is about complementing the information. Sometimes, the researcher must complement the documentary and statistical data with interviews or surveys, or even contact the interviewees for more precise information. Last phase is the arrangement of the data for saving the knowledge and for the data analysis (Hirsjärvi et al. 2010, p. 221-222). For instance, in this study, author needed to ask for additional information about the statistics from Norwegian wine importer.

According to Tuomi and Sarajärvi (2018, p.108), there are three different approaches to data-analysis: data-driven analysis, theory-driven analysis, and theory-bonded analysis. In theory-bonded analysis, the objective is to analyse the data in a way that the prior theory supports the analysis. Even though the analysis is not straight way based on the theory, the theory supports the data analysis. Also, the prior theory is not directly tested. However, new thoughts on the research phenomenon are developed (Tuomi & Sarajärvi, 2018, pp. 108-111). In this thesis, author chose the theory-bonded approach because of the relatively new research phenomenon and it gives support for the deductive characteristic of the thesis. By combining existing literature in drivers, barriers, sustainable sourcing, and sustainability in wine industry to the collected data, the theory-bonded approach has been applied. Down below, the data analysis process is being clarified with a table 4.

Initial Expression	Simplified Expression	Subcategory	Main category	Integrative Category
<i>"I have a good reputation in Alko which helps me to sell my wines to them. --."</i>	Good reputation in sustainability is advantageous	<i>Reputation</i>	Driver	Drivers and barriers in sustainable sourcing of wine importers
<i>"We have won 39 product tenders last year, from which 38 were wines that had at least one sustainable attribute in Alko's wine selection."</i>	Focusing on sustainability gives an edge in state monopoly tendering processes.	<i>State monopoly</i>	Driver	
<i>"One of our wine producers changed their bottles to lighter ones with natural corks. However, consumers prefer these bottles that has a screw top. Therefore, we had to change back to heavier bottles with screw tops because of the commercial reasons. "</i>	For financial and commercial reasons, non-environmentally friendly product wins due to consumers' needs	<i>Financial costs</i>	Barrier	
<i>"Wine market is not in a situation where consumers are automatically ready to pay more for green or sustainable wines. from price or quality."</i>	Consumers are not ready to pay too much for sustainability, even though they want sustainable wines	<i>Consumers' willingness to pay</i>	Barrier	

Table 4. Data analysis process (applied from Tuomi & Sarajärvi, 2018, pp.132)

3.7. Trustworthiness of the study

Hirsjärvi & Hurme (2009, p. 184) points out that in the research, we can talk about quality control. When speaking about interviews, quality must be observed in different

phases of the research. One way is to develop a good interview structure. It is also beneficial to consider themes that can be deepened or alternative questions. The difficulty lies in the unpredictability of the interviews because one cannot prepare beforehand for possible extra questions. Also, by going through the interviews during the interview phase is important (Hirsjärvi & Hurme, 2009, p. 184).

Hirsjärvi et al. (2009, p.231) points out that the aim of the research is to minimize the errors. However, the trustworthiness and qualification of the results might vary. Therefore, there is a strive for judging the trustworthiness of the study. There are many variations to measure and study the trustworthiness of the study. The reliability of the study means that the measurement is repeatable. Thus, the reliability of the measurement and study means that it has capability to produce non-random results. Reliability can be measured in several ways. For instance, if there are at least two similar results when there are two reviewers or if the same person is examined in different times with same results (Hirsjärvi et al., 2009, p.231).

In this thesis, reliability was ensured by creating same interview questions that can be used in every interview. Although the same questions were asked from interviewees, some of the words or orders were altered a bit. The aim was to do the transcription carefully to enable the originality of the answers. Also, the data was analysed carefully and the comparison between the answers were done with care. These procedures enabled the repetitive possibility for the research.

According to Hirsjärvi et al. (2009, p.231), the validity of the study means that the measure or research method has the capability of measuring exactly what was planned to measure. However, not always the measure and methods meet the reality. For instance, in surveys the questions are answered by participants, but respondents might have understood the questions totally wrong or opposite to what the researcher have thought. Therefore, the researcher must alter the way of analysing the results. Otherwise, the measure will have errors (Hirsjärvi et al., 2009, p.231).

In this thesis, the interviews were conducted in Finnish with Finnish wine importers and in English with Nordic wine importer. As Finnish was the mother language of the Finnish interviewees, and the mother language of the interviewer was Finnish, the interpretation of the discussion became easier. However, some challenges might come in misunderstanding if the interviewee speaks English, but this was considered when transcribing and analysing the data. To confirm that the study has validity, the interviewees were given time to think their answers. Also, interviewees were told that the research is about studying the role of drivers and barriers in sustainable sourcing of wine importers. However, the interviewees were not given any sort of pre-assignment or questionnaire before the interviews. This was a deliberate choice to ensure data's originality.

Hirsjärvi et al., (2009, p.232) emphasize that in qualitative research, there are mixed interpretations regarding reliability and validity. However, the trustworthiness and qualification of the research must be judged somehow. The trustworthiness of the qualitative research will increase if the researcher has precise description of how the study has been conducted. For instance, in interviews or observations one must talk about the circumstances with clarity and truth. Also, the time spent, potential distractions, error estimates and researcher's self-evaluation are issues that must be addressed (Hirsjärvi et al., 2009, p.232).

In this thesis, there were many ways to increase the reliability and validity of a qualitative research. First, the interview structure was created carefully to avoid any misunderstandings. It is also crucial to tell the respondents the interview structure and the duration. After the interview is done, the coding of the data was done with care and within short period of time after the interviews. In the Appendix 1 of the thesis, there will be interview questions attached so that transparency will be present.

4. Findings

Based on the findings below, we will understand better the sustainable practices in wine industry, specifically regarding wine importers. These findings will be analysed and brought together with the previous literature of sustainability in wine industry, and the drivers and barriers in sustainable sourcing. Additionally, there will be statistics to provide numerical information about the sustainable sourcing of wine importers. Further, quotations from interviewees are also presented to support the interpretation.

4.1. Finnish wine importers

Before the author asked interviewees about drivers and barriers and their role in sustainable sourcing, it was important that we understood how wine importers define sustainable sourcing. Also, it was important to know whether they have adopted the principles of sustainability in their sourcing process. In simplicity, sustainable sourcing was described as a process where sourcing is environmentally friendly, fair, and ethical. Moreover, sustainable sourcing is sourcing of sustainable wines. Therefore, the definition from Lambrechts (2020) is compatible with the definitions from Finnish wine importers. Majority of the interviewees mentioned that sustainable sourcing is strongly related to wine certifications. However, the role of certifications was strongly dependent on which countries the wine was imported.

It was also clear for many interviewees that optimizing the sourcing and the quantity must be in line with customer demand. By ensuring quantity that corresponds the customer needs by importing wine from the producer once a year in bulk, there would be less truck traffic created from additional wine imports. Logistic side of wine importing seems to have strong emphasis on wine importers' sustainable sourcing and it is often compensated, or the carbon footprint is optimized. Also, it was emphasized that sustainable sourcing principles are similar to what Alko (Finnish alcohol monopoly) requires, which is committing to Amfori BSCI (Business Social Compliance Initiative). This

is line with the knowledge from literature that alcohol monopolies have strong influence on wine importers (CBI: 2016). It was also discovered that all Finnish wine importers generally knows their producers personally and that the wine importing business is very human-centric and personal.

“As soon as we talk about countries outside of Europe, such South Africa, Argentina, and Chile, sustainable sourcing means that the sourcing is certificated and audited.”

(Interviewee A)

“My sustainable sourcing of wine has not been fully conscious but rather something considered self-evident with German wine producers.” (Interviewee B)

“We require the commitment to Amfori BSCI from our producers. We have put effort on transportation and how to measure and optimize it. We always aim to buy wines that are responsible, fair and sustainable.” (Interviewee D)

Based on the literature of sustainability in wine industry, it was no surprise that sustainable sourcing was strongly part of all the interviewees' wine importing processes. It is essential to study how and why sustainable sourcing is part of wine importers' strategy to understand the phenomenon. Also, by studying the main areas they have focused on sustainable sourcing and motives for it, are crucial.

All interviewees focused on optimizing the quantity of wine imports by ordering in bulk. Some of the interviewees said that they will pack the wine in close countries such as Estonia or Sweden to minimize the carbon emissions. It is almost unanimous reckoning that Finnish wine importers emphasized these topics: sustainable packaging and transportation/logistics. The study from Fusi et al. (2014) supports these emphasises as sustainability is determined by glass bottle production. All packaging materials are considered as sustainable if they are not bottled in heavy glass bottles but in other materials such as lightweight glass, Tetra packs, bag-in-boxes and PET plastic bottles.

According to Krause, Vachon, and Klassen (2009) and Schneider and Wallenburg (2012), firms must be responsible from their suppliers' behaviour and it is crucial to have close relationships with suppliers. While wine importers seem to focus most on the sustainability of logistics and package solutions, it was notable how they try to influence their suppliers, in this case, wine producers, on their sustainability practices and that many of these interviewees only buy from producers who are committed to sustainability through production or certificates.

"Most of our wines and new wines are in some sort of sustainable packages. Less glass, and less plastic. This the trend where the industry is going. "(Interviewee A)

"During Autumn, I always try to check what is the storage situation and how much is the need for new orders to ensure that there will be no transportation during Winter, because when the weather is cold, wines must be transported in a warm controlled place. "(Interviewee B)

"For instance, our Portuguese wine producer have changed their heavy wine bottles to lighter bottles through our influence. This act has decreased their carbon emissions by 20%. We emphasize that being sustainable will create competitive advantage in the wine market." (Interviewee C)

Sustainability is important in wine industry but when talking about *high quality and premium wines*, the sustainable packaging does not act as important role as in lower quality wines or bulk wines. Some of the Finnish wine importers import high quality wines with strong brands which are not bottled into lighter, environmentally friendly bottles because of the brand image. This confirmed from the literature as Amienyo et al. (2014) discovered that there are producers who simply refuse that their wines are bottled in lighter packaging materials due to brand image of heavy, traditional glass bottles.

“The high-quality wines are still bottled in glasses due to the prestige image of the quality. But the rest of the wines are be packed in sustainable way.” (Interviewee A)

“All my wine importers are top quality wines which are not bottled in other than glass bottles.” (Interviewee B)

“Majority of our wines are in glass bottles (light or heavy) as most of the restaurants are not ready to use other than glass bottles. “(Interviewee G)

We have now learned about how sustainable sourcing is done among Finnish wine importers. Now we will concentrate more on the main areas of sustainable sourcing. Author wanted to find those areas which Finnish wine importers are focused and motives for it. As mentioned before, in the chapter, supply chain, and producers (certificates and production) are very important in tackling sustainability issues. Many of the interviewees said that they know their producers well and cooperates with them closely to influence their production and how sustainability is conducted. These sustainability issues can be ranging from certifications to wine production.

For majority of the interviewees, logistics and packaging is an issue that has a great effect to sustainability cause. Sustainability in logistics and packaging is seen as very effective way of influencing the carbon emissions. These are also the issues wine importers' have the greatest power to influence. According to Moccia (2015), the packaging material and weight of wine has a significant impact on transport emissions, particularly in long distance transports. Therefore, packaging and transportation are in close causation to each other. According to Robinson (2019), studies in Australia and other parts of the world has indicated that most problematic areas for CO₂ emissions are transportation and packaging which accounts around 68% of the wine industry's carbon footprint, compared to the percentages from grape growing (15%) and wine production (17%). Below, there is a table 5 indicating CO₂ emissions from different packaging materials.

	Grams of CO ₂ emissions per litre
1 minute shower	80 g
Glass bottle (traditional) 0,75L	675 g
Lightweight bottle 0,75L	525 g
PET plastic bottle 0,75L	245 g
Aluminium can 0,33L	190 g
Bag-in-box 1,5L	96 g
Cardboard can (Tetra pack) 1 L	85 g

Table 5. CO₂ emissions of different packaging materials, applied from the report of Alko (2019)

“At the moment, we have focused into sustainable packages and sustainable transportation. We want that our supply chain is as responsible as possible. Also, we are very strict with audit process and certifications.” (Interviewee A)

“The way we can influence is by reporting to producers what our customers and consumers want. I also choose wines that fulfils certain criteria, whether it is organic wine or sustainable wine generally.” (Interviewee C)

“We aim to influence our producers to adopt sustainable practices. However, organic farming is not easy for everyone as it depends on a lot of the location. We try to look case-by-case of what we can do to influence producers. For instance, with certain Portuguese winery, they started to bottle wine into lightweight bottles which decreased their carbon emissions by 20%. We try to emphasize that it is vital to adopt sustainable practices and trends quickly to achieve competitiveness, or even competitive advantage. It is the future of the wine business and even a lifeline in near future. “(Interviewee D)

“It is about the whole picture. Many of our wines have organic wine certifications but also lot of wines are farmed with organic principles. However, some of the producers are

not willing to pay for certifications, particularly with small producers. As entrepreneurs, we always try to choose producers who share the same values as we do. “(Interviewee E)

“Our focus is on those wines that are in sustainable packages such as Tetra packs and bag-in-boxes, this is due to the business potential of these wines. We have directed our focus to producers in responsibility matters to ensure that they are doing things according to agreement. “(Interviewee F)

“Logistics is the biggest focus area for us, because we cannot just dictate our producers to do what we want. As a wine importer, logistics is the most important area, and we want to focus on that. Also, it has the most significant influence environmentally (packaging material and transportation).” (Interviewee G)

Next, there are tables gathered from Finnish wine importers to provide statistics of their sustainable sourcing. However, not all Finnish wine importers had statistical information to give, thus not all interviewees have a table for statistics. Below you can find statistics from interviewee A, D, E and F and from tables 6, 7, 8 and 9, respectively.

Interviewee A	40 % of the total sales of wine are Fair for Life or Fairtrade wines
	88 % of all wines imported are in environmentally friendly package (Bag-in-box, Tetra packs, Lightweight bottles, PET)

Table 6. Statistics in sustainable sourcing by interviewee A.

Interviewee D	72 % of the total sales of wine to Alko are product of green choice
	20 % of the total sales of wine to Alko are organic wine certificates
	33 % of total sales of wine to Alko are vegan friendly

Table 7. Statistics in sustainable sourcing by interviewee D.

Interviewee E	13% of the total sales of wine are organic wine
	3% of the total sales of wine are biodynamic wine
	1% of total sales of wine are Fair trade wine

Table 8. Statistics in sustainable sourcing by interviewee E.

Interviewee F	20% of the total sales of wine are organic or biodynamic wines
	75% of the total sales of wine are sustainable (sustainable packaging or organic)
	95% of total sales of wine are at least in lightweight glass bottles

Table 9. Statistics in sustainable sourcing by interviewee F.

Finnish wine importers have recognized the trend of the growth in sustainable wines and Finnish alcohol monopoly promotes with different kind of sustainability actions. It was recognized that Alko's strategy was strongly related to why Finnish wine importers have shifted their focus on sustainability. Many of these interviewees were in close relationship with Alko, and to ensure the smooth business partnering with the monopoly, wine importers try to promote Alko's strategy. It was also mentioned that it is difficult to compete in Alko's tendering process if there are no commitment to sustainability cause or sustainable products. Sustainable sourcing is seen as an issue that benefits the business because of the consumer trend and market situation, it is simply not possible to do business in wine industry without taking in consideration of environmental and ethical issues. For many of the interviewees, sustainable sourcing is a perception of how the world should be and it is seen as a good thing for the society.

"We have lot of producers whose philosophy is based on sustainability. Alko's philosophy is also in sustainability which we aim to support. We see that green approach is a future competitive advantage which does not happen in fortnight but in persistent, long-term build up. It will benefit the business massively. We want to be in forefront in the wine industry." (Interviewee D)

"We have seen that there is not point of offering wines that are not ethical or sustainable to Alko as you will not have any chance of getting to the table offers without these sustainable products. The competition in Alko is very tough and getting our products there is difficult. "(Interviewee E)

"I feel it is an automatic approach (sustainability). Personally, I cannot bare myself if I would sell my products that are produced by child labour etc. Some of these sustainability practices comes from the conscience of how the world should be. Of course, we are constantly smelling the market situation and the surrounding world. We are aware of the trends. Sustainability and sustainable sourcing have been a massive consumer trend during the last few years especially in wine industry. "(Interviewee F)

“We feel sustainability is a necessity. You cannot do business in wine industry without thinking about sustainability. Producers have started to focus on sustainability, consumers have increased their demands for sustainability, and so does Alko. “(Interviewee G)

It can be interpreted that for majority of the interviewees, sustainability is a must to compete in the wine industry. However, the necessity of sustainability is supported strongly by the perception of how the world should be treated and how the future could be better if people would dedicate to the sustainability cause. We can sense that this sustainability trend will only increase in near future due to the growing awareness among people, especially in business. There is a possibility that the consciousness of how sustainability and business can go hand in hand, will speed up the sustainable development.

4.1.1. Drivers

After asking questions related to sustainable sourcing, the author continued the subject by learning about the drivers and barriers behind wine importers’ sustainable sourcing. We will address the most important drivers and barriers that were constantly highlighted and emphasized among Finnish wine importers. First, we will focus on drivers, and then we will continue to address the barriers.

As discussed before, the public demand more sustainably friendly products. Furthermore, the public is more socially conscious. (Walker et al., 2008) Sajjad et al. (2019) found that reputation was second most mentioned external driver in their study. It was no surprise that *reputation* was found to be one of the strongest drivers among Finnish wine importers. Almost every interviewee revealed that reputation is crucial to their business. A bad reputation destroys the financial ground from the business. Therefore, the need for good reputation also stems from *financial benefits* which was one of the most important drivers for interviewees. This was no surprise, as the

literature strongly indicates the crucial role of financial issues as drivers in sustainable sourcing. For instance, Walker et al. (2008), Kamolkittiwong and Phruksaphanrat (2015) and Hsu et al. (2013) found that reducing costs and improving financial performance were essential drivers in sustainable sourcing and sustainable supply chain management.

It was mentioned that good reputation among Alko is important as Alko strongly emphasizes sustainability. Thus, we can interpret that *state monopoly* as a very strong driver for Finnish wine importers. This was not mentioned in the literature as driver for sustainable sourcing, but it can be considered as driver related to regulation. However, Alko's sustainable strategy is not coming from the government which makes the issue rather unclear if it is regulative driver. All of the interviewees emphasized that Alko's strategy pushes strongly on how to improve and increase sustainability in sourcing. Alko prioritizes and favours those wine importers in tendering process who have products that are sustainably produced, packed, and transported. Furthermore, *state monopoly* can be considered as *customer pressure/demand* as Alko is a customer for many Finnish wine importers.

Moreover, general *benevolence* act as a driver for many of the interviewees. It was mentioned as a conscience and perception of how the world should be. Interviewees stated that acting sustainably and ethically gave them a feeling of doing right and creating a better world for future. This was an interesting finding as this topic was not in the literature of main drivers.

Hajikhan et al. (2012) stated that customer demand for green products is one of the most essential drivers for organizations' sustainable initiatives. It is line with Finnish wine importers as majority of the Finnish wine importers see that *customer pressure/demand* towards sustainability act as an important driver, particularly during the last few years. The risen demand has also increased the sales volumes of sustainable wines, such as organic and vegan wines in restaurants.

Furthermore, as most of the interviewees worked in a relatively small wine importing company (under 10 employees) or were entrepreneurs, it was clear that the commitment of top management towards sustainability were strong in those Finnish wine importers who have put emphasis on sustainable sourcing. These findings have support from the research. For instance, Giunipero et al. (2012), Sajjad et al. (2019) and Srivastav and Gaur (2015) studied that member of top management are crucial for fostering firms' environmental management leadership.

"If we have a reputation of using slave labour in our business, it becomes a massive problem. This kind of act destroys the financial ground for business. Lobbing our products to Alko would become impossible. It is easier to do sustainable sourcing beforehand, than fixing upcoming problems related to sustainability and ethical issues." (Interviewee A)

"I have good reputation in Alko which helps me to sell my wines to them. During Covid-19, due to the difficult situation with closed restaurants, Alko has asked from wine importers for new wine samples to add to their category and due to my good reputation, they were willing to cooperate with me." (Interviewee B)

"I would rather use the word market instead of consumer demand in drivers. For us, it includes hotels, restaurants, catering, passenger traffic ships, and end-consumers." (Interviewee C)

"We have won 39 product tenders last year, from which 38 were wines that had at least one sustainable attribute in Alko's wine selection. This shows the crucial role of sustainability in Alko's criterias in choosing the wines to their selection." (Interviewee D)

"The consumer demand is an important driver. There are lot of growing interest towards sustainable wines, especially in restaurant business." (Interviewee E)

“We try to create situations where these (business and sustainability) walk with hand in hand. Our positiveness in sustainability will increase the financial benefits.” (Interviewee F)

“All of our wines from Europe are imported and consolidated in Estonia. For example, if we have wine containers coming from Germany, France, and Spain, all these containers will be imported to Estonia together. From Estonia, the containers will continue their journey to Finland. This is a big financial benefit and very sustainable.” (Interviewee G)

There were also some mentions regarding other drivers. Interviewee A mentioned that pressure from stakeholders such as human rights organizations, non-governmental organizations, and media drives wine importers to focus on sustainable sourcing. However, regulation in the field of wine industry is rather loose and does not act as a driver for interviewee A. Although these drivers are rather selfish, interviewee A said that there is also some level of altruistic intentions towards sustainable sourcing as it gives a good feeling that you have brought ethical and sustainable products to Finland. Interviewee E felt that encouragement for sustainability through taxation would be a strong driver, if there would be any kind of tax-related enforcement. However, competitive advantage was not seen as a crucial driver for majority of the interviewees, because being sustainable does not offer significant advantage. It is rather a way to keep up with the competition.

4.1.2. Barriers

It was discovered that there were far more drivers for sustainable sourcing than barriers. Two significant barriers were found to connect majority of the Finnish wine importers. Interviewees state that *financial costs* act as a barrier. This was expected as this was confirmed in many studies. For instance, Chkanikova and Oksana (2015) discovered that costs are one of the most mentioned barriers in the literature of sustainable sourcing. Wu and Pagell (2011) said that there is an unclear impact deriving from environmental

actions, and most of the costs are generated in the short-term while financial benefits might occur in the long-term. However, it could be interpreted through the barriers related to *financial costs* that there is a barrier related *consumers' willingness to pay*. It was explained that the wine market is not in the situation where sustainable wine automatically sells the most or that consumers are always ready to pay more from sustainable wine. Also, certificates were strongly related to *financial costs* as not all producers are ready to pay for expensive and bureaucratically complicated certifications, particularly the small wine producers.

"The cheaper the wine is, the less sustainable and ethical the wine is. For example, the sustainability in supply chain may get weaker and there is less certificates to prove the ethical quality of wine. It is difficult as we must find a balance between wine producers, tax issues, cost structure, financial profitability, consumers wish, ethical issues, and what retailer wants." (Interviewee A)

"For me (self-employed) the costs very minimal, but for producers, the cost of certifications is high, and many top-quality wineries might produce organic wine, but are not willing to pay for certifications." (Interview B)

"One of our wine producers changed their bottles to lighter ones with natural corks. However, consumers prefer these bottles that has a screw top. Therefore, we had to change back to heavier bottles with screw tops because of the commercial reasons. In this situation, consumer's practicality is more important than sustainability. If we simplify things, we can say that due to financial issues, we are not willing to change from heavier glass bottles to lighter ones." (Interviewee C)

"Wine market is not in a situation where consumers are automatically ready to pay more for green or sustainable wines. Therefore, if we want to add some sustainable features into the wine, we must bargain either from price or quality. For instance, at some point, we were planning to change from traditional heavy glass bottles with screw top into

lightweight bottles with natural cork. However, we realised that it is commercially wise to stay in these traditional glass bottles with screw top, because consumers are not ready to pay for lightweight bottles because there are no lightweight bottles that has a screw top. The practicality wins, and therefore, financially we were not ready to put sustainability ahead of profits.” (Interviewee D)

“For example, Fair Trade wines have not gotten a strong foothold in the market, because consumers are not ready to pay more for Fair Trade certificate. Alko’s strategy in sustainability has caused inflation regarding sustainability and consumers might hesitate to pay more for Fair Trade wines.” (Interviewee F)

4.2. Norwegian wine importer

For Norwegian interviewee, sustainable sourcing became automatic choice in their business, and their inspiration came from California, where today 90% of wines are sustainable. The Norwegian interviewee describes sustainable sourcing of wine as sourcing of products that are organic and biodynamic. While asking whether they have focused in certain areas in sustainable sourcing, interviewee emphasized that the focus is on wine production by producers.

“We have not set up criteria for making our company a sustainable one. We do not have any criteria for co2 emissions or things like that. Sustainable sourcing is mainly driven by the products we are selling. If we sell conventional wine, it must be environmentally smart because of the carbon emissions. “(Norwegian wine importer)

Interviewee mentioned that as they have a separate logistics department, they do not have much influence on how the transportation is done now. However, soon they will try to focus on influencing the sustainability of logistics. Below, you can find the statistics

from Norwegian wine importer's sales in table 10 and proportions regarding organic wines and conventional wines in table 11.

Year	2018	2019	2020
Conventional wine in litres (L)	6134	1236	2698
Organic wine in litres (L)	14 364	45 627	74 160
Total litres	20 498	46 863	76 858

Table 10. Organic vs conventional wine sales in litres of Norwegian interviewee's company during 2018-2020.

Year	2018	2019	2020
Conventional	29,93%	2,64%	3,51%
Organic	70,07%	97,36%	96,49%
Total	100,00%	100,00%	100,00%

Table 11. Organic vs conventional wine share from total wine sales of Norwegian interviewee's company during 2018-2020

Thus, we can interpret that sustainability practices have been very strong from our Norwegian wine importer. The share of organic wines has strongly increased during the last few years, leaving no room for conventional wines. Furthermore, sustainable packaging has also increased in the company during the last few years as indicated in the table 12 on the next page.

Package type	2018 (litres)	2019 (litres)	2020 (litres)
Bag-in-box (BiB)	339	2823	9105
Glass bottle	2531	5982	8039
Tetrapack	11 494	36 797	56 955
PET	0	25	61
Total	14 364	45 627	74 160

Table 12. Package type development during 2018-2020.

As previously mentioned in this thesis, the most used sustainable packages are BiB packages, lightweight glass bottles, Tetrapacks and PET bottles. It can be interpreted that the use of sustainable packaging has grown tremendously during the three-year period. To clarify the glass bottle section, there are included lightweight glass bottles which have not been separated in the table. As a conclusion, the growth of organic wines and sustainable packaging in Norwegian wine importing company has happened within fast pace and in short period of time.

4.2.1. Drivers

In Norway, their monopoly (Vinmonopolet) focus on environmentally smart packaging which drives Norwegian wine importers to focus on sustainability of wines. Also, the end-consumers demands act as a driver for Norwegian wine importer in increasing demand.

“We see that in other Nordic markets, the sustainability trend is growing. There is a difference between Norway and Sweden. In Systembolaget, they have stated a goal for organic share in their portfolio. In Vinmonopolet, they say they cannot do it. We do not know the reason. “

However, Vinmonopolet try to influence to sustainability through tendering process. This requires Norwegian wine importers to list their wine assortments to Vinmonopolet to be able to compete with other wine importers.

According to the interviewee, there is a lack of financial drivers for sustainability as the market for organic wine is relatively small in Norway. The organic wine portion of Vinmonopolet's category is around 9%.

"We are more driven by the idea of contributing to the environmental cause. We needed to find a company that has a clear profile with sustainability. We are driven by the ideology. "

4.2.2. Barriers

Norwegian interviewee said that organic wine is still perceived as an expensive wine, which influences consumers decision-making. Therefore, the barrier could be called as *consumers' willingness to pay*.

"Also, another barrier is that when the monopoly is tendering for organic wines – Vinmonopolet tender organic wines like it is conventional wine, which pushes our margins. Therefore, it is hard to make good margins with organic wine in Norway. "

Also, interviewee mentioned that people are not really concerned about sustainable packaging, yet. The reason for this is because lot of consumers do not see or understand the advantages of sustainable packaging. The reason for this is that in Norway, the alcohol legislation is very strict. This is seen as a strongest barrier.

"Vinmonopolet has put markings into the wine shelves to those wines that has environmentally smart packaging. Nevertheless, because of the alcohol legislation in Norway, it is difficult to give a message around alcoholic beverages - such as marketing.

We cannot do the same as they can do in Finland. In Finland, they can market wines and how organic and sustainable they are. This is the difference between Norway and other Nordic countries. Our alcohol legislation is even stricter than in Saudi Arabia. “

The Norwegian interviewee mentioned that the only way they can market their products is through journalist in magazines and newspaper. However, they can provide tastings with Vinmonopolet and even with end-consumers. This kind of strict regulation for alcohol marketing makes it extremely difficult for Norwegian wine importers to promote their sustainable sourced wines. Thus, regulative changes are needed in government level, and Norwegian wine importers need to lobby together to make the change happen.

4.3. Swedish wine importer

For Swedish interviewee, sustainable sourcing includes a diverse set of sustainability practices. Interviewee said that their company is part of a program in Sweden for sustainability matters and they were one of the first companies' part of this program. Also, majority of their logistics of wine is made by train.

“On purpose, the partnership with companies that provide services of warehousing, distribution and transportation are chosen with those who do business mainly via train. “

Also, they sell lot of wines in sustainable packages or lighter packages such as bag-in-box, lightweight bottles, and PET bottles, this is the strong trend in their business. They have also started to sell some wines in cans, which the trend spread from United States. Below, you can find the Table 13 which provides statistics of Swedish interviewee's sustainable sourcing.

Interviewee I	22% of the total sales of wine are organic wines
	1/3 of the total sales of wine are in lightweight bottles
	35 % of the wines are in bag-in-box

Table 13. Statistics in sustainable sourcing of interviewee I.

Sustainable sourcing is something they believe in and very important for them. They want to respect the environmental point of view, the resources available on the planet earth and upcoming generation. They have also started to make sustainability reports for the board of the company and for end-consumers.

“We have to, as a company, to take responsibility. We have a team of three persons in sustainability. One of the persons is responsible of the sustainability, assisted by two part-time workers. We have a clear strategy from the board regarding sustainability. “

The main focus area is in transportation of wines, secondly it is the packaging. They also mentioned that they try to influence on the production. For example, they have saved money from turnover to invest into wastewater projects in India and Africa. Interviewee said that they have tried to attract Italian wine producers to adopt Amfori sustainability trading system. According to the Swedish interviewee, they are always trying to see what kind of approved sustainability certificates their wine producer partners are participating at.

“We have tried to educate ourselves. Our sustainability director has studied sustainability courses and have set up the platform of goals to the rest of the company to fulfil the sustainable assets in our company. “

4.3.1. Drivers

Interviewee emphasized that there are several drivers for their company to adopt sustainability and sustainable sourcing in their wine importing. Couple of years ago they set up a target to be regarded as the most sustainable wine importer in Sweden. The reason for this was to create a reputation as a sustainable wine importer.

“This target aimed to build up a reputation and image of the company. We wanted publicity. This enables us to sell more wine and attract new, younger consumers. “

Interviewee continues that in a bigger picture, this is in synergy with financial benefits, which is a major driver for their company. Interviewee emphasizes that financial benefits is not the same thing as just increasing the turnover.

“It is easy to draw conclusions that we just want to make more money. It is more about surviving. If we do not transform our business to a sustainable one, it may shorten our future life as a company. Also, lack of sustainable sourcing prohibits us to be an attractive employer for younger generation. “

According to the interviewee, by being an early adaptor, it gives a better chance to create the competitive advantage which is an important driver. By being an early adaptor, it benefits the future business. They want to be in forefront of providing different kind of packages, solutions, and the way of communicating new products.

“For example, we tried to be the first wine importer to release the wine in a flat, PET bottle. These thin PET bottles look quite awkward, and unfortunately, we failed to be the first wine importer to launch flat wine bottles. Things like that gives you attention, it provides PR, and sells more. This gives attention for our company. “

Commitment of top management was mentioned as a very strong driver. Interviewee explained that it is vital that top management shows example for sustainability and encourages it within the organization.

“It is like viewing a situation with a parent and a child. A child might not necessarily do what you say, but they do what you do. Therefore, as an employer, if you do not respect the directions and ambitions in sustainability that are set, you cannot expect that employees follow you. That is why sustainability must come from the very top, from the board.”

Lastly, interviewee tells that regulation set up by Systembolaget is a driver for them. Without monopoly regulation, the situation would change. If there would be no regulation set by monopoly, the consumer demand would have a stronger emphasis for wine importers' business.

4.3.2. Barriers

Swedish interviewee again highlights the financial perspective as a barrier. Wine importers and wine producers are afraid of being financially affected by the changes. This barrier can be very strong as the company might be afraid of losing their business and jeopardizing their existence. Interviewee also mentions conservatists in wine world where in certain areas, people are not so keen to make changes. They have tried to build pressure on these people to adopt sustainability to increase the business and to be attractive for the monopoly. Producers act as a barrier, because some of the producers are slow to react to sustainability practices.

“I think wine industry is very conservatists. Particularly producers are not so keen on making changes. There is a huge difference between wine importers and end-consumers compared to wine producers. Consumers and wine importers have more acceptance and drive for sustainability than producers. “

Interviewee continues by adding that few years ago, the screw top in the bottle was a new thing in the wine world, instead of using natural cork. Many of the European wine producing countries such as Italy, Spain, and France, only put screw tops into export wines. Interviewee states that these conservative producers will be among the last ones who will participate to the sustainability causes. However, this change will not happen because they believe in it, but because the offers they get will be towards sustainable wines.

5. Conclusion

The purpose of the thesis was to discover the main drivers and barriers in sustainable sourcing of Nordic wine importers. In this chapter, the following findings are summarized to provide inclusive information about the study. Moreover, theoretical contribution and managerial implication will be provided and introduced. Lastly, limitations of the study and future research suggestions will be presented and discussed.

5.1. Summary and key findings of the study

To reach the comprehensive understanding of the research, the research question was presented: *“What is the role of drivers and barriers in sustainable sourcing of Nordic wine importers?”*. Furthermore, research objectives were presented earlier to support the research question. These objectives were:

- 1) *Review the literature of sustainability in wine industry and Nordic wine market.*
- 2) *Identify the main drivers and barriers of sustainable sourcing.*
- 3) *Understand how sustainable sourcing is defined and adopted through interviews with Nordic wine importers.*
- 4) *Find the main drivers and barriers of sustainable sourcing through interviews with Nordic wine importers.*
- 5) *Compare and assess the similarities, differences and the role of main drivers and barriers within Nordic wine importers through interviews.*

To respond to the research questions, a case study was selected as the research strategy. Thus, multiple cases were observed to fulfil the objectives of the study. Data collection consisted of nine Nordic wine importers in which seven were Finnish wine importers and other two interviewees were Swedish and Norwegian wine importer. The interviewees were in positions where they had power or influence on how sourcing is

done in the wine importing company. Therefore, the positions/titles varied from CEOs of small wine importing firms to product managers, or portfolio managers in bigger wine importing companies. Interviews were done through video calls via Zoom.

As previously stated, global wine supply chain contributes 0,3% to the total annual global greenhouse gas emissions (Rugani et al., 2013). The environmental impact of wine as a single-product category encouraged to study the phenomenon. Also, it became clear that implementing sustainability was strongly related to sustainable sourcing (Schneider and Wallenburg, 2012). Therefore, it was vital to focus on sustainable sourcing. Furthermore, the unique wine market in the Nordic countries (Finland, Sweden, Norway, and Denmark) encouraged to especially study and focus on Nordic wine importers.

To understand what drives or hinders sustainable sourcing of Nordic wine importers, the study on main drivers and barriers was essential. However, before exploring these drivers and barriers, it was important to recognize why and how sustainable sourcing is adopted within Nordic wine importers. Furthermore, author wanted to understand how sustainable sourcing is defined within Nordic wine importers. After recognizing the role of sustainable sourcing, we can better analyse the drivers and barriers. By understanding the drivers and barriers, governments, stakeholders (wine importers, wine producers, logistic partners etc.), and the wine industry can benefit through the findings. These operators in wine industry can see the benefits in improving their sustainability or analyse whether there is a need for sustainable development in the supply chain and understand the advantages and disadvantages of it.

The findings based on the interviews of nine Nordic wine importers supports most of the main drivers and barriers found in the literature. However, there were some differences found. Furthermore, there will be some adjustments found in empirical analysis that will provide additional information to the literature of drivers and barriers of sustainable sourcing. Next, we will address these issues in the subchapter 5.2.

The purpose was to identify the main drivers and barriers in sustainable sourcing of Nordic wine importers through interviews. Interviews revealed that there was a great variety of definitions of sustainable sourcing as within the literature. However, the common definitions were that sustainable sourcing includes certifications, sustainable wines and communicating and knowing their suppliers personally. The focus areas differed between Nordic wine importers, but there were some key features that was common for most of the wine importers. These focus areas were usually in transportation, packaging, influencing suppliers' production or sustainability practices.

Key findings indicate that *state monopoly, reputation, financial benefits, benevolence, customer pressure/demand* and *top management commitment* are the main drivers for Nordic wine importers. Benevolence was the main driver that which was not mentioned in the literature. However, there were certainly some differences in emphasis, but the commonality is clear. The two main barriers found between all Nordic wine importers, was the *financial costs and consumers' willingness to pay*. Empirical analysis confirms that *financial costs* is a barrier that reflected everything and prohibits Nordic wine importers to adopt or increase sustainability practices in their sourcing behaviour. Furthermore, many wine importers emphasized that *consumers' willingness to pay* were crucial, even though the consumer demand for sustainability has increased. This creates a dilemma.

There were also some differences that occurred between Finnish wine importers and with Swedish and Norwegian wine importer. For instance, Swedish and Norwegian interviewee emphasized *ideology* as a strong driver for sustainable sourcing, which was not bought up similarly by Finnish counterparts. Though, the reason for this may be that Finnish interviewees emphasized benevolence for common good which can be seen as similar issue. Furthermore, Swedish wine importer seem to emphasize the importance of reputation and image of their company to gain financial benefits and attract new and young consumers. Norway's alcohol legislation is one of the strictest in the world - even stricter than in Saudi Arabia. Moreover, it was found that Norway's strict alcohol

legislation causes difficulties from Norwegian wine importers to market and communicate their products and sustainable wines, as in Finland and Sweden the legislation is more lenient.

Main drivers	Main barriers
State monopoly	Financial costs
Reputation	Consumers' willingness to pay
Financial benefits	
Benevolence	
Customer pressure/demand	
Top management commitment	

Table 14. Main drivers and barriers among Nordic wine importers.

5.2. Theoretical contribution

This thesis contributes to the previous studies related to sustainability in wine industry and drivers and barriers of sustainable sourcing. For instance, this thesis filled the research gap in method of semi-structured interview. Also, this thesis contributes to the sourcing literature by focusing on sustainability as only 10% of sourcing literature have included sustainability (Giunipero et al., 2019). As discussed previously, there is a lack of studies on wine importers regarding sustainable sourcing. This thesis has contributed to the literature of sustainable sourcing and sustainability in wine industry by examining wine importers and discovering their main drivers and barriers regarding sustainable sourcing. Therefore, this thesis complements the previous studies among sustainability in wine industry and sustainable sourcing, but also, adds some novelty with the focus on wine importers and Nordic countries.

5.3. Managerial implications

In this chapter, we will discuss about managerial implications based on the findings 4.2, 4.3, and 4.4. These findings concerned the main drivers and barriers found among Finnish wine importers, Norwegian wine importer and Swedish wine importer.

As mentioned before, the drivers found among the Nordic wine importers were *state monopoly, reputation, financial benefits, benevolence, customer pressure/demand* and *top management commitment*. These drivers provide precious information for government, wine importers itself, consumers or customers, and stakeholders in wine industry. For instance, governments could encourage wine importers or even wine industry to review their sustainability actions and adopt sustainable sourcing as part of the business. These incentives provided by governments could be related to taxation which is strongly related to another main driver found among the Nordic wine importers – financial benefits. If sustainability is supported through taxation, sustainability could become a mainstream issue among wine importers or wine industry. For instance, there could be tax reliefs regarding sustainable packaging or sustainable transportation. These tax incentives were strongly emphasized from some of the wine importers. Moreover, Alko can benefit from this study, as this thesis confirms that Alko's role of driving sustainability is essential. Thus, findings will encourage Alko to continue their valuable work as a sustainability enabler. Furthermore, this thesis can provide valuable information for Nordic wine importers by giving precious information about their competitors in wine industry. By understanding how other wine importers operate in the industry and reflect their behaviour into themselves, it can help to rethink how sustainable sourcing can be done. This thesis provides some encouragement for consumers to have faith in their impact of buying sustainable wines, as it does have a vital influence on how wine importers operate in the wine industry. Every decision count, although it may feel like a drop in the ocean.

As previously stated, there were two main barriers found among Nordic wine importers – *financial costs and consumers' willingness to pay*. Interviews revealed that these financial barriers were mainly concerning producers' certification (expensiveness),

consumers' perception of the price of sustainability, and consumers' willingness to pay for sustainable wine. These barriers can be overcome if these issues will be addressed in the future. Producers' certifications could be provided with lesser price, consumers' perception of expensiveness of sustainable wine could be deteriorated through strong marketing. Same can be said about consumers' willingness to pay for sustainable wine, investing to marketing and communications among wine importers could be the key. In Norwegian wine importer's case, it was clear that government incentives to make legislation a bit more lenient to would contribute massively to the consumers' awareness. Furthermore, through government incentives such as taxation, could provide some encouragement for lower prices in sustainable wines which can overcome the barrier of consumers' willingness to pay for sustainability.

5.4. Limitations of the study and future research suggestions

While we have discussed about the key findings of the thesis, some limitations emerge. As the study was conducted through nine Nordic wine importers, the sample can be considered as a small amount to analyse the phenomenon. Particularly the lack of interviewees outside Finland provided to a problem as only one Norwegian and one Swedish interviewee agreed to participate. Furthermore, no Danish interviewees were found to participate to the interviews, which would have been interesting to analyse the only Nordic country who has no state monopoly in alcohol. With a larger sample, there could have been more variety in answers and point of views. For instance, only two of the interviewees worked for a wine importer that had 10 or more employees in their ranks. This, beyond help, influences the answers of how sustainability is seen in the organization, for example, through top management commitment.

As previously stated, this study contributes to the field of sourcing literature with a rare method of semi-structured interviews, but also by focusing on sustainability in sourcing. Also, the lack of studies around drivers and barriers around sustainable sourcing inspired the author to study the phenomenon. Furthermore, as there were no previous studies

focused solely on wine importers, this thesis adds some novelty to the research in wine industry. As the research field around sustainability in wine industry, and especially sustainable sourcing and its drivers and barriers, is relatively new, many future research suggestions emerge. For example, there is a shortage of studies around economic benefits of sustainable sourcing. As it became clear, both financial issues were emphasized both in drivers and barriers. Therefore, more studies around the economic advantages (such as taxation) for implementing sustainability in sourcing process should be developed.

Also, many of the interviewees mentioned that regulation around wine industry is very lenient, thus, this can provide an opportunity for future improvement to drive the sustainability cause. This can be related to the lack of clear standards of sustainable development. The literature around drivers and barriers in sustainable sourcing is confused and mixed. This is because depending on what topic the scientific article is addressing; the emphasis is always biased. Therefore, there is a need for a comprehensive review around all main drivers and barriers to put these in an order, depending on how significant certain driver or barrier is compared to others. It would be interesting for the future to study how premium/high quality wines are treated by consumers, wine importers and wine producers, and whether these wines are still mainly produced in a conventional way and bottled in traditional glass bottles.

These findings and future research suggestions can be utilised in future around sustainability in wine industry or sustainable sourcing. But one thing is for sure, the research among sustainability in wine industry and sustainable sourcing will only increase in near future.

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Appendices

Appendix 1. Interview questions

1. **First, could you tell me a bit about yourself?** (name, job position, how long you have been working)
2. **Wine importing company's information.** (founding year, employees, revenues)
3. **a. Do you have sustainable sourcing in your organization? b. If yes/not,**
4. **In what areas have you been focused on sustainable sourcing** (such as logistics, packaging solutions, wine production) **and why?**
5. **If you have sustainable sourcing in your organization, what are the internal drivers for it?**
6. **If you have sustainable sourcing in your organization, what are the external drivers for it?**
7. **If you have sustainable sourcing in your organization, what are the internal barriers for it?**
8. **If you have sustainable sourcing in your organization, what are the external barriers for it?**
9. **What is the role of these drivers and barriers in your organization?**
10. **What are the most influential drivers or barriers for your company's sustainable sourcing?**
11. **Do you have ideas or thoughts about the future regarding sustainability and its role in wine importing? What are the trends?**