



**HITTING TWO BIRDS WITH ONE STONE: ASSESSING
A COMPANY'S SUSTAINABILITY THROUGH A DEGROWTH LENS**

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ABSTRACT

As economic growth that defines the current societal system is responsible for ecological overshoot, biodiversity loss, and climate change, a paradigm shift is required to achieve system-level sustainability. Some organizations have started to adopt sustainable business models engaging in a sustainable transition. However, as they are still following a growth mindset, this effort might be insufficient. Nonetheless, degrowth has been identified as the paradigm able to reverse the current condition and ensure human wellbeing within the planetary boundaries.

Through the use of a deductive approach employing the 11 principles of degrowth as a theoretical framework, this study contributes to the debate about degrowth and sustainable business models by evaluating how sustainable business models align with these principles. To answer the research question “How may the principles of degrowth be embedded in Blue’s sustainable business model?”, an exploratory case study has been conducted to examine Blue’s sustainable practices through a degrowth lens. Findings reveal that the company partially aligns with the concept of degrowth, lacking, in particular, in encouraging sufficiency and promoting societal acceptance of degrowth thinking. However, Blue outperformed the 11 principles by scaling down goods selling and by establishing open hours during which employees can exchange views with the people and culture manager, therefore increasing employees’ wellbeing.

Keywords: degrowth, sustainable business models (SBMs), business models (BMs), sustainability, sufficiency-based business models.

INTRODUCTION

The current economic system is characterized by the pursuit of continuous growth, which accounts for the extraction of resources, land use, and combustion of fossil fuels (1). This makes the growth paradigm responsible for ecological overshoot, biodiversity loss, and climate change. In addition to this, our modern society, characterized by social inequality and in which financial resources have been accumulated by a global elite, displays the effects of the wealth generated by past growth.

Clearly, limitless growth is not compatible with sustainability (2), thus, a sustainable shift is crucial to ensure a positive contribution to maintaining the Holocene state of the earth system (3). To deliver long-term sustainability on a large scale, it is necessary to adopt an integrated approach that reconceives the way businesses operate (4). Some businesses are trying to decrease their environmental impact through sustainable business models (SBMs), which can serve as a means to coordinate technological and social innovations with system-level sustainability (4). Nonetheless, SBMs are still following a growth mindset, which makes their contribution insufficient as growth is one of the main drivers for environmental degradation (5). Sustainable degrowth has been identified as a paradigm capable of reversing the current status quo and ensuring human wellbeing within the planetary boundaries (2,6). As business activity is one of the major drivers of economic growth, the role of corporate organizations is crucial in the transition to a post-growth society (7).

This research aims at contributing to the debate about degrowth and SBMs, by assessing SBMs with respect to their approximation to the principles of degrowth, answering the following research question: “How may the principles of degrowth be embedded in Blue’s sustainable

business model?”. To answer the research question, Blue’s business model and practices will be analyzed on the base of Hankammer’s 11 principles of degrowth to assess whether the company is following the degrowth paradigm. By assessing the company’s compatibility with degrowth, the study has the potential to enrich existing literature by providing insights into how a specific company can align with the principles of degrowth, as well as provide guidelines for businesses aiming at improving their practices to better align with sustainability in a degrowth path. Finally, it provides a degrowth evaluation of the company assessed, which can be used as a base for the company’s sustainability report.

LITERATURE REVIEW

Sustainable business models

As human activity is negatively impacting the planet at all levels, there is an urgent need to revert this condition (8). The transition towards sustainability, however, requires new forms of business models (9). Sustainable business models (SBMs) go beyond the traditional frameworks that outline the operational and strategic layout of a firm to gain competitive advantage (10), by incorporating societal and ecological considerations (4). BMs are based on value proposition, which communicates what kinds of value a business is creating, through which product or service, and for whom (9). When developing a value proposition in sustainable business modelling, it is crucial to take into account impact and value creation, factoring in social, economic, and environmental values simultaneously. These three pillars represent the triple bottom line, also referred to as *people, planet, and profit*. Nosratabadi et al. (10 p.1) refer to SBMs as the way “*an organization creates, delivers, and captures value, in economic, social, cultural, or other contexts,*

in a sustainable way”. Such a concept describes an approach that emphasizes economic prosperity, social development, and environmental quality as a method for doing business and implies shifting the focus from organizations’ short-term goals to long-term, social, environmental, and economic impacts (12).

SBMs can be a way to connect social and technological advancements with system-level sustainability (4). In fact, companies that adopt this model have the potential to improve their environmental performance and play a key role in driving the sustainability transition (8), being at the heart of sustainable development (9).

Overall, SBMs drive and implement corporate innovation for sustainability through a triple bottom line approach that considers a wide range of stakeholders, including society and the environment (12). The aim is to shift away from the business-as-usual linear model, which is responsible for natural resource depletion and affecting climate change (13), to create, deliver, and capture sustainable value (10).

Bocken et al. (4) clustered different types of SBMs archetypes into three main categories of business models innovation, regarding technological, social, and organizational innovations. The technical grouping includes archetypes that maximize material and energy efficiency, create value from waste, and substitute with renewables and natural processes to reduce environmental impacts. BMs that repurpose for society/environment and develop scale-up solutions belong to the organizational innovation category. Finally, the umbrella of social innovation includes those businesses that deliver functionality rather than ownership, adopt a stewardship role, and encourage sufficiency. SBMs can be either built on stand-alone archetypes or on a combination of them (14).

Sufficiency-based BMs, in particular, represent a relevant concept for the present research as they are closely related to the idea of degrowth. The significance of this specific BM revolves around the creation of sustainability through the reduction of absolute material throughput and energy consumption by discouraging consumption and educating consumers (14). According to Bocken (15), in order to encourage sufficiency, businesses should: extend product life, encourage direct product reuse, share sources across more people, mitigate product use, and mitigate product life cycle resource use.

Degrowth

Although SBMs aim at addressing societal and environmental needs through their operations (7), with an exception for sufficiency-based business models, they are still following a growth mindset, which has been recognized as environmentally unsustainable (6). Thus, a more radical approach is needed if the goal is achieving true sustainability. Changes at a business level are necessary due to businesses' close bond with the environment and society (16). The concept of degrowth goes way beyond the scope of SBMs (7), which purely focuses on targeting BMs' design. Degrowth, in fact, proposes a paradigm that implies a radical societal transformation, including a reconfiguration of the economic system, that will eventually lead to truly sustainable patterns.

Today's society continues to develop under the false assumption that sustainable development and economic growth are compatible, two concepts that Shrivastava (2) identified as mutually exclusive. In fact, economic growth is responsible for increasing emissions and raising the depletion of natural resources (17) and has been described as ecologically unsustainable since,

biophysically, today's economy can be compared to a societal metabolism that uses the planet's resources as inputs for the production, to then expulsing them back as waste (10).

This highlights the need for an alternative model to our growing society. The most promising solution to overcome the current social, economic, and ecological crisis is represented by the concept of degrowth (2, 6). Notably, such a concept develops upon the criticism of the ever-growing mindset that characterizes today's economic system (18) and has gained greater recognition as awareness around its role in maintaining a liveable earth system has become wider.

Kallis et al. (13, p. 1) define degrowth as a “*radical political and economic reorganization leading to drastically reduced resource and energy throughput*”. However, the concept of degrowth is extremely vast and includes a variety of philosophical stances, movements, and critiques that make this concept an umbrella term (20) that includes different ideas, lines of research, and political projects that both draw from critical thought and offer a new framework aimed at overcoming the current world's crisis.

Schneider et al. (21, p. 511) refer to degrowth as an “*equitable downscaling of production and consumption that increases human well-being and enhance ecological conditions at the local and global level*”, highlighting how wellbeing is a fundamental part of the concept in addition to the ecological level. In fact, degrowth stems from different sources, from critiques of market globalization, to those regarding the imposition of Western models of development, as well as economism, growth, capitalism, productivism, and competition (6), and supports an extension of human relations, democracy, defence of ecosystems and equal distribution of wealth.

Schmelzer et al. (20) propose a more comprehensive definition of this concept, referring to it as a transition aimed at enabling global ecological justice. To do so, society should rely on a

much smaller throughput of resources (including energy), deepen democracy, increase living standards and justice, and not depend on continuous expansion.

Degrowth and business

Although the concept of degrowth has been widely discussed in the literature, it is still unclear what the BMs of companies approaching degrowth should look like (7). However, research has begun to further define the concept. Based on the work of Khmara and Kronenberg (22), Hankammer et al. (7) identified 11 principles that could serve as a guide for companies aiming at approaching degrowth and mapped them to five different stakeholder groups or domains of degrowth, namely society, environment, customers, employees & management, and communities (see *Figure 1*).

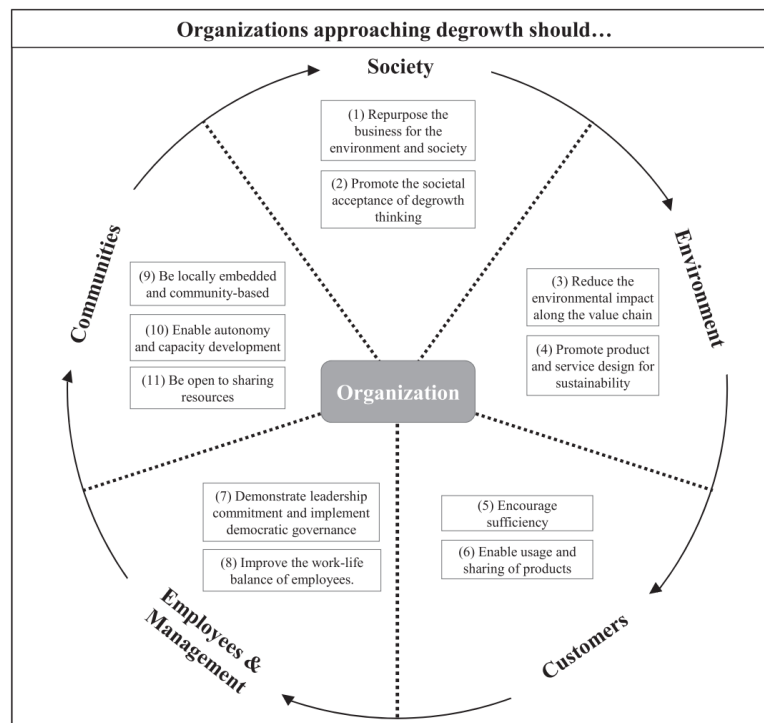


Figure 1: Framework for organizations approaching degrowth (7)

1: Repurposing the business or the environment and society

The first principle is about shifting companies' focus from profit maximization to benefiting communities and the environment. Organizations driven by a social mission are more likely to meet real needs and consequently reduce the focus on growth. Moreover, corporate success should not lead to externalizing costs. Keeping a reduced size of the company to ensure direct contact with employees guarantees a high quality of products and services as well as maintains corporate values. Niche positioning and sufficiency-oriented business models can help reduce corporate growth pressure, although organizations driven by a social or environmental mission could and should grow to displace businesses with negative environmental impacts. Finally, organizations should consider how profits are distributed and shared among stakeholders and ensure they are not prioritized over other interests.

2: Promote the societal acceptance of degrowth thinking

Organizations approaching degrowth should positively promote a future beyond materialism and make consumers aware of the impact of their purchasing behavior while promoting lifestyles in line with the degrowth thinking. To more effectively achieve this goal, coalition-building between organizations and stakeholders is needed, as the influence of multiple stakeholders helps normalize new behaviors, as well as enhances pressure on competitor organizations to adopt the new state of the art and increases sustainability expectations of consumers.

3: Reduce the environmental impact along their value chain

Degrowth aims at reducing the environmental impacts of economic activity. To achieve a downscaling in material use, a limitation in the scale of production and consumption is necessary.

This requires organizations to apply the principles of circular economy, therefore using recycled or renewable materials and energy, implementing repair and take back services, and thinking of the end of the usage phase for their products.

4: Promote product and service design for sustainability

Companies should promote product design changes that integrate the conviviality concept and enhance longevity and repairability, perhaps through strategies of premium pricing, co-creation, and co-financing of products.

5: Encourage sufficiency

Encouraging sufficiency at a societal level is crucial to limit overconsumption and unnecessary resource use. Achieving successful degrowth requires capping and protecting resources as well as phasing out unsustainable consumption options.

6: Enable usage (instead of owning) and sharing of products

Sharing, renting, and trading are ways to reduce the number of products in society. Instead of delivering it, the company retains the ownership of products, and usage is sold. Such an approach would help reduce landfills or idle assets.

7: Demonstrate leadership commitment and implementation of democratic governance

Organizations adopting democratic ownership structures, participatory decision-making, and peer governance are less likely to externalize costs and are more able to meet real needs. To ensure democratic governance, the top management must be committed to the corporate values, be opposed to the ideas of business-as-usual, and support those of sufficiency, honesty, and transparency, free from the mechanism of growth.

8: Improve the work-life balance of employees

Improving employees' work-life balance is an action that, if undertaken by companies, can contribute to raising the quality of life. To achieve this, organizations should promote collaborative work and reciprocal relationships based on trust and equal rights. Besides encouraging employees to engage in voluntary activities, increasing leisure time can have a positive environmental impact (energy use, for example).

9: Be locally embedded and community-based

Being locally rooted enables organizations to generate positive externalities and to be more efficient in materials and energy use. Local orientation can also be intended on a product design level, involving local actors, skills, and production. Organizations should engage in common-based peer production and desktop manufacturing to move towards a community-based approach that produces knowledge and goods for its members.

10: Enable autonomy and capacity development

To achieve equal distribution and access to resources, organizations should help people in a weaker section of society to expand their capacity to act, enhance their skills, and empower such communities.

11: Sharing resources

In order to enhance knowledge and skills, organizations could engage in collaborations with other organizations. Sharing stuff or buildings can help organizations save financial resources and increase autonomy. Organizations can collaborate on a shared design that can be improved by anyone.

Degrowth and sufficiency-based business models

Both degrowth applied to business and SBMs lead to the same outcome of improved sustainability, in fact, both concepts present environmental and societal benefits as core elements. In particular, sufficiency-based business models (see *Figure 2*) seem to share multiple aspects with the concept of degrowth.

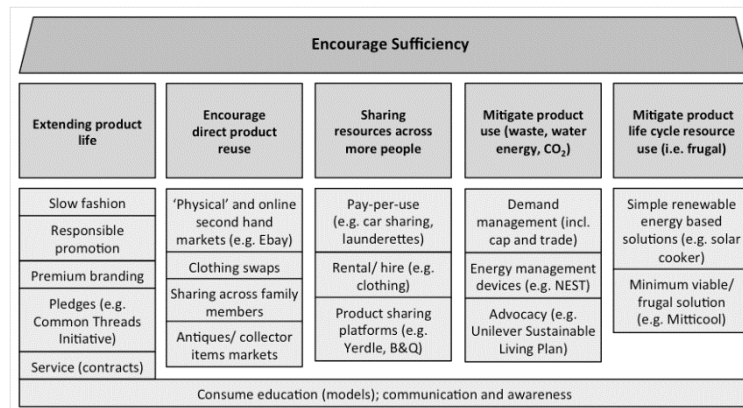


Figure 2: A sufficiency-based business model typology (15)

Both, for example, focus on extending the longevity of products. Bocken (15) identified three characteristics of design related to extending the product's life, namely durability, reparability, and modular design. This perfectly aligns with Hankammer's fourth principle *promote product and service design for sustainability*. To build sufficiency-based business models, businesses should also *encourage direct product reuse*, for example, by promoting product sharing and swaps or being part of second-hand markets. This is in line with the sixth principle of degrowth, which, in addition, requires companies to offer additional service solutions next to the product (repair services), demand reduction services, and the facilitation of sharing of products rather than delivery ownership, as well as peer-to-peer services (7). Therefore, this principle includes another category of sufficiency-based business models, namely *sharing resources across*

multiple stakeholders. SBMs driven by the sufficiency concept aim to *mitigate product use*, therefore the use of resources. Similarly, the third principle of degrowth aims, among others, for the reduction of absolute resource use. Finally, sufficiency-based business models should *mitigate product life cycle resource use* through, for example, frugal innovation, which again meets the third principle of degrowth of *reducing the environmental impact along the value chain*. A fundamental aspect on which sufficiency-based business models are based is consumer education, a work of communication and awareness that represents a crucial part of degrowth too. In particular, it refers to the second principle of *promoting the societal acceptance of degrowth thinking*.

This analysis suggests that sufficiency-based business models and degrowth share some fundamental concepts. In fact, the former meets some of the degrowth principles, in particular the second, the third, the fourth, and the sixth, and due to their aim, the first one as well.

However, they differ in multiple aspects. The main difference lies in the nature of the degrowth concept itself. In fact, it is a holistic approach that involves a change not only at a corporate level, as in the case of SBMs, but in society as a whole, of which businesses are part. As such, promoting social acceptance of degrowth thinking is a key principle guiding organizations approaching degrowth. SBMs' archetype of "encourage sufficiency" partially covers this aim by seeking to reduce demand-side consumption. However, according to Hankammer (7), organizations should aim at transporting a positive image of a future beyond materialism; therefore, advertising can represent a means to raise awareness on environmental issues, promote lifestyle movements that promote degrowth and disincentivize consumption to satisfy material needs, in a joint action with other organizations which can lead to the normalization of new behaviors.

Overall, although sufficiency-based business models partially align with the society, environmental, and customers groupings of degrowth, the latter is more specific and embeds a broader range of actions that organizations should undertake on an organizational (principles 7 and 8) and community level (9, 10, and 11).

RESEARCH METHODS

The research aims to evaluate the compatibility of SBMs with the principles of degrowth. A deductive approach has therefore been applied, employing the 11 principles outlined by Hankammer as a theoretical framework to evaluate how sustainable business models align with these principles.

To answer the research question, an exploratory case study has been conducted to examine Blue's sustainable practices through a degrowth lens. This company is a startup with the mission of collecting plastic from the sea. To do so, they collaborate with local fishers and NGOs that collect and recycle marine litter when possible. To finance their operations, they mainly establish partnerships with other organizations and make it possible for everyone to contribute by donating money to support plastic collection; finally, they sell recycled products. This company has been selected because of its sustainable business model, which seemed, at first glance, partially in line with the degrowth discourse. Another criterion was its approachability derived from its small dimension, which also allows every interviewee to have an overview of the company's operations.

This study employed a qualitative research design as it has been identified as the most suited when the investigation focuses on exploratory questions (23). Semi-structured interviews

have been conducted to gather data on the 5 domains of degrowth identified by Hankammer (7), whose framework served as a guide for the interview questions. The use of semi-structured interviews allows for flexibility while also ensuring consistency across participants.

The participants for this study were six individuals in managerial positions within all the departments of Blue. This allowed to collect data about the company from different perspectives. The individuals were selected based on their knowledge and experience inside the company as they are deemed to have the most relevant and significant information for the study.

Each participant has been sent a consent form (see Appendix A) to ensure the interviewee informed consent to participate in the research. Furthermore, confidentiality and anonymity were ensured by anonymizing the name of the company, that in this research has been referred to as Blue, as well as the interviewee's names (24).

Data has been collected through online semi-structured interviews using Google Meet or via email due to the geographical distance between the researcher and the interviewees. Due to time contingency, the interviews lasted between 21 and 37 minutes. As the case company is Italian and based in Italy and so is the interviewer, the interviews were taken in Italian in order to avoid any possible language barrier. There has been an attempt to conduct all the interviews in the same time period to ensure the comparability of the answers provided, therefore they always took place on working days, and between 10 am and 4:45 pm, although they have been necessarily conducted on different days. Four interviews were conducted between the 19th and the 21st of April and one took place on May 8th. Due to the very busy schedule of one of the participants, one interview was sent and answered by email in written form. The interview questions (Appendix B1 and B2), were based on the 11 principles identified by Hankammer (7) that organizations should embrace when aiming at approaching degrowth. The interviews were audio-recorded, transcribed, and coded for

analysis in the case of the online interviews on Google Meet, whereas the written interview has been directly coded.

The data collected from the semi-structured interviews have been analyzed and coded using the Gioia method (25); this particular analysis involves the identification of patterns and themes in the data that relate to the research questions. The themes used for this research correspond to the 11 principles of degrowth and the 5 domains identified by Hankammer and can be found in Appendix C. Thus, the participants' answers about the company's practices were clustered in these themes to identify similarities and differences between the case company and the theory.

To facilitate the process of coding Atlas.ti in its online version has been used, maintaining the transcripts in Italian, while relevant quotes have been translated into English in order to insert them in the research.

The careful analysis of existing literature on the topics discussed confers credibility to this study, while to ensure replicability, the methodology session has been developed comprehensively, also conferring transparency; moreover, the researcher has tried to minimize the influence of potential biases to ensure validity (26).

To avoid ethical issues, this research complies with the University of Groningen code of conduct.

RESULTS

This section will present the research results using the same structure of Hankammer's framework, therefore following its five domains of society, environment, customers, employees and management, and communities.

Society (principles 1 and 2)

Blue is an online platform aiming at contributing to cleaning the ocean from marine litter through their “Fishing For Litter” (FFL) initiative, a set of operations with the aim of regenerating the ocean by cleaning it from plastic litter. In fact, when asked about what success means to them, most interviewees mentioned the relation to success with the amount of plastic collected.

“Our biggest goal is cleaning up the ocean, therefore, our main KPI is how many kilograms [of plastic] we can collect in one year.” Interviewee 1

Once the plastic is collected from the sea during the fishing activity, it reaches the coastline where it gets weighed, photographed, and reported by the fishermen or by local NGOs, to be then recycled and given a new life thanks to the collaboration of local NGOs.

Through its operations, not only Blue is contributing to cleaning the sea, therefore delivering an environmental benefit, but it also benefits the local communities where it operates by supporting fishermen and their families, as well as the local NGOs that collaborate with them:

“Blue was founded [...] on the fundamental principle on which our mission is based: collecting litter from the ocean [...] hitting two birds with one stone by helping the local communities of fishers. A double benefit is therefore provided: both for the marine ecosystem [...] and by sustaining communities of fisher around the world, who are in great economic difficulty, and therefore sustaining their activity.” Interviewee 4

Currently, Blue is present in Italy, Brazil, and Indonesia. However, the company is willing to expand further in order to deliver as much social and environmental benefit as possible, especially in those areas where marine litter presence is particularly intense. As stated by interviewee 3: *“The environmental impact that we can have abroad, in countries like Brazil and*

Indonesia is enormous in comparison to the one we have in Italy, and at the same time, we manage to have a greater economic and social impact because we work with communities that tend to face more difficulties”.

Every decision in Blue is taken keeping in mind that *“our main stakeholder is the ocean. Everything that regards the wellbeing of our beloved ocean has the priority for us”*. Interviewee 5 added: *“We have a denylist of companies and industries with which we do not want to work. And we are absolutely aware that if we were working with them, we would be making outrageous revenues. We prefer not to do it [...] at least we have a clear conscience”*.

Through their socials and newsletters, they aim to incentivize sustainable behaviors, by communicating *“the importance of the ocean”* (interviewee 2), to create a community of *ocean lovers* by talking about *“the ocean’s state of health, both directly and indirectly impacted communities”* (interviewee 6) [...] *“and we tell the stories of the people that live it, starting from our fishers”*. Interviewee 2.

In addition to engaging in educational campaigns, Blue holds sustainability speeches to companies or in certain events where they try to engage both the territories and the youngsters.

Environment (principles 3, 4)

The products sold are not produced by the company itself, instead, some partner organizations which are in line with their values provide them with the products. The company offers high-quality certified goods made of recycled marine litter designed to be recyclable. Moreover, it employed a simple design for its swimwear to avoid them being trendy and, therefore, to prevent customers from changing it when it is not trendy anymore. In such products, they try to

minimize the use of elastane, which is present in a minimum amount in the women's swimsuits, just enough to confer elasticity and to keep it recyclable.

Along with the product sold, Blue offers a washing bag that prevents microplastics from spreading while washing clothes.

Internally, they try to minimize their CO2 emissions by preferring public transport or at least trying to travel by car in groups rather than individually.

Customers (principles 5, 6)

Blue is trying to cut down their offer to concentrate only on long-lasting products:

“We are trying to go for more long-lasting products, therefore canteens (water bottles), perhaps the tote bag and those kinds of products that you can keep on using over time and that don't break, that you do not change”. Interviewee 2

Although they do not openly disincentivize consumption, they are planning to do it. However, they believe so far, they are doing it in an indirect way, and it is definitively *“in the list of to-dos that we are evaluating”*.

Employees and management (principles 7, 8)

As a Benefit Corporation, Blue has legally integrated the achievement of social or ecological positive impacts into its objectives. As a consequence, every individual inside the organization shares the same core value of the company, which are reiterated by the founders, namely the *“commitments towards the sea”* (interviewee 5), which is also what pushes people to apply for job positions in Blue. This connection to the sea, and more generally with nature, as emphasized by interviewee 5, fosters sustainable behaviors and attitudes inside the organization.

“The team itself has actually engaged in a series of good habits that we all try to carry on. Indeed, we talk each other off if these good habits are not complied with, from the waste sorting that we do to the water bottle we provide on the first day to the new resources”. Interviewee 3

The governance structure of Blue is structured as follows: they have five departments, namely sales; marketing & partnership; sustainability; operations; and people & culture. Each department has its own manager who is in charge of proposing their internal decisions on action plans to the two founders, who are the final decision makers, especially when a budget is involved. However, interviewee 3 highlighted that they have a *“horizontal org-chart”*; in fact, as interviewee 5 pointed out *“everyone is involved in Blue’s most strategic decisions, therefore from the lowest level [...], to the highest one. Everyone gets involved”*. In particular, the decision-making process has been described by interviewee 3 as *“very fluid, very linear”*, in which the founders *“are always very available, and [...] they do not have this hierarchical vision of the company, therefore [they are] always available to talk and interact with anybody”*. Moreover, flexibility and reciprocal help across departments are two *“guide terms”* within the company. In fact, they organize *“monthly kick-offs where everyone gets aligned with the developments of what we are doing and on the ideas going on”*. Interviewee 5.

Work-life balance is given considerable relevance. The founders decided to hire a resource that could be able to strengthen the corporate culture and values, as well as the general wellbeing. The *people & culture* manager stated *“The first thing that [the founders] told me was “we want Blue to be the place where people are happy to work. Where people are happy”* (interview 3). Furthermore, working hours tend to be very flexible, depending on the amount of work due, but in long-term thinking, *“the aim would be to have a 4-day working week”* (interviewee 2). Moreover, it is not mandatory to join the office, as they use hybrid work. In particular, interviewee 4

highlighted that in its department, everyone is given as much ownership as possible. The interviewee added that they have flexible working hours as they can work remotely, but they try to work in the same time slots to help each other out. In addition, Blue's working atmosphere is "very relaxed, very serene" (interviewee 1) and "very friendly" (interviewee 2), and collaboration between employees is valued.

"We have a hybrid work mode because we believe that flexibility is important for the famous work-life balance. At the same time, we try to be in the office during the central weekdays, at least who can, because [...] it is important to discuss together". Interviewee 3

Although not officially established, interview 5 stated that everyone is free to take some free time from work to engage in voluntary activities.

In order to let the employees talk with someone who is neither their peer nor their superior, the People & Culture manager established some open hours where employees can go and talk about "a reorganization of the work, something that is not going well, something that they want to share because it's going particularly well. [...] They can rely on me".

Communities (principles 9, 10, 11)

By collaborating with local fishers and partners such as NGOs and research centers, Blue is highly locally embedded. The reason behind the choice of local partners lies in the awareness of the importance of having on-site resources able to communicate with fishermen as well as that know the local culture in order to implement projects that respect them and their values.

"Being local [...] is essential for what we do because we work with people, so we have to take into consideration every aspect of their daily life, which is something that we could not do from Genova to Brazil". Interviewee 2

Thanks to its operations, Blue has a positive impact not only on the environment but also on local communities, especially on fishermen and their families. Their contribution is mainly monetary: in Brazil and Indonesia, they manage to have a more significant social impact as by collecting plastic for Blue, fishermen gain 150% more than they gain from their regular fishing activity. Therefore, in those areas, in particular, the company is able to support entire families that, without this additional activity, would be struggling a lot.

“By sustaining these communities, they have enough to live and to maintain their families, that perhaps can evolve, grow, to find other businesses or even improve their businesses, simply improving their boats and their fishing techniques”. And again, “thanks to our intervention [the communities] are not only remaining, but they are starting to design and implement new business models, new businesses that positively influence each other in a virtuous circle”. Interviewee 4

In addition, Blue will create new job opportunities for the fishermen’s wives, thanks to their new mangrove planting project.

Finally, the company also financially supports local partners, such as NGOs and research centers, that help them in different phases of the operations, including the plastic collection process and its weighing.

Overall, they bring positive impacts for the community as a whole *“related to the fact that a clean sea tends to entail improvement related to the tourism, the reduction of the costs of the cleaning of the beaches, and the quality of the fish”. Interviewee 2*

Besides the financial support, Blue is engaged in educating local communities, explaining to them the importance of cleaning the sea, the impact that such activities have on their lives, and the impact on the ocean in general.

Finally, Blue is open to sharing resources. Indeed, when establishing new partnerships with brands, they share their business model and, when necessary, other information that can be useful in the creation of ad hoc projects.

“We created partnerships with other [...] companies that can enrich us, and we can give something to them as well” Interviewee 5

As far as the technological platform is concerned, they are highly open to sharing knowledge, although it is *“normal between startups that work in the technological field”*. Nonetheless, sharing knowledge does not only happen on a partnership level. Besides their headquarter in Liguria, they have a co-working space in Milan which is shared with another company. This allows the employees to *“exchange views on best practices” Interviewee 3*, *“do networking and talk about what we do with other people” Interviewee 5*.

DISCUSSION

This research aims to identify whether or not sustainable business models align with the principles of degrowth. Based on the data collected from qualitative interviews with the employees of Blue, a degrowth analysis of the company will follow.

Society

Blue has the objective of cleaning the sea of plastic that is polluting it. Indeed, unlike what happens in conventional BMs, which are strictly related to economic growth, Blue’s success is directly linked to the amount of plastic collected from the sea; therefore, their focus is on having a positive effect on the environment. For this reason, they plan to further expand their business in

other areas of the world, especially where the problem of plastic pollution is particularly relevant. In fact, by operating in such areas, they could have a more significant impact both on the environment and on the communities than if they would operate in only one place. Although degrowth is closely connected to local business activity (27) as it ensures a higher quality of the product or service offered as well as maintains corporate values (28), geographical expansion can suit a degrowth society since, as a result, it would displace unsustainable businesses (7). Blue successfully manages to maintain corporate values by selecting employees who are strictly connected to the sea, being them from coastal areas, surfers, or passionate about it. In addition, as Blue exploits already existing businesses and resources (fishermen, collaboration with NGOs, and other local partners), the service of collecting is still ensured despite the further expansion. Moreover, Blue's intention to further expand is related to its willingness to maximize the environmental and social benefits that can result from its operations, which is in line with what was stated by Schneider et al. (21) according to whom growth of some organizations with a clear environmental or social mission can suit a degrowth society. Clearly, economic consideration, and more in particular, profit maximization, fades into the background, so much so that the company turns down extremely profitable partnership requests when the partner organization does not comply with their criteria in terms of values and mission. In addition, the company pays fair wages to its partner fishermen, who, thanks to this collaboration, can more than double their incomes without working any extra hours. As a result, while contributing to reducing marine plastic pollution, the company also benefits the local communities in the areas where they operate. Exemplary for-profit organizations identified as "antigrowth" (29), such as Patagonia, devolve part of their profits to support NGOs or sustainable projects. Although Blue is now incapable of doing so as they are a startup and do not have the financial resources, the interviewees declared that it is

planned for the future. These aspects are in line with the first principle of degrowth *repurpose the business for society and the environment*” (7), according to which organizations should be mission-driven, therefore they should have the aim of benefiting the community and the stakeholder (30), which correspond for the company to the sea, and measure their success by the environmental benefits resulting from its operations (28).

According to the second principle of degrowth, companies should engage in campaigns focused on communicating their values (31), informing consumers on the effects of products or services (32), and incentivizing sustainable behaviors (7). Blue is engaged in all these activities. In fact, through its social network Blue is trying to sensitize its customers by showing them the importance of having a clean, the effects of marine pollution, and how it affects everyone’s lives. In addition to this, they tell the story of the local fishermen that collaborate with them to encourage people to embrace their mission. Along with communication through their social networks and website, Blue takes part in events where they have the opportunity to give sustainability speeches aimed at engaging new territories and raising awareness around the topic of sustainability. In addition, by when engaging in campaigns with other brands, Blue has the chance to spread its message and its mission, as the partner organizations sensitize their customers by communicating the campaign in a way that can foster the normalization of new behaviors (33).

However, the company is not focused yet on the promotion of a future beyond materialism. When asked about their efforts in trying to disincentivize consumption, they agreed on saying that they are not taking action in this direction because they are a startup and, therefore, their resources are limited and it is difficult for them to concentrate on transmitting multiple values. In other words, promoting the societal acceptance of degrowth thinking has yet to be added to their agenda, although it is not excluded that it will be a topic in the future.

Environment

As expected, since its operations are focused on cleaning the sea of marine litter and the sea is its main stakeholder, Blue results in line with the environmental area of the degrowth framework (7). Firstly, because the products sold by the company are made with recycled and recyclable materials, and designed to facilitate the process of giving them a second life (for example omitting the use of metallic parts in the men's swimsuits). The use of a circular economy is in line with the degrowth discourse (34), as one of its main objectives is minimizing resource dependence (35). Secondly, the product's materials are selected based on environmental and quality certifications in order to ensure the creation of long-lasting products. For the same purpose, the company decided to sell very simple models in order to make them fashionable over time. This is relevant as the product's longevity ensures a more extended use phase, which decreases consumption (36). However, the company does not use renewable energies in its office. They compensate by preferring travelling by train from the office in Genova and the one in Milan, or at least by avoiding travelling by car individually and sharing one vehicle instead.

Customers

Blue will cut the selling of physical products to focus on delivering a service only. As supported by interviewee 2, buying a certain amount of plastic collected from the sea instead of a product can help reduce the consumption of physical goods. However, this is only partially in line with the fifth principle of degrowth of *encourage sufficiency* (7). In fact, as previously mentioned, the company does not focus on promoting degrowth, or more specifically, in this case, on disincentivizing consumption. As far as principle 6 of *enabling the usage and sharing of products* is concerned, the company is not in line with any of the key points such as *facilitating sharing of*

products. This is due to the fact that the products sold are particularly personal (swimsuit, water bottle); therefore this strategy simply does not fit the company. Nonetheless, room for improvement has been found when addressing another critical point, namely the offer of additional services next to the products (e.g. repair services). On the other hand, it is essential to remember the direction towards which the company is going, which involves the deletion of physical products to deliver a service. In this sense, implementing now such services would not be a strategic decision. By focusing on delivering services rather than products, the company goes even beyond the framework of degrowth developed by Hankammer (7). In fact, by deciding to cut down the production of fashion products, Blue aligns with the overall discourse around degrowth, according to which the focus should switch towards those industries that satisfy basic human needs (37) while aiming to down-scaling those that provide unnecessary goods for the society's wellbeing (38).

Employees and management

Blue results to be in line with the degrowth principles belonging to the area of employee and management. Although the two founders own the company and they are who take the final decisions especially when a budget is involved, they do not have a hierarchical vision of the company, therefore everyone's ideas are welcome in the decision-making process, which in fact is very participatory.

For organizations approaching degrowth, commitment to corporate values is a crucial aspect (39), with which the company aligns perfectly. Every interviewee, in fact, shares the values promoted by the two founders; indeed all of them have something to do with the sea, from being surfers, to scuba divers.

The company achieves work-life balance through the use of remote working, flexible working hours, and the creation of what has been described by every interviewee as a very positive environment, fundamental for organizations aiming at increasing their work-life balance (39). Moreover, the employees help each other in collaborative working, an aspect that should be promoted in degrowth companies (36, 37). Furthermore, Blue has established some open hours during which the employees can talk with the *people & culture manager* and let off steam with someone that is neither their peer nor their superior. By doing so, Blue achieves an improved work-life balance, going even beyond what is included by Hankammer in his framework of 11 principles for organizations approaching degrowth (7). However, the company could improve this area by reducing the working days from five to four to achieve what is described by Nørgård (42) as an “amateur economy”, an increase in satisfaction and happiness obtainable through a reduction of working time and by turning some of the leisure time into voluntary activities. Although having a 4-days working week is on Blue’s agenda, it is still challenging to implement such a change due to the difficulties related to the small dimensions of the company.

Communities

Through its work, Blue is also supporting the local community in the areas where they operate, namely Italy, Brazil, and Indonesia. Especially in these two, they manage to have a greater impact. Fishermen in those areas perceive a low income, and the 150% extra income deriving from the collaboration with Blue allows them to support their families and further develop their business by improving their boats and adopting new technologies. Moreover, Blue is planning to implement a new project aimed at remunerating fishermen’s wives for mangrove planting. By doing so, Blue is enabling autonomy and capacity development (7). Finally, as far as the tenth principle of *sharing resources* is concerned, Blue meets the key points, therefore resulting in line with the degrowth

discourse. Firstly, they create a global network of partnerships and collaborations that allows them to have a local focus in every area in which they operate. Such local embeddedness, as stated by Liesen et al. (28), represents one of the success factors for companies approaching degrowth, as well as constitutes Blue's community-based approach, similar to the one described by Kostakis et al. (43) and Hankammer and Kler (44). Secondly, although they are open to sharing their resources, being it mainly a service-based company, Blue is only capable of sharing knowledge. In fact, as discussed when analyzing the company's compatibility with principle 2, Blue is engaged in many educational and awareness-raising activities, both with the consumers and with the fisherman they collaborate with. Lastly, the company shares a co-working space in Milan with another company, and this is another way for them to exchange ideas and points of view with the other employees. Furthermore, sharing of buildings has been identified as a factor able to improve companies' financial autonomy (45).

CONCLUSION

This research aimed at analyzing the Blue's compatibility with the degrowth discourse, using the 11 principles of degrowth applied to business identified by Hankammer (7). Overall, the results showed that the company is partially in line with the principles of degrowth. Specifically, the company is performing well in *repurposing the business for the environment and society* (principle 1). Particular attention needs to be given to the fact that, according to the degrowth discourse, the size of the business should remain small (28). However, Blue's intention to further expand is motivated by the willingness to increase global environmental and social benefits, making the company suitable in a degrowth society (21). Room for improvement has been identified in the second principle. The company could start promoting the acceptance of degrowth thinking besides its strong commitment to spreading knowledge about sustainability and the sea.

Strictly related to this is the umbrella of *customers*. Specifically, although Blue is currently in the process of becoming a service-based company, therefore eliminating the selling of physical products, which contributes to financing its operations (principle 5), it should start focusing on encouraging sufficiency by disincentivizing consumption. In addition, Blue could improve by adding additional services next to the selling of products (e.g. repair services). However, as abovementioned, it would be in contradiction with their choice of cutting down the selling of all physical products (principle 6). As far as the umbrella of the *environment* is concerned, the company is totally in line with the degrowth principles, although they could shift to the use of renewable energies in their office as they will have the resources (principle 3).

The company's performance related to the umbrella of *employees and management* (principles 7 and 8) could be improved by reducing the number of working days from five to four, a topic that has already been discussed within the company and that is on their agenda. Finally, the company is entirely in line with the area of *communities* (principles 9, 10, and 11).

Interestingly, in some cases, the company went even beyond the 11 principles of degrowth. Firstly, by scaling down goods selling, therefore shifting industry from one that does not satisfy any primary human need to one that positively contributes to the restoration of the ocean (principles 1 and 3). Secondly, thanks to the open hours established by the *people and culture* manager, which allow employees to talk to someone in a neutral position about what affects them both positively and negatively, Blue is contributing to increasing employees' wellbeing (principle 8).

Limitations

The first limitation of this study concerns the limited time frame granted for the interviews, which did not allow for further investigation of the topics discussed. The presence of possible bias, such as situational bias or social desirability bias, may impact the level of completeness of the data collected and its quality.

Moreover, since this study assesses one company's compatibility with the degrowth discourse, this study can only be generalized to some sustainable businesses.

Future research

This study focused on the degrowth analysis of a specific startup. Further research could shed more light on the level of other organizations' compatibility with degrowth, such as SMEs, multinational companies, or not-for-profit organizations. Furthermore, analyzing a large sample of organizations could ensure the generalizability of the study. Furthermore, future research could analyze the effects of multiple companies' degrowth shift, by taking into consideration changes on a context level. Finally, it would be interesting to more deeply investigate which factors hinder startups from becoming fully compatible with degrowth.

APPENDICES

Appendix A: Consent Form



INFORMATION SHEET

HITTING TWO BIRDS WITH ONE STONE: ASSESSING A COMPANY'S SUSTAINABILITY THROUGH A DE-GROWTH LENS

Thank you for your interest in participating in this research. This letter explains what the research entails and how the research will be conducted. Please take time to read the following information carefully. If any information is not clear, kindly ask questions using the contact details of the researchers provided at the end of this letter.

What This Study Is About?

- This study aims at assessing sustainable business models with respect to their approximation to the concept of degrowth answering the following research question: "How may the principles of degrowth be embedded in sustainable business models?".

What Does Participation Involve?

- Online interviews of 20-45 minutes approximately

Do You Have to Participate?

- Your participation in this study is entirely voluntary.
- You can choose to withdraw from the study at any moment.

How Will Information You Provide Be Recorded, Stored And Protected?

- The interviews would be audio-recorded and transcribed.
- Only the researcher, the supervisor and the co-assessor will have access to the transcript and report.

What Will Happen to The Results Of The Study?

- The result of the study will be kept internally by the University of Groningen for internal review and grading.

Ethical Approval

- This study has obtained ethical approval from the Campus Friesland Ethics Committee.
- The researcher will uphold herself to relevant ethical standards.

Informed Consent Form

- You will be provided with a consent form to agree to participate in the study.

In Case of Further Information

Maria Tosi | University of Groningen; MSc Sustainable Entrepreneurship - Student
Email: m.tosi@student.rug.nl



INFORMED CONSENT FORM

HITTING TWO BIRDS WITH ONE STONE: ASSESSING A COMPANY'S SUSTAINABILITY THROUGH A DE-GROWTH LENS

Name participant:

Assessment

- I have read the information sheet and was able to ask any additional question to the researcher.
- I understand I may ask questions about the study at any time.
- I understand I have the right to withdraw from the study at any time without giving a reason.
- I understand that at any time, I can refuse to answer any question without any consequences.

Confidentiality and Data Use

- I understand that none of my individual information will be disclosed to anyone outside the study team and my name will not be published.
- I understand that the information provided will be used only for this research and publications directly related to this research project.
- I understand that data (consent forms, recordings, interview transcripts) will be retained on the drive of the University of Groningen server for 5 years, in correspondence with the university GDPR legislation.

Future involvement

- I wish to receive a copy of the scientific output of the project.
- I consent to be re-contacted for participating in future studies.

Having read and understood all the above, I agree to participate in the research study:
yes / no

Date

Signature

To be filled in by the researcher

- I declare that I have thoroughly informed the research participant about the research study and answered any remaining questions to the best of my knowledge.
- I agree that this person participates in the research study.

Date

12-04-2023

Signature

A handwritten signature in black ink, appearing to be "M. Tosi", written over a horizontal line.

See also: [Maria Tosi SEP - Google Drive](#)

Appendix B1: Interview guide EN

STARTING QUESTION

To begin with, I ask you to describe the history of *Blue*, how it was founded, your activities, and your current business model (products, services, distribution channels, stakeholders...)

SOCIETY - PRINCIPLE 1 - REPURPOSE THE BUSINESS FOR THE ENVIRONMENT AND SOCIETY

How do you care for society and the environment with your business?

How do you measure your success? What is success for you?

How are company profits distributed or shared among stakeholders? Do you donate part of your earnings to NGOs or projects aimed at improving environmental or social sustainability?

Are you thinking of expanding? If yes, how and why?

SOCIETY - PRINCIPLE 2 - PROMOTE THE SOCIETAL ACCEPTANCE OF DEGROWTH THINKING

What do you promote on social media and through your campaigns? What message or values do you want to convey?

ENVIRONMENT - PRINCIPLE 3 - REDUCE THE ENVIRONMENTAL IMPACT ALONG THE VALUE CHAIN

How do you minimize your environmental impact?

Do you use renewable energies?

ENVIRONMENT - PRINCIPLE 4 - PROMOTE PRODUCT AND SERVICE DESIGN FOR SUSTAINABILITY

Moving to products, do you design them to last or facilitate their future repair?

CUSTOMERS - PRINCIPLE 5 - ENCOURAGE SUFFICIENCY

Do you attempt, in any way, to influence the consumption behavior of your customers?

Have you ever done or thought of starting social campaigns focused on moderating sales and/or discouraging consumption?

Do you include your customers in your company's activities in any way? (e.g. prosumers)

CUSTOMERS - PRINCIPLE 6 - ENABLE USAGE AND SHARING OF PRODUCTS

Do your operations facilitate the sharing of products?

Do you offer any kind of additional service related to your products? E.g. repair services or similar.

EMPLOYEES & MANAGEMENT - PRINCIPLE 7 - DEMONSTRATE LEADERSHIP COMMITMENT AND IMPLEMENT DEMOCRATIC GOVERNANCE

How is *Blue*'s governance structured? How are decisions made? What guides the decision-making process?

EMPLOYEES & MANAGEMENT - PRINCIPLE 8 - IMPROVE THE WORK-LIFE BALANCE OF EMPLOYEES

What is the working atmosphere like in your company?

Is the use of job sharing or similar initiatives promoted in any way?

Is there or has there ever been an attempt by *Blue* to give employees more free time, also by encouraging voluntary activities, etc.?

COMMUNITIES - PRINCIPLE 9 - BE LOCALLY EMBEDDED AND COMMUNITY-BASED

You work a lot locally, how does this affect local communities?

COMMUNITIES - PRINCIPLE 10 - ENABLE AUTONOMY AND CAPACITY DEVELOPMENT

How do you help local communities to become autonomous and what capacities do you help them to develop to become autonomous?

COMMUNITIES - PRINCIPLE 11 - BE OPEN TO SHARING RESOURCES

Are you open to sharing your skills and knowledge with other businesses or organizations?

What about the sharing of the staff or buildings?

Appendix B2: Interview guide IT

STARTING QUESTIONS

Per cominciare ti chiedo di descrivermi la storia di *Blue*, come mai è stata fondata, le vostre attività e il modello di business attuale (prodotti, servizi, canali di distribuzione, stakeholders...)

SOCIETY - PRINCIPLE 1 – REPURPOSE THE BUSINESS FOR THE ENVIRONMENT AND SOCIETY

In che modo vi prendete cura della società e dell'ambiente con la vostra azienda?

In che modo misurate il vostro successo? Cos'è per voi il successo?

Come vengono distribuiti o condivisi i profitti dell'azienda tra gli stakeholder? Donate parte dei vostri guadagni a ONG o progetti volti a migliorare la sostenibilità ambientale o sociale?

State pensando di espandervi? Se sì, in che modo e come mai?

SOCIETY - PRINCIPLE 2 – PROMOTE THE SOCIETAL ACCEPTANCE OF DEGROWTH THINKING

Cosa promuovete sui social e attraverso le vostre campagne? Quale messaggio o quali valori volete trasmettere?

ENVIRONMENT - PRINCIPLE 3 – REDUCE THE ENVIRONMENTAL IMPACT ALONG THE VALUE CHAIN

In che modo minimizzate il vostro impatto ambientale?

Utilizzate energie rinnovabili?

ENVIRONMENT - PRINCIPLE 4 – PROMOTE PRODUCT AND SERVICE DESIGN FOR SUSTAINABILITY

Passando ai prodotti, li pensate in modo che possano durare nel tempo o facilitando una loro futura riparazione?

CUSTOMERS - PRINCIPLE 5 – ENCOURAGE SUFFICIENCY

Tentate, in qualche modo, di influenzare il comportamento di consumo dei vostri clienti?

Avete mai fatto o pensato di iniziare campagne sui social focalizzate sul moderare le vendite, e/o sul disincentivare il consumo?

Includete, in qualche modo, i vostri clienti nelle attività della vostra azienda? (es. prosumer)

CUSTOMERS - PRINCIPLE 6 – ENABLE USAGE AND SHARING OF PRODUCTS

Le vostre operazioni facilitano la condivisione di prodotti?

Offrite qualche tipo di servizio aggiuntivo correlato ai vostri prodotti? Per esempio servizi di riparazione o simili.

EMPLOYEES & MANAGEMENT - PRINCIPLE 7 – DEMONSTRATE LEADERSHIP COMMITMENT AND IMPLEMENT DEMOCRATIC GOVERNANCE

Com'è strutturata la governance di *Blue*? In che modo vengono prese le decisioni? Cosa guida il processo di decision making?

EMPLOYEES & MANAGEMENT - PRINCIPLE 8 – IMPROVE THE WORK-LIFE BALANCE OF EMPLOYEES

Com'è l'atmosfera lavorativa nella vostra azienda?

Viene in qualche modo promosso il ricorso al job sharing o iniziative simili?

C'è o c'è mai stato un tentativo da parte di *Blue* di lasciare più tempo libero agli impiegati, anche incentivando attività di volontariato etc.?

COMMUNITIES - PRINCIPLE 9 – BE LOCALLY EMBEDDED AND COMMUNITY-BASED

Voi lavorate molto a livello locale, in che modo questo influenza le comunità locali?

COMMUNITIES - PRINCIPLE 10 – ENABLE AUTONOMY AND CAPACITY DEVELOPMENT

Come aiutate la comunità locale a diventare autonoma e quali capacità la aiutate a sviluppare per diventare tale?

COMMUNITIES - PRINCIPLE 11 – BE OPEN TO SHARING RESOURCES

Siete aperti a condividere le vostre skills e le vostre tecniche e conoscenze con altri business o organizzazioni?

E per quanto riguarda la condivisione dello staff o di buildings?

Appendix C: Coding tree

FIRST ORDER	SECOND ORDER
(1) Repurpose the business for the environment and society (2) Promote the societal acceptance of degrowth thinking	Society
(3) Reduce the environmental impact along the value chain (4) Promote product and service design for sustainability	Environment
(5) Encourage sufficiency (6) Enable usage and sharing of products	Customers
(7) Demonstrate leadership commitment and implement democratic governance (8) Improve the work-life balance of employees	Employees & Management
(9) Be locally embedded and community-based (10) Enable autonomy and capacity development (11) Be open to sharing resources	Communities

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