



CHALMERS
UNIVERSITY OF TECHNOLOGY



From Sustainability Ambition to Decision-Making in Practice

A Case Study of Sustainability Ambition Integration in a Project-Based Real Estate Development Company

Master's thesis in Design and Construction Project Management

Alma Larsson Schedin
Emilia Öhlander

DEPARTMENT OF TECHNOLOGY MANAGEMENT AND ECONOMICS
DIVISION OF INNOVATION AND R&D MANAGEMENT

CHALMERS UNIVERSITY OF TECHNOLOGY
Gothenburg, Sweden 2026
www.chalmers.se

MASTER'S THESIS 2026

From Sustainability Ambition to Decision-Making in Practice

A Case Study of Sustainability Ambition Integration in a
Project-Based Real Estate Development Company

Alma Larsson Schedin
Emilia Öhlander



CHALMERS
UNIVERSITY OF TECHNOLOGY

Department of Technology Management and Economics
Division of Innovation and R&D Management
CHALMERS UNIVERSITY OF TECHNOLOGY
Gothenburg, Sweden 2026

From Sustainability Ambition to Decision-Making in Practice
A Case Study of Sustainability Ambition Integration in a Project-Based Real Estate
Development Company
ALMA LARSSON SCHEDIN
EMILIA ÖHLANDER

© Alma Larsson Schedin, 2026.

© Emilia Öhlander 2026.

Supervisor and Examiner: Pernilla Gluch, Department of Technology Management
and Economics

Master's Thesis 2026
Department of Technology Management and Economics
Division of Innovation and R&D Management
Chalmers University of Technology
SE-412 96 Gothenburg
Telephone +46 31 772 1000

Typeset in L^AT_EX
Printed by Chalmers Reproservice
Gothenburg, Sweden 2026

From Sustainability Ambition to Decision-Making in Practice
A Case Study of Sustainability Ambition Integration in a Project-Based Real Estate
Development Company

ALMA LARSSON SCHEDIN
EMILIA ÖHLANDER

Department of Technology Management and Economics
Chalmers University of Technology

Abstract

This thesis examines how sustainability ambitions are integrated into organisational decision-making in a project-based real estate development company. While sustainability is often expressed as a strategic priority, its influence in practice depends on how it is translated into business-relevant and decision-relevant value. The study is based on a qualitative single-case study of a Swedish real estate developer, using semi-structured interviews and document analysis. The findings show that sustainability ambitions are shaped by external requirements, internal priorities, business model alignment, and project-level conditions. Sustainability gains influence when it can be connected to customer value, competitiveness, regulation, risk reduction, or measurable outcomes such as certifications, climate targets, and KPIs. However, financial constraints, project budgets, and uncertainty often limit how far sustainability ambitions are implemented. The thesis concludes that sustainability integration is a conditional process in which ambitions must be translated, justified, and supported by organisational structures, management direction, competence, collaboration, and individual engagement in order to influence decisions in practice.

Keywords: sustainability integration, decision-making, real estate development, financial rationality, project-based organisations

Acknowledgements

With the completion of this master's thesis, we are now ending our studies at Chalmers University of Technology. Throughout the years, we have gained valuable knowledge, experiences, and friendships that have shaped both our academic and personal development. We would therefore like to express our sincere gratitude to everyone who has supported us throughout the process of writing this thesis.

First, we would like to thank our supervisor and examiner, Pernilla Gluch, for her guidance, support, and valuable feedback throughout the development of this thesis. Her insights and encouragement have been important in shaping our work and helping us move the study forward.

We would also like to thank the case company for giving us the opportunity to conduct this study. We are especially grateful to all interviewees who generously shared their time, experiences, and perspectives. Their contributions have been essential to the empirical foundation of this thesis.

Finally, we would like to thank our families, friends, and fellow students for their support, encouragement, and helpful discussions throughout the thesis process.

Alma Larsson Schedin & Emilia Öhlander, Gothenburg, June 2026

List of Acronyms

Below is the list of acronyms that have been used throughout this thesis listed in alphabetical order:

AI	Artificial Intelligence
CSRD	Corporate Sustainability Reporting Directive
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
GRI	Global Reporting Initiative
KPIs	Key Performance Indicators
LCA	Life Cycle Assessment
MCS	Management Control Systems
NSE	Nordic Swan Ecolabel
SBM	Sustainable Business Model
SBMI	Sustainable Business Model Innovation
SBTi	Science Based Targets initiative
SCS	Sustainability Control Systems
SDGs	Sustainable Development Goals

Contents

List of Acronyms	viii
1 Introduction	1
1.1 Background	1
1.2 Scope, Aim and Research Questions	3
2 Theoretical Background	4
2.1 Sustainability in Real Estate Development	4
2.2 Financial Rationality and Control Systems	6
2.3 Business Models and Value Creation	7
2.4 Organisational Practices and Change	9
2.5 Management and Sustainability Champions	10
2.6 Theoretical Framework	11
3 Methods	15
3.1 Research Design and Research Methods	15
3.2 Case Company	16
3.3 Literature Review	17
3.4 Document Data Collection and Analysis	19
3.5 Interview Data Collection and Analysis	20
3.6 Research Quality and Limitations	23
3.7 Ethical Considerations	24
3.8 The Use of AI	25
4 Empirical Findings	27
4.1 Business Model Continuity and Integration	27
4.2 External Pressures and Requirements	30
4.3 Financial Constraints and Filtering	32
4.4 Management Direction and Responsibility	34
4.5 Shared Competence and Collaboration	38
4.6 Sustainability as Culturally Embedded	40
4.7 Champions and Individual Agency	41
5 Analysis and Discussion	43
5.1 From Ambition to Business Relevance	43
5.2 Translation into Decision-Relevant Value	46
5.3 Financial Filtering and Trade-Offs	47

5.4	Organisational Enablers and Moderators	49
6	Conclusion	53
6.1	Answering the Research Questions	53
6.2	Future Research	55
	Bibliography	56
A	Comparative Table of Annual Reports	I
B	Interview Guide	IV

1

Introduction

The introduction chapter outlines the relevance of sustainability in the real estate sector and highlights the challenge of translating sustainability ambitions into organisational decision-making. The chapter study focuses on the Swedish operations of a real estate developer and presents the aim and research questions of analysing how sustainability targets move from strategic ambition or external demand into practical decision-making.

1.1 Background

Sustainability has influenced global development for many years and continues to shape the way we approach future challenges and opportunities. In 2015, the United Nations adopted Agenda 2030 for Sustainable Development establishing a global framework to address environmental, social and economic challenges by 2030 (United Nations (UN), n.d.). It provides a common direction for sustainability efforts across industries and countries. The buildings and construction sector remain a key driver of the climate crisis, accounting for 32% of global energy consumption and 34% of global CO₂ emissions, while also depending heavily on materials such as cement and steel and generating substantial construction waste (UN Environment Programme, 2025).

Real estate companies are closely embedded in this sector, as they develop, own, manage and operate buildings throughout their life cycle. Given the large scale and influence of the built environment, real estate companies therefore play an important role in contributing to global sustainability goals. This role is closely connected to the project-based nature of the industry. Project-based work refers to temporary and goal-oriented activities undertaken to create a unique outcome, rather than continuous routine operations (Project Management Institute, n.d). Real estate development follows this logic, as development activities are typically organised around individual projects that move through phases such as preliminary assessment, financial feasibility, approvals, construction procurement, financing, and management (Real Estate Institute of British Columbia, 2021).

Agenda 2030 has defined overarching goals and a shared global vision, presented in the Sustainable Development Goals (SDGs), providing a comprehensive understanding of sustainability by linking climate action, social equity, and economic

development (UN, n.d.). Previous research highlights that the construction industry is directly or indirectly connected to most of the SDGs, underlining its significant role in achieving global sustainability objectives (Fei et al., 2021). It is further explained by the authors that these goals do not specify how sustainability should be measured or implemented at the organisational level. The EU Taxonomy for Sustainable Activities functions as a classification system that clarifies which economic activities can be considered environmentally sustainable, thereby guiding investment decisions (European Commission, n.d.). Complementing this, the Corporate Sustainability Reporting Directive (CSRD) aims to make sustainability reporting more aligned, comparable and closely connected to financial reporting, thereby strengthening the integration of sustainability into corporate management and decision-making (Finansinspektionen, 2025). The directive is complemented by the European Sustainability Reporting Standards (ESRS), which regulate the detailed content of sustainability reports for companies covered by CSRD.

Sustainability is often incorporated into corporate strategy, but its reach into operational decision-making often remains limited (Pasamar et al., 2025). This creates a gap between sustainability as a strategic ambition and sustainability as a practical consideration in everyday project decisions. They also discuss this gap in relation to project-based industries such as real estate, where it becomes particularly important, as sustainability ambitions must be translated into concrete decisions within individual projects, often under constraints related to budget, time, regulations, and expected returns.

This also connects to the business model of real estate companies. A business model explains how an organisation creates, delivers, and captures value, meaning that ambitions must be understood not only as a strategic goal, but also in relation to how value is generated and secured in practice (Teece, 2010). However, in the context of sustainability, value is difficult to define because it extends beyond direct financial returns (Bocken et al., 2014). The authors further explain how sustainable business models require companies to consider environmental, social, and financial value simultaneously, including value created for multiple stakeholders rather than only for the firm.

The construction and building industry have historically been shaped by financial logics that make established practices more attractive than investments in sustainable alternatives (Shen et al., 2010). The authors further suggest that barriers to sustainability are not only technical or regulatory, but also structural and organisational, as conventional financial approaches often remain more advantageous within existing decision-making systems. Therefore, the limited integration of sustainability in construction projects cannot be explained solely by a lack of goals, frameworks, or sustainability ambitions (Moshood et al., 2024). Rather, the authors explain how it must be understood in relation to how organisations are governed, how value is assessed, and how decisions are structured in practice. Although climate targets may be incorporated at a strategic and conceptual level, potentially reframing financial rationality and broadening the understanding of value creation, less attention has

been paid to how such logics are translated into everyday project-level decision-making (Lüdeke-Freund et al., 2024).

While previous research has addressed sustainability frameworks, business models, and value creation in the built environment, there is still limited understanding of how sustainability targets are translated into decision-making within project-based real estate organisations. Less is known about how such targets become relevant in projects and are balanced against financial, managerial, and project-level conditions. This study addresses this gap by analysing how sustainability targets are integrated into organisational decision-making in a project-based real estate organisation.

1.2 Scope, Aim and Research Questions

This study examines how a real estate developer creates long-term sustainable value through the development of housing and residential areas. The scope is limited to the case company's Swedish operations, with the aim of gaining a deeper understanding of its project-specific conditions, strategic priorities, and market context. The study places particular emphasis on the factors most relevant to the company's development, competitiveness, and future prospects. The construction and built environment industry as a whole is therefore not analysed in depth but is addressed only insofar as industry-specific conditions and developments influence the case company.

The aim of this study is to analyse how sustainability targets move from strategic ambition or external demand into organisational decision-making in a project-based real estate organisation. The study focuses on how sustainability is aligned with the business model, translated into decision-relevant value, and filtered through financial, managerial, and project-level conditions. It further examines the organisational enablers and moderators that strengthen or weaken sustainability integration across this process.

The following research question and sub-questions has been established:

How are sustainability ambitions integrated into organisational decision-making in a project-based real estate organisation?

- What factors enable sustainability ambitions to enter the organisation and gain relevance in a project-based real estate context?
- What forms of business-relevant and decision-relevant value are sustainability ambitions translated into?
- Which financial and project-level conditions shape the influence of sustainability ambitions in decision-making?
- What organisational and managerial conditions enable or constrain sustainability integration across the decision-making process?

2

Theoretical Background

This chapter presents the theoretical foundation for analysing how sustainability is integrated into decision-making in project-based construction and real estate development. It first situates sustainability integration within the specific conditions of the sector, where temporary project organisations, stakeholder demands, investment logics, and financial constraints shape how sustainability ambitions are interpreted and implemented. The chapter then discusses financial rationality, management control systems, sustainable business models, organisational practices, and internal enablers such as management, sustainability champions, knowledge sharing, and dynamic capabilities. Together, these perspectives form the basis for the theoretical framework used to analyse how sustainability ambitions gain, retain, or lose influence in organisational decision-making.

2.1 Sustainability in Real Estate Development

The real estate sector provides a particularly relevant context for studying sustainability integration because sustainability ambitions are shaped not only in construction processes, but also through investment, valuation, ownership, and asset management decisions. In real estate investment sustainability considerations have become increasingly important, yet their implementation remains constrained by valuation practices, uncertain performance data, capital expenditure requirements, and financial viability assessments (Jackson & Orr, 2021). Construction projects are therefore embedded in a broader real estate value chain, where sustainability objectives must pass through both project-based production systems and investment-oriented decision-making routines.

Unlike sectors with stable production systems, the building sector relies on temporary constellations of independent actors assembled for specific projects (Herazo & Lizarralde, 2016; Makhlesian & Holmén, 2012). In this context, sustainability rarely operates as a frictionless corporate directive. Instead, ambitions are shaped through negotiations among actors, contract structures, and financial constraints. Although clients, contractors, consultants, and regulators may formally endorse sustainability objectives their interpretations and priorities often differ (Herazo & Lizarralde, 2016). Furthermore, it is argued that as projects evolve, sustainability ambitions are renegotiated in response to shifting stakeholder priorities and conditions. Certification systems can function as tools for promoting sustainable construction by

defining environmental criteria and guiding decisions across the building life cycle, from design and production to use and end-of-life management (Moshood et al., 2024).

Real estate developers often perceive municipal sustainability requirements as difficult to integrate as they can increase financial risk and create conflicting objectives (Candel & Törnå, 2022). The authors go on to explain that through land allocation agreements, municipalities can introduce project-specific sustainability requirements that shape the preconditions for housing development. However, these requirements may become particularly challenging when unexpected changes occur, such as technical issues, revised municipal requirements, or weaker market conditions. As such changes place pressure on project budgets, they can make developers more cautious about investing in sustainable solutions, particularly when the expected customer value or financial returns are unclear.

At the firm level, sustainability is often framed as strategic positioning and reputation building (de Paula et al., 2017). Leadership and organisational climate influence internal commitment (Opoku et al., 2015; Phua, 2018), yet these mechanisms operate within competitive markets dominated by tendering and cost considerations (Mokhlesian & Holmén, 2012). Consequently, project-level decisions remain closely tied to financial evaluation and cost efficiency.

Competitive tendering and cost-focused procurement further shape firms' incentives and limit the extent of sustainability integration (Mokhlesian & Holmén, 2012). While sustainability may enhance legitimacy it does not necessarily produce short-term financial returns (de Paula et al., 2017). Thus, as explained by the authors, sustainability is continuously balanced against profitability and risk within project structures. The temporary nature of projects also requires sustainability practices and shared understandings to be re-established in each new constellation (Herazo & Lizarralde, 2016). Recent empirical research confirms persistent organisational and financial barriers, including limited awareness and difficulties in applying sustainability guidelines in practice (Moshood et al., 2024).

These challenges are further reinforced by the project-based nature of construction and real estate development, where knowledge, sustainability practices, and innovation often remain tied to specific projects, actors, or individuals. Sustainable innovation has increased within the industry, new solutions are often developed, tested, and improved in small-scale projects, while only a limited number are later adopted by larger established companies and applied on a larger scale (Bossink, 2018). The authors state that this shows that the processes for sharing, standardising, and scaling innovative solutions are often insufficient.

A key challenge in project-based organisations is that knowledge is frequently tied to individual experts or project managers (Nyallu et al., 2025). It is further explained by the authors that due to limited project timeframes, temporary teams, and high-performance requirements, employees may feel pressure to protect their

own cognitive and individual resources, which can lead to knowledge hiding and knowledge loss. These challenges can be reduced through stronger social interaction, better collaboration, and more effective knowledge governance.

2.2 Financial Rationality and Control Systems

Sustainability integration depends on capital allocation and investment decisions, where financial rationality often dominates (Alkaraan et al., 2023). In profit-driven organisations financial metrics take precedence, meaning that profitability tends to override social and environmental objectives (Narayanan & Boyce, 2019). Early screening based on short-term financial thresholds may exclude sustainability concerns lacking comparable metrics (Alkaraan et al., 2023). Board-level Environmental, Social and Governance (ESG) commitment, stakeholder-oriented management, and early stakeholder involvement are therefore crucial for aligning investments with sustainability targets, according to the authors. Sustainability considerations are often treated through remedial costs and risk management rather than as direct value drivers (Jackson & Orr, 2021). Implementation, as further explained by the authors, is constrained by limited market evidence, uncertain valuation effects, and difficulties in justifying capital expenditure when financial returns are unclear.

Green or sustainable finance may support sustainability performance by linking environmental ambition to financial decision-making (Mocharref et al., 2025). Since sustainable finance concerns the integration of ESG considerations into financial decisions such mechanisms may help bridge organisational ambition and impact (Edmans & Kacperczyk, 2022). However, they do not automatically resolve the tension between sustainability and profitability. The authors states that their impact depends on whether management embeds sustainability criteria into investment screening, valuation, and control processes.

To align organisational operations with strategic objectives, management control systems (MCS) are central mechanisms for enabling strategic change (Narayanan & Boyce, 2019). However, the authors suggest that because traditional MCS are primarily oriented toward financial objectives, they are often insufficient for addressing sustainability. Sustainability control systems (SCS) have therefore emerged to support sustainability strategies, yet they risk remaining peripheral or decoupled from core business activities (Beusch et al., 2022). Strategy alone does not improve environmental performance; its effectiveness depends on how it is embedded in management control systems (Rötzel et al., 2019). Meaning MCS–SCS integration extends beyond measurement systems to the interactive use of controls and their linkage to external value creation, offering a micro-level explanation of how integrated thinking is enacted through MCS (Beusch et al., 2022; Narayanan & Boyce, 2019).

MCS are not neutral instruments; their effects depend on contextual embedding and alignment with sustainability strategy (Narayanan & Boyce, 2019). The au-

thors therefore state that understanding them requires recognising the structural tension between sustainability objectives and profit maximisation. It is further emphasized that clear integration into core management systems is critical to avoid marginalisation. Effective control systems require both technical mechanisms, e.g. Key Performance Indicators (KPIs), reporting structures, and alignment with organisational culture and values (Rötzel et al., 2019). In addition, the authors point out that administrative and cultural controls appear more influential than incentives, while separate sustainability and financial plans may formalise strategy without ensuring substantive change.

Although MCS and financial management are essential for sustainability objectives they often subordinate sustainability to profit imperatives (Narayanan & Boyce, 2019). Their framework distinguishes between three approaches to integration: status quo, reform, and transformation. The status quo approach prioritises financial capital; reform involves incremental change within existing systems; and transformation requires a fundamental restructuring of financial and social power relations. This suggests that when integration remains weak and financial metrics dominate, profitability tends to override social and environmental objectives, reinforcing a status quo orientation. The discussion therefore shifts attention from internal control mechanisms to the broader organisational logic through which firms create, deliver, and capture value.

2.3 Business Models and Value Creation

An organisations business model is central to assessing whether sustainability integration remains incremental or enables more transformative change. The business model explains how firms create, deliver, and capture value, forming the architecture through which customer needs are identified, value is delivered, and payments are converted into profit (Teece, 2010). Positioned between strategy and performance, the business model translates strategic intent into financial logic. Although its core definition remains stable, interpretation of value creation and capture have evolved and are often adapted to specific organisational contexts (Massa et al., 2017; Geissdoerfer et al., 2018).

Business strategy complements the business model by sustaining competitive advantage through market segmentation, differentiated value propositions, and isolation mechanisms (Teece, 2010). However, traditional approaches rest on anthropocentric assumptions and a linear cradle-to-grave logic, in which products ultimately become waste (Borland et al., 2019). As conceptions of value broadened attention shifted toward the firm-environment relationship as a source of competitive advantage (Hart, 1995). Transitional and transformational approaches emerged, and transitional approaches mitigate environmental harm within largely linear systems, whereas transformational approaches seek to reconfigure the business-environment relationship through circular, closed-loop models that embed sustainability in the core business model (Borland et al., 2019).

These developments extend value creation beyond financial outcomes to environmental and social dimensions. Early sustainable business models (SBM) research emphasised integrating sustainability into organisational structures, culture, and governance, highlighting stakeholders, nature-based value, leadership, and systems thinking (Stubbs & Cocklin, 2008). Subsequent work defined SBM in terms of sustainable value propositions and the simultaneous creation, delivery, and capture of financial value while maintaining or regenerating natural, social, and economic capital (Schaltegger et al., 2016).

Although value-oriented SBM definitions have reached broad conceptual convergence, debate persists regarding how value should be understood (Evans et al., 2017; Geissdoerfer et al., 2018; Bocken et al., 2014). Value can emerge through stakeholders' interpretations of meaningful change and therefore varies across groups as sustainability comes with intangible, nonmaterial forms of value (Neesham et al., 2023). The process of sustainable business model innovation (SBMI) creates value by reconfiguring how firms create, deliver, and capture economic, social, and environmental benefits (Geissdoerfer et al., 2018). However, it is explained by the authors how the implementation of sustainable business models is difficult because sustainability-oriented value propositions often conflict with existing financial metrics, resource allocations, and organisational routines that guide decision-making in practice.

For SBMI to succeed, companies must not only express an ambition to become sustainable, but also organise themselves in ways that enable sustainable business models to be identified, implemented, and embedded in practice (Bocken & Geradts, 2020). This requires dynamic capabilities, understood as an organisation's ability to "integrate, build, and reconfigure internal and external competences to address rapidly changing environments" (Teece et al., 1997). In relation to SBMI, dynamic capabilities allow organisations to sense sustainability-related opportunities, seize these opportunities by mobilising resources, and transform existing organisational structures, processes, and business models through continuous renewal (Bocken & Geradts, 2020). Thus, they state that dynamic capabilities are central because they enable organisations to move beyond maintaining their current business model and instead adapt, recombine, and reconfigure organisational practices in response to sustainability challenges.

However, companies need to identify the dynamic capabilities that are most relevant to their specific mode of adaptation and the challenges they face (Birkinshaw et al., 2016). Furthermore, it is explained how these capabilities must be anchored at the appropriate levels within the organisation and aligned with the company's culture, structure, and historical conditions. When developed and implemented effectively, dynamic capabilities can improve flexibility in project planning and procurement, enhance collaboration across departments and with suppliers, support strategic learning from previous projects, and encourage open innovation and adaptive leadership, even within bureaucratic organisational settings (Adam & Lindahl,

2017).

Consequently, the challenges associated with implementing SBM suggest that the issue may not primarily lie in the conceptualisation of value or business model design. Rather, it points to a structural gap in how sustainability-oriented value is translated into organisational decision-making. For sustainability to influence decisions, it must be expressed in forms that are compatible with existing organisational structures, routines, and responsibilities. When such value remains intangible, difficult to interpret, or weakly integrated into everyday practices, it risks remaining at a strategic level rather than becoming embedded in decision-making processes.

2.4 Organisational Practices and Change

Organisational embedding of sustainability refers to the integration of environmental, social, and economic considerations into organisational management, structures, and everyday practices (Tipu, 2022). Further, they emphasize that research on organisational change for sustainability argues that sustainability cannot be effectively implemented through isolated initiatives or strategic intentions alone but instead requires the integration of sustainability related considerations into organisational management and practice. Commitment to sustainability requires a strategic approach in which sustainability becomes integrated into business strategy and organisational processes (Pasamar et al., 2025).

In practice, many organisations initiate sustainability efforts primarily at an operational level rather than integrating sustainability across all business levels (Pasamar et al., 2025). As a result, it is argued further that existing profit-seeking and financial logics may continue to dominate organisational priorities. When organisational priorities are dominated by financial objectives sustainability issues may receive less attention (Tipu, 2022). Compliance-oriented sustainability strategies further reinforce this tendency by focusing on maximising shareholder returns and meeting minimum legal requirements rather than pursuing broader sustainability goals (Pasamar et al., 2025).

From this perspective, sustainability must become embedded within organisational culture, strategy, and decision-making processes rather than remaining a separate or symbolic objective. Achieving such integration requires more than leadership commitment alone as sustainability-related changes need to become embedded within organisational culture (Tipu, 2022). The way sustainability becomes integrated into organisational behaviour and everyday practices is further shaped by the sustainability strategies organisations adopt (Pasamar et al., 2025). Proactive sustainability strategies, as further explained by the authors, integrate sustainability-related actions into both organisational culture and competitive strategy, allowing sustainability to become part of the organisation's broader way of operating.

For strategies to have real impact employees must perceive sustainability goals as au-

thentic, relevant, and aligned with everyday practices (Phua, 2018). Organisational climate is therefore emphasized as important, as shared norms, behaviours, and actions reveal whether sustainability is integrated in practice or merely formulated as policy. Organisational leadership plays a central role in driving sustainability work (Opoku et al., 2015). In their view, leaders contribute by formulating visions, developing strategies, policies, and routines, and disseminating best practices throughout the organisation. Furthermore, leaders can also act as catalysts for increased awareness and behavioural change among employees, emphasising the need for active leadership that translates sustainability strategies into organisational practice.

2.5 Management and Sustainability Champions

To understand how sustainability becomes embedded in organisational practice, it is necessary to examine the internal mechanisms that shape this process. Leadership and management are central in this regard, but the two concepts should be distinguished. Management refers more directly (Tengblad, 2006) to the practical coordination of work, communication, and administrative tasks. At the same time, contemporary managers may also exercise forms of institutional leadership when they act not only as administrators, but also as visionaries who help translate sustainability ambitions into organisational routines and practices. Leadership, on the other hand (Antonakis & Day, 2012), can be understood as a social and contextual process of influence rather than simply a personal trait or formal position. From this perspective, leadership depends not only on leaders' actions, but also on how followers interpret these actions and how the organisational context shapes the influence process. Leadership is therefore both relational and situational.

This understanding is particularly relevant in sustainability work, where organisational change depends on whether sustainability goals are interpreted as meaningful, legitimate, and actionable by members of the organisation. Therefore, individuals who drive sustainable innovation and change within an organisation become key actors. These individuals can be called "innovation champions" (Sergeeva, 2016) and are described as an individual who actively promotes and drives innovation by influencing others, creating support for new ideas and helping innovations become implemented and accepted in practice. These actors are often recognised as leaders or managers within the organisation.

Environmental managers (Gluch & Månsson, 2021), can be understood as actors who drive sustainability initiatives and organisational change. Their role extends beyond technical environmental expertise as they also function as communicators, strategists and leaders, who work to integrate sustainability into organisational practices and decision-making. Environmental managers often face resistance because sustainability work may be perceived as secondary or disruptive to established organisational routines. To create legitimacy and facilitate change, they therefore adopt several strategic approaches, such as building networks, engaging supportive colleagues and implementing sustainability reporting systems and environmental as-

assessment tools.

However, reliance on individual actors can also create vulnerabilities. Individual sustainability champions (Pekaar et al., 2024) are shaped by broader contextual factors, including regulations, technological development, organisational strategies, leadership, and social norms. These factors influence which sustainability actions are expected, prioritised, and proactively supported. At the same time, external disruptions, such as pandemics, technological change, or new regulations, can create imbalances between sustainability-related demands and available resources. This places pressure on individuals' adaptive capabilities and highlights the importance of understanding how such micro-processes interact with individual agency in practice. Heavy reliance on individual actors may therefore make sustainability work vulnerable.

Additionally, organisational boundaries between actors (Pemsel & Widén, 2011), such as municipalities and real estate companies, can hinder knowledge sharing in collaborative projects. To reduce conflicts, improve collaboration, and create common understanding, these boundaries need to be bridged through context-specific strategies such as translating, educating, evaluating, and supporting. Overall, project-based organisations need situation-based approaches that strengthen knowledge sharing both within and between projects and organisations.

2.6 Theoretical Framework

The theoretical framework model presented in Figure 2.1, is developed based on the previous literature to aid in the analysis and discussion of the empirical findings. The model is not a chronological process but rather an analytical logic, it shows from how sustainability is put on the agenda to the mechanisms that determines if sustainability have or have not gained influence in decisions. It is structured from the context of the literature review where the main process shows how an idea, ambition or demand moves through the organisation before it becomes an actual decision. This path is then influenced and shaped by organisational capabilities that can moderate or enable decision-making.

The core sustainability influence pathway is shaped by a set of enabling and moderating organisational conditions, which is labelled as **Moderators / Enablers** in the model. These conditions are identified from the literature review. Management control influences whether sustainability is embedded in formal routines, decision criteria and follow-up systems. Organisational culture shapes whether sustainability is perceived as a natural part of everyday work or as an additional requirement. Knowledge sharing affects the organisation's ability to transfer sustainability-related learning across projects, functions and external actors. Sustainability champions contribute by promoting, translating and legitimising sustainability within the organisation, although reliance on individual champions may also indicate weak structural embedding. Finally, dynamic capabilities influence the organisation's ability to adapt, mobilise resources and reconfigure routines in response to sustainability-

related challenges. Together, these conditions determine whether sustainability ambitions are strengthened, weakened or lost as they move through the decision-making process.

The first element in the process is **Sustainability Pressures and Ambitions**, which focuses on the origins of sustainability-related concerns and how sustainability becomes prioritised within the organisation. As discussed in the literature review, these pressures and ambitions may arise from both external and internal sources. External pressures include demands from municipalities, customers, investors, and broader regulatory frameworks and policy developments. Internal pressures and ambitions may instead stem from organisational strategy, sustainability targets, leadership priorities, organisational culture, or individual initiatives within the company. Ultimately, this step identifies how sustainability-related issues are introduced, communicated, and placed on the organisational agenda.

The second element, **Business Model Alignment**, focuses on how sustainability is positioned at the organisational level. This includes how sustainability is reflected in organisational strategy, sustainability targets, business model orientation, and market positioning. In this step, the model highlights how sustainability aligns with the ways in which the company creates, delivers, and captures value. Sustainability becomes easier to integrate into the organisation's core business logic when it contributes to customer value, competitive advantage, long-term profitability, or broader strategic objectives. When sustainability supports market differentiation, strengthens the company's value proposition, or enables new business opportunities, it becomes more aligned with the organisation's value creation logic and strategic direction.

The next element, **Translation into Decision-Relevant Value**, focuses on how sustainability is translated into measurable and decision-relevant forms of value within the organisation. As discussed in the literature review, sustainability often involves forms of value that are difficult to interpret within existing organisational and financial decision-making logics, making sustainability challenging to integrate into everyday decision-making processes. For sustainability to move beyond the strategic level, it needs to be translated into forms that fit organisational practices, routines, and management systems. A clear example is the market demand for higher energy efficiency, where sustainability becomes easier to justify because it contributes to lower operational costs and therefore creates measurable and financially understandable value. In this step, sustainability is translated into metrics, calculations, risk assessments, business arguments, and other decision-making materials that make sustainability-related considerations understandable and actionable within organisational decision-making processes.

The next element, **Financial Rationality and Project-Level Filtering**, describes the mechanisms that determine whether sustainability gains or loses influence in final organisational decisions. At this stage, sustainability-related considerations are evaluated within existing financial and project-based decision-making

logics, where budgets, profitability requirements, risk assessments, and project constraints strongly influence decision outcomes. Even when sustainability ambitions or solutions are introduced early in a project, financial considerations are often given greater priority as projects move closer to implementation and final investment decisions. For sustainability to gain influence at this stage, it must therefore survive the filtering processes through which organisational actors evaluate costs, risks, feasibility, and expected returns, ultimately determining which sustainability initiatives are implemented and which are excluded from the final project outcome.

In this final element, **Actual Influence into Decision-Making**, the outcome becomes visible. Has sustainability gained influence, partial influence or loss influence? The final step represents the outcome of the sustainability influence pathway. It captures the degree to which sustainability targets actually shape decision-making after being translated and filtered through business model, financial, and project-level conditions. Sustainability may gain strong influence, remain partially influential through compromise or adaptation, or lose influence when it cannot be justified within the prevailing decision logic. If sustainability strong influence, it clearly affects or govern decision, where solutions are prioritised, budgeted and implemented. Gaining influence can therefore be done by clear demands, business relevance, measurable metric and financial allocation/budgeting for extra costs. Partial influence means that sustainability gets some break though, but is adjusted, compromised and limited by finance, risk and project demands. By retaining influence, sustainability is still there but only because it survives the project financial and practical limitations. Lastly, sustainability can lose influence by being discarded or reduced to minimum level, this happens when it is not motivated through customer value, finance, risk mitigating and formal demands.

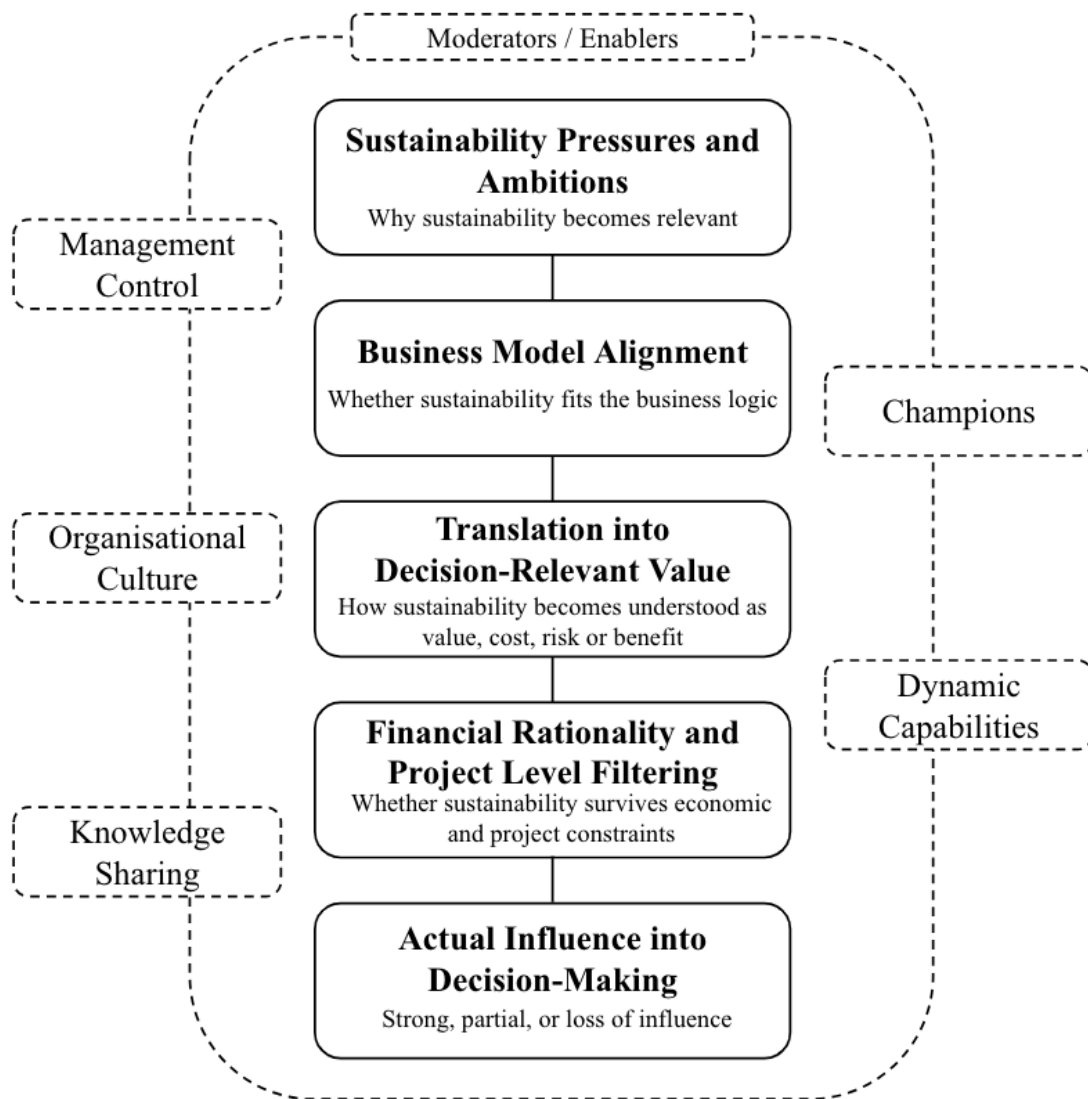


Figure 2.1: *Theoretical framework for analysing sustainability influence in organisational decision-making.*

3

Methods

This chapter presents the methodological framework of the study and explains how the research was designed and conducted. It begins by outlining the chosen research approach, followed by a description of the methods used for data collection, including semi-structured interviews and complementary documentary data. Thereafter, the analytical procedure is described, with particular attention to the thematic analysis and coding process. The chapter concludes by addressing issues of credibility, trustworthiness, and ethical considerations.

3.1 Research Design and Research Methods

The study was conducted using a qualitative research design with an inductive research approach. An exploratory single-case study was employed to investigate how sustainability goals are integrated into organisational decision-making shaped by financial considerations. The research methods consisted of semi-structured interviews and document analysis. This design was considered suitable as the study aims to develop a deeper understanding of organisational processes, perceptions and practices, and how these relate to theoretical concepts (Bell et al., 2019).

By focusing on one organisation, the study enables an in-depth analysis of how sustainability and financial targets are balanced in the specific context in which decision-making takes place. While the establishment of environmental and sustainability targets has been widely studied at a conceptual and general level, this case study allows the issue to be examined from a contextual and practical perspective. This makes it possible to analyse how sustainability ambitions are interpreted, negotiated and limited within organisational and financial decision-making processes. It also enables a deeper understanding of the relationships and processes shaped by the organisation's social and business-oriented complexities (Denscombe, 2014).

A qualitative approach was chosen because the study seeks to understand the perspectives, experiences and interpretations of individuals involved in sustainability-related and financial decision-making (Bell et al., 2019). Semi-structured interviews were therefore used as the main method for data collection, as they allow respondents to elaborate on their experiences while still providing enough structure to ensure relevance to the research aim (Bell et al., 2019). This approach made it possible to capture the dynamics between sustainability ambitions, financial considerations and organisational practices in a real organisational setting.

To strengthen the credibility of the empirical findings, the interview material was complemented with documentary data. This facilitated triangulation of data, where documents served as an additional source of information that could support, contextualise or nuance the interview data (Denscombe, 2014). Rather than treating the interview responses on their own, the use of documents enabled the findings to be compared with alternative sources, thereby increasing the robustness of the analysis. Documentary data were also considered valuable due to their accessibility and relative permanence, as they provide material that can be revisited and scrutinised.

Given that the topic has been extensively addressed in previous research (Bell et al., 2019), an inductive approach was considered appropriate. The study developed through a continuous movement between theory and empirical findings. Previous literature was used to develop the theoretical framework and guide the initial understanding of the research problem. At the same time, the interview material contributed to shaping the analysis by identifying recurring themes and patterns in the empirical data. Theory was therefore not only applied to the findings but also revisited and interpreted in relation to the empirical material.

3.2 Case Company

The case company is a Swedish real estate developer that develops and sells different types of housing, including apartment buildings, detached houses and terraced houses, with various forms of tenure. With around 900 employees, the company operates in six European countries and focuses primarily on metropolitan regions with potential for long-term value creation. Its project portfolio is diversified across customer segments, product types and geographies, which provides flexibility and helps reduce risk as demand varies between markets and housing types.

The company's core activity is the development and sale of homes to consumers, while rental housing projects sold to property investors serve as a complementary part of the business model. This combination of consumer and investor projects contributes to a more balanced risk and cash-flow profile. Through its presence in several submarkets across Europe, the company aims to respond to local market conditions, changing demand and long-term business opportunities.

The company positions itself as a sustainability-oriented housing developer, with clear sustainability ambitions and formal sustainability targets at the corporate level. These ambitions are reflected in strategies such as climate budgets, environmental certifications and internal sustainability initiatives. The company also participates in several international organisations and initiatives related to sustainability, responsible business and transparency, including the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the Science Based Targets initiative (SBTi), Transparency International Sweden and the Global Reporting Initiative (GRI).

In 2020, the company became the first real estate developer in Europe to have its climate targets approved by the SBTi. In 2025, its SBTi climate targets were updated and approved again, indicating continued work in this area. The company has also been included in the Financial Times' 2025 list of Europe's Climate Leaders. The ranking, developed in collaboration with Statista, highlights companies that have reduced their climate impact.

The company's strong sustainability profile makes it a relevant case for this study. Since sustainability is presented as a central part of its strategic identity, the company provides an opportunity to examine how such ambitions are translated into organizational decision-making in practice, and how they are shaped by financial, managerial and project-level conditions.

Figure 3.1 presents the internal company structure as a simplified map of the relevant professional roles encountered in this study and illustrates how these roles relate to one another. The group level is included only to indicate the existence of a higher organizational level, while the roles mapped in detail are limited to the Swedish organization under the Sweden CEO, who reports to the group level.

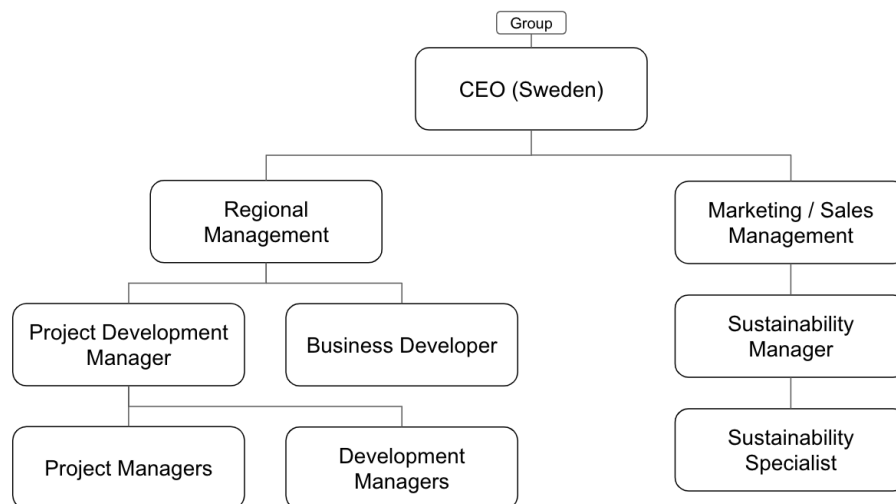


Figure 3.1: *Simplified internal company structure map of relevant professional roles.*

3.3 Literature Review

Bell et al. (2019) emphasise that existing literature is an important element of all research, as it helps identify what is already known about a topic, which theories and methods have been applied, and how the study may contribute to existing knowledge. Therefore, the literature search in this study was conducted systematically in order to identify relevant previous research and build a theoretical foundation for the study.

The initial collection of literature was conducted through database searches in Scopus and Google Scholar, using combinations of keywords related to the research topic. These keywords included, for example, sustainability, decision-making, financial decision-making, organisational responsibility, management control systems, business model, and strategy implementation. The keywords were combined using Boolean operators such as AND/OR. In addition to direct database searches, a snowballing approach was used by reviewing the reference lists of relevant articles to identify further sources. To support this process, ResearchRabbit, an AI-powered literature mapping tool that helps discover academic papers, visualize citation networks, and track new publications, was used to explore connections between sources and discover additional literature relevant to the research area.

All identified articles were imported into the reference management software Zotero, which was used to organise and manage the sources. The review process was conducted in several stages. First, articles were selected based on their titles and abstracts in order to assess their relevance to the research aim. Thereafter, selected articles were read in full. During the full-text review, papers were tagged and annotated in Zotero, allowing for a structured organisation of the material. The tagging process was used to group articles according to themes, concepts and their potential contribution to different parts of the literature review. As new themes emerged, additional literature was added, making the review process iterative.

Finally, the categorised and tagged literature formed the basis for the writing of the literature review. The review was structured around the identified themes, where insights from different studies were compared and combined to build a well-grounded understanding of the research area.

Based on the literature review, a theoretical framework model was developed to structure the analytical focus of the study. The model brings together central concepts from the reviewed literature, including sustainability pressures, business model alignment, decision-relevant value, financial rationality, project-level filtering and organisational enablers. These concepts were organised to illustrate how sustainability targets may move from strategic ambition or external demand into organisational decision-making, and how this process may be strengthened or weakened by organisational conditions such as management control, organisational culture, knowledge sharing, sustainability champions and dynamic capabilities.

The model was not intended to represent a strictly chronological process. Instead, it was developed as an analytical structure for interpreting the empirical material and for examining how sustainability targets gain, retain, or lose influence in decision-making. In this way, the literature review informed both the development of the interview guide and the analytical categories used in the empirical analysis.

3.4 Document Data Collection and Analysis

Documents, such as annual reports and organisational descriptions, used for the study were collected from the company website and through communication with the company representative. The annual reports were collected from the company's official website and initially included the years 2016–2024. During the later stages of the research process, the 2025 annual report was published and was therefore added to the dataset before the document analysis was finalised.

To structure the document review, four analytical dimensions were identified based on concepts derived from the literature review: business model, business strategy, traditional/transitional/transformational strategy and environmental strategy. Definitions for each dimension were developed prior to the review process to create a more systematic and consistent interpretation of the reports. The definitions all derive from the literature review.

Following this, all annual reports were read and reviewed by the two authors. Relevant sections and descriptions related to the four dimensions were identified and interpreted based on the established definitions. The collected material was subsequently compiled into a comparative table (see Appendix A), allowing the content of the reports to be organised and compared across reporting years in a structured manner.

The completed table then formed the basis for the document analysis. The analysis focused on identifying patterns of continuity and change over time. By comparing the dimensions across the different years, it was possible to identify shifts in how sustainability was communicated, structured and connected to the company's business model. This comparison formed the basis for identifying the different phases presented in the findings chapter.

After the phases had been identified, the results from the document analysis were compared with the interview coding related to the business model and sustainable business model. This was done to examine how the formal development described in the annual reports related to the interviewees' internal understandings of sustainability integration. In this way, the document analysis supported the development of the findings section 4.1 "Business Model Continuity and Integration" by combining the company's formal reporting over time with respondents' descriptions of how sustainability is understood and integrated in practice.

The purpose of the document analysis was therefore not only to describe the content of the annual reports, but to analyse how changes in sustainability communication and business model orientation developed over time and how these changes related to the empirical interview findings.

3.5 Interview Data Collection and Analysis

Empirical data were gathered through semi-structured interviews to allow for flexibility and the possibility of follow-up questions. This approach enabled an open dialogue, allowing interviewees to elaborate on their experiences in relation to the research topic. Respondents were selected using purposive sampling to ensure that participants were relevant to the study's purpose (Bell et al., 2019).

Two initial interviews were conducted at the beginning of the research. These interviews were carried out in a more conversational manner to develop an overall understanding of the company's current situation and to support the structuring of the study, as well as the development of the interview guide. These initial interviews were exploratory in nature and were therefore not included in the formal analysis or coding process. The individuals who participated in these interviews were subsequently interviewed again using the finalised interview guide, and only the data from these later interviews were included in the analysis. This approach ensured consistency across the dataset and strengthened the reliability of the analysis.

The sampling strategy was based on the respondents' organisational roles and their involvement in financial decision-making and sustainability work within the company. Additionally, the initial interviews included a question about other relevant individuals within the organisation, ensuring that all suitable participants had the opportunity to be included in the study.

All respondents were contacted and interviews were scheduled via email. An overview of the interviewees, their roles, and the duration of each interview is presented in Table 3.1. The interviews were conducted using an interview guide (see Appendix B). Each interview began with respondents describing their role and the types of decisions they are primarily involved in. This was done to assess their experience with decision-making processes and their opportunities to make sustainable choices.

Table 3.1: *Interviewees and their professional role*

Professional Role	Time
Project Manager 1	40 min
Project Manager 2	35 min
Project Manager 3	55 min
Project Development Manager*	25 min
Business Developer	30 min
Sustainability Manager*	30 min
Sustainability Specialist	25 min
Development Manager 1	40 min
Development Manager 2	30 min

*Participated in the initial interviews.

All interviews were conducted in Swedish and were recorded and transcribed using digital tools such as Microsoft Teams and Microsoft Word. The transcriptions were subsequently reviewed manually by the authors by listening to the recordings and correcting any inaccuracies in the automated transcripts. All quotations included in the study were translated into English by the authors.

The empirical findings from the interviews were analysed through thematic analysis, which enabled the identification of recurring patterns and themes across the qualitative data. Throughout the process, initial reflections and observations were continuously noted, providing a foundation for understanding the empirical material and guiding the subsequent stages of coding and analysis. The empirical material was then coded and organised into five overarching groups. The final three stages of this analytical process are presented in Figure 3.2.

To structure and analyse the empirical interview material, the first round of coding was conducted using the online coding software Taguette. The interview transcripts were read through carefully, and relevant passages were manually highlighted in the text. Each highlighted segment was assigned a tag and a short summary that captured the meaning of the passage. This first stage resulted in a set of first-order codes, consisting of concepts, key terms and empirical observations that remained close to the respondents' own descriptions. The purpose of this step was to preserve the interviewees' perspectives and experiences while structuring the material for further analysis.

After the first round of coding, the codes and summaries were transferred to Miro, a digital post-it and visual collaboration tool. In Miro, the material was organised manually by moving the digital notes into different groups. This visual grouping process made it possible to compare codes across interviews and identify similarities, differences and recurring topics in the empirical material. In the second stage of analysis, the first-order codes were grouped into second-order codes. This involved identifying recurring topics and patterns across the interviews and organising them in relation to the perspectives and understandings expressed by the respondents. By manually arranging and rearranging the notes in Miro, the analysis gradually moved from descriptive coding towards a more interpretative understanding of the material.

In the third stage, the second-order codes were further analysed in relation to each other. This involved an iterative process of comparison, where connections, overlaps and tensions between themes were examined. The purpose of this stage was to identify broader patterns and relationships within the data, rather than treating each theme as separate. Finally, five overarching empirical themes were identified. These themes were developed by grouping together third-level codes based on their shared characteristics, commonalities and relationships. This helped synthesise the empirical findings and connect them to the theoretical framework. In the writing of the findings chapter, the themes were analytically reorganised to better reflect the relationships identified in the data, particularly how external requirements, financial constraints, management direction, collaboration and individual agency shaped

the integration of sustainability targets in practice. This reorganisation did not introduce new themes independent of the coding process but structured the coded material in a way that more clearly represented the empirical logic emerging from the data.

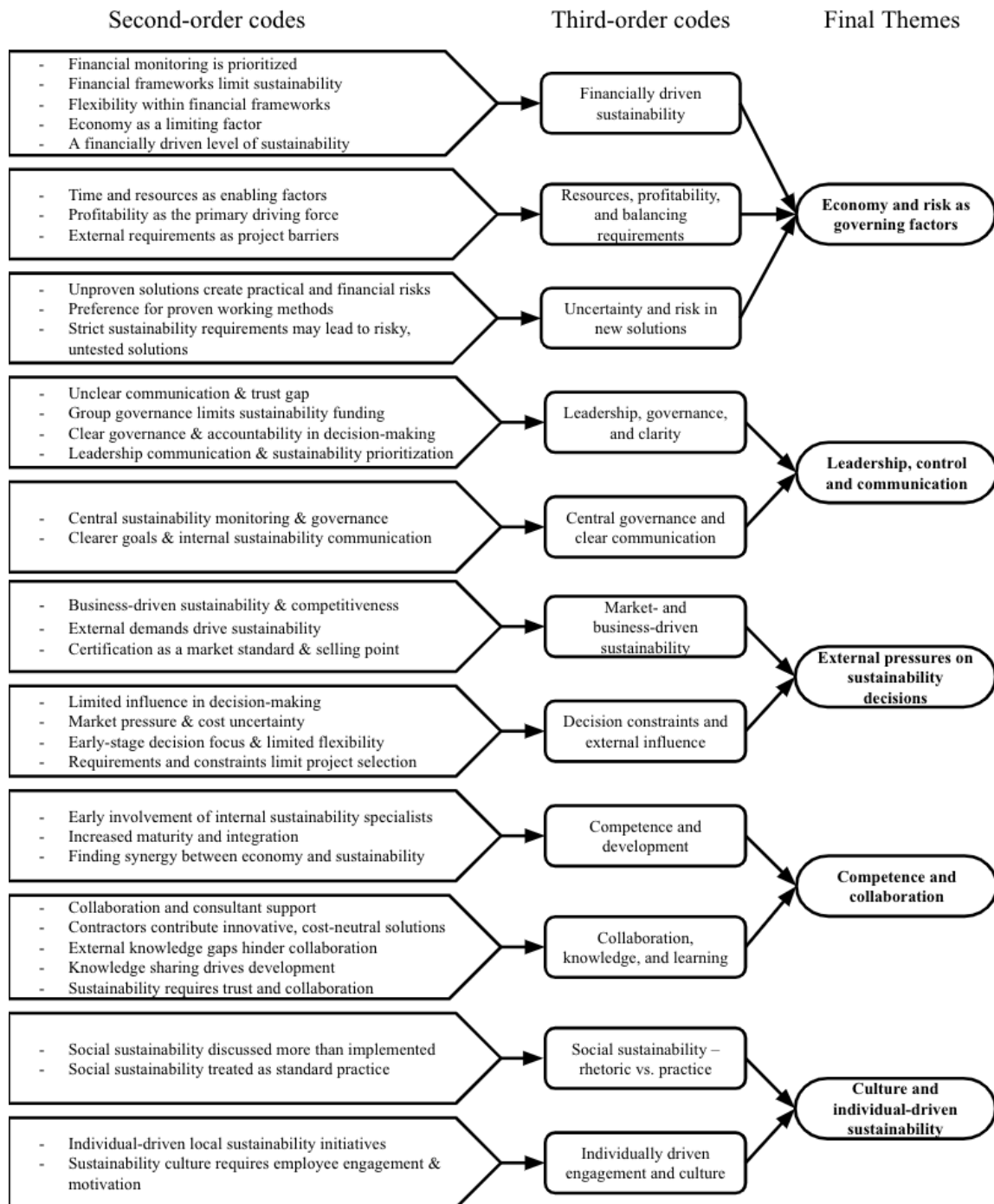


Figure 3.2: Overview of the coding process, from second-order codes to final themes, for the interview analysis.

3.6 Research Quality and Limitations

As the study adopts a qualitative case study design, research quality is assessed in relation to credibility, transferability, dependability and confirmability (Bell et al., 2019). Rather than aiming for statistical generalisation, the study seeks to provide an in-depth and context-specific understanding of how sustainability targets are integrated into organisational decision-making. The purpose is therefore to contribute analytical insights into how sustainability integration may be shaped by financial, managerial and project-level conditions in a project-based real estate organisation. This requires a detailed description of the research context, creating a thick description that can serve as a basis for assessing the possible transferability of the findings (Bell et al., 2019).

Credibility was strengthened through the use of multiple data sources and triangulation of methods and empirical material (Bell et al., 2019; Seale et al., 1999). The study combines semi-structured interviews with document analysis, allowing formal sustainability ambitions to be compared with respondents' descriptions of decision-making in practice. The interviews provided insight into individual experiences, perceptions and organisational processes, while the annual reports and internal documents helped contextualise the company's formal sustainability strategy and business model development. The use of different empirical sources therefore contributed to a more nuanced understanding of the case.

The interview process also contributed to the quality of the study. Respondents were selected through purposive sampling on the basis of their relevance and knowledge (Denscombe, 2014), particularly in relation to their involvement in sustainability-related and financial decision-making and their position within the organisation. This enabled a broader coverage of relevant perspectives within the company and ensured that the participants had knowledge of the processes being studied. In addition, the interviews were recorded, transcribed and manually reviewed by the authors, which reduced the risk of transcription errors and strengthened the reliability of the empirical material. The initial exploratory interviews were not included in the formal coding process but were used to support the development of the interview guide, inform participant selection and improve the relevance of the later interviews.

Dependability was addressed by documenting the research process, including the selection of respondents, the use of an interview guide, the transcription process and the coding procedure. The empirical material was analysed through coding and thematic analysis, where recurring patterns were identified and later reorganised into themes that reflected the relationships found in the data. This made the analytical process more systematic and transparent, supporting the credibility, transparency and rigour of the research (Bell et al., 2019).

Confirmability was strengthened by grounding the analysis in the empirical material and relating the findings to previous research and the theoretical framework (Bell et al., 2019). However, as qualitative research involves interpretation, the findings

are influenced by the researchers' analytical choices. Given the authors' educational background and knowledge of the construction industry, there was also a risk that pre-understandings could shape the interpretation of the data. To reduce this limitation, the analysis was discussed between the authors and developed through several rounds of reflection. Additionally, the study was reviewed by the supervisor and peers through opposition seminars and discussions, which helped foster a more critical and reflexive approach to the interpretation of the empirical material (Denscombe, 2014).

Despite these measures, the study has some limitations. First, the findings are based on a single case company, which limits the possibility of generalising the results to all real estate developers or project-based organisations. However, the purpose of the study is not statistical generalisation, but analytical generalisation. The findings may therefore be relevant for understanding similar organisational contexts where sustainability targets must be balanced against financial and project-level conditions.

Second, the study is context specific. The case company's organisational structure, sustainability maturity, governance systems and market conditions influence the findings. Other organisations, or the same organisation in another national or market context, may show different patterns of sustainability integration.

Third, the sampling strategy may have limited the perspectives included in the study. Since respondents were mainly selected based on their involvement in project-related, financial and sustainability-related decision-making, other relevant perspectives may be underrepresented. For example, board members, external consultants, contractors, municipalities or customers could have provided additional insights into how sustainability requirements are shaped and interpreted.

Fourth, the study relies on interview data, which means that the findings are based on respondents' own descriptions and interpretations of organisational processes. These accounts may be influenced by personal experiences, roles, interests or retrospective interpretations. Although document analysis was used to complement the interviews, available documents mainly reflect formal ambitions and reporting structures rather than all aspects of decision-making in practice.

Finally, the inductive research approach means that the analysis developed through a continuous movement between theory and empirical material. While this strengthened the connection between the findings and existing research, it also means that the interpretation of the empirical material was shaped by the theoretical concepts used in the study.

3.7 Ethical Considerations

According to Bell et al. (2019), ethical considerations in business research are commonly related to avoiding harm to participants, ensuring informed consent, protecting privacy, and avoiding deception. These principles highlight the importance of

conducting research in a way that safeguards participants' anonymity, integrity, and security. In addition, careful handling of empirical material is important to protect participants' confidentiality and ensure that data is only used for the stated purpose of the study.

In this study, these ethical principles were addressed throughout the research process. In accordance with GDPR and Chalmers' guidelines for the handling of personal data, personal data were processed only to the extent necessary to conduct and report the study. The purpose of processing personal data was to carry out the research project, including collecting, analysing and presenting empirical material. The personal data processed mainly consisted of respondents' names, professional roles, contact details and interview data. No sensitive personal data, such as information concerning health, ethnicity, political opinions or religious beliefs, were intentionally collected.

Participants were informed about the purpose of the study, how the material would be used, that the interview would be recorded, and that participation was voluntary. The interview material was handled with care and used only for the purposes of the thesis. To reduce the risk of identification, respondents were not referred to by name in the thesis. Instead, they were described through their professional roles or broader organizational positions. However, as the study focuses on a single case company, complete anonymity cannot be guaranteed, particularly for respondents with specific or unique roles.

The collected material was stored securely and was only accessible to the authors during the research process. Personal data and interview material were not shared with unauthorized persons. In line with the principle of data minimisation, only information relevant to the research aim was included in the thesis. Internal company documents and interview data were also handled with confidentiality, and information considered sensitive or commercially relevant was excluded or anonymised where necessary.

The study also involved company documents, including annual reports and organizational descriptions. Publicly available documents were used as formal sources, while internal documents were treated as confidential and used only in ways relevant to the research aim. Care was taken not to disclose information that could be considered commercially sensitive or outside the scope of the study.

3.8 The Use of AI

Artificial intelligence (AI) tools were used as support during the research and writing process. The interviews were recorded and transcribed using Microsoft's AI-supported tools integrated in Teams and Word. These tools were used solely to facilitate the transcription process and did not replace the researchers' own interpretation or analysis of the empirical material.

ChatGPT was also used as a supporting tool during the writing process, mainly to improve language, formulation, structure, and clarity. However, AI was not used as a substitute for empirical analysis or academic judgement. The coding, interpretation of interview material, document analysis, and final analytical decisions were carried out by the authors. Any AI-generated suggestions were critically reviewed, edited, and verified before being included in the thesis. Additionally, ResearchRabbit, an AI tool, was used to aid in the gathering of literature.

AI was also used with caution in relation to the empirical material. No confidential or sensitive information from interviews or internal company documents was used in ways that could compromise the participants' privacy or the case company's confidentiality. The authors remain fully responsible for the content, interpretations, and conclusions presented in the thesis.

4

Emperical Findings

This chapter presents the empirical findings from the document analysis and interviews. It begins by examining how the company’s business model and sustainability communication have developed over time, before analysing how sustainability is understood and integrated within the organisation. The chapter then presents the main themes identified in the interview analysis, including external pressures, financial constraints, management direction, shared competence, organisational culture, and individual sustainability champions.

4.1 Business Model Continuity and Integration

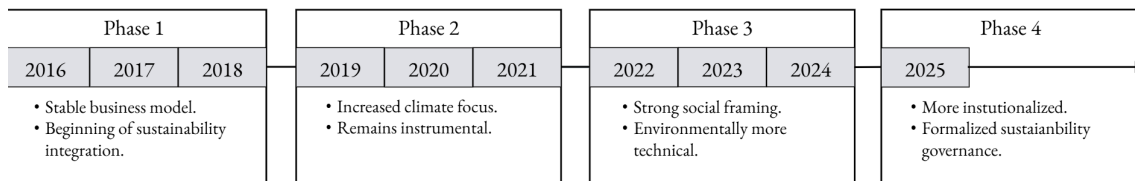


Figure 4.1: *Phases of sustainability integration in the company’s annual reports, 2016–2025.*

As shown in Figure 4.1, the development and changes within the company’s annual reports can be divided into four phases. In phase one, sustainability is mainly used to establish the company’s identity, purpose and market position. Between 2016 and 2018, the company builds its sustainability agenda around “Happy neighbourhoods”, affordable housing, environmental responsibility, workplace safety and reliable business. The phrase “Happy neighbourhoods” refers to the idea that where people live has a significant impact on their overall wellbeing. According to interviews, around 30% of a person’s happiness may be influenced by their home, their relationships with neighbours, and how safe they feel in their residential area. The focus is still largely communicative and brand-oriented, but by 2018 the company begins to make the agenda more operational through customer insights, the “Happy Neighbourhood” phrase, eco-labelling, circular production and preparations for science-based climate targets.

In phase two, sustainability becomes more climate-focused and more strategically structured, but it is still mainly framed as a tool for achieving business goals. Be-

tween 2019 and 2021, the company moves from sustainability as identity and ambition towards sustainability as part of strategy and governance. The reporting develops from communicating ambition, to formalising a sustainability agenda, and finally to connecting sustainability with governance and profitable growth.

Phase three represents a consolidation of sustainability integration, where it becomes more embedded in strategy and operations, yet remains aligned with the existing business logic, reinforcing a transitional trajectory. From 2022, reporting aligned with updated GRI Universal Standards and incorporated EU Taxonomy disclosures on turnover, capital expenditure, and operational expenditure. In 2023–2024, reporting further adapted to regulatory expectations through gap analyses, taxonomy alignment work, and double materiality assessments in preparation for the CSRD. The company will formally fall under CSRD requirements from the 2025 financial year.

From 2025 a new phase appears to emerge. Phase four is characterised by a more foundational integration of sustainability into strategic frameworks, operational systems and governance structures. This gives sustainability a more institutional character, as it becomes increasingly connected to regulations, standards and external expectations, and is therefore perceived as less optional. In 2025, sustainability is still presented as a dedicated section, but its role in the report has changed. In 2024, sustainability is presented as a separate “In-depth sustainability information” section, with a more storytelling- and positioning-oriented approach. The company describes sustainability as part of its customer offering, brand identity and purpose of creating “Happy neighbourhoods”. In 2025, however, sustainability is presented as a “Sustainability Statement” within the Report of the Board of Directors, making it more closely connected to management reporting, governance and regulatory compliance.

This marks a shift in how the company communicates sustainability. The 2025 report takes a more formalised, data-driven and regulation-oriented approach. This development was already indicated in the 2024 report, where the company stated that it would update its baseline and climate targets in 2025 in line with the SBTi Building Sector Guidance. In 2025, the updated climate targets have been validated by SBTi and are based on life cycle assessment (LCA) data, with goals reported in more detail through the CSRD/ESRS framework. Climate actions therefore appear more mature in 2025, particularly through their connection to LCA and square metre-based measures.

Overall, the 2025 report marks a new phase in the company’s sustainability communication. Sustainability has not disappeared as a separate topic, but it has moved from being mainly a strategic agenda and value proposition towards becoming a formalised, data-heavy and methodology-governed reporting area. It is now structured into environmental, social and governance information, following the CSRD/ESRS logic, whereas in 2024 these topics were more often combined under the broader heading of the sustainability agenda. In this sense, the 2025 report does not only

describe the company's sustainability ambitions, but more clearly reports on, governs and measures the sustainability agenda.

The analysis of the company's annual reports (2016-2025) reveals a degree of stability in both the business model and the core business strategy over time. While sustainability is increasingly integrated into strategic narratives, particularly through the concept of "Happy neighbourhoods", this integration appears primarily rhetorical rather than structural. Environmental sustainability has developed into a highly formalised and measurable domain, driven by regulatory frameworks and reporting standards, whereas social sustainability has become more embedded in the company's value proposition.

The interview findings both support and nuance the development identified in the annual reports. While the annual reports indicate that sustainability has become increasingly integrated into the company's strategic narratives, the interviews suggest that this integration is understood internally as taking place within, rather than transforming, the existing business model. Across the interviews, the company's business model is consistently described as developing and selling real estate, which closely aligns with the continuity identified in the annual reports. Similarly, when asked about the integration of sustainability into the business model, the interviewees described sustainability as increasingly becoming part of the existing model, rather than changing its fundamental logic.

A recurring theme is that sustainability must have a financial value or client value to be valid for the business. Project Manager 1 clearly expresses this when saying: *"What the customer does not gain any value from is not really very sustainable in the business model, since the business model is ultimately about selling and making money."* This reveals a view of sustainability that is dependent on the client's willingness to pay and where, in this context for example, lower energy costs are easier to motivate than sustainable materials that has no direct impact for the client.

At the same time, other interviewees recount how sustainability no longer solely can be understood as a voluntary added value but as a prerequisite to operate on the market. Project Manager 2 links this to municipal demands and land allocation agreements: *"If we are to obtain a land allocation from Uppsala Municipality, then we must be able to meet their [...] climate requirements ladder"* Similarly, The Sustainability Manager emphasises that the company has to have control over the sustainability matters *"in order to remain competitive"*. Sustainability is therefore portrayed as a strategic resource connected to land access, legitimacy, financing and competitiveness suggesting that sustainability is conditional and must prove itself useful for business to be integrated.

Many interviewees also mention a change over time regarding how sustainability is valued internally in the organisation. Project Manager 3 implies that earlier, the company, as well as the industry, viewed sustainability as a cost but that this view has changed: *"The company has realised that working with sustainability is benefi-*

cial [...] whereas the entire industry used to view sustainability purely as a cost.” This shows how sustainability gradually has gone from being viewed as expensive demands to being viewed as something that creates business, for example through more effective material use, increasing appeal or new investment opportunities.

On the other hand, there is a distinct tension described, between sustainability ambitions and financial constraints. The Business Developer expresses this by saying: *“You can’t invest unlimited amounts [...] You still have to deliver results.”* The quote shows that sustainability still must be balanced against margins, competition and the financial constraints of the project. Taken together, the interviews show that sustainability is integrated in the business model, but not as an isolated goal. Rather, sustainability becomes relevant for the business when it can contribute client value, meet external demands, raise competitiveness or secure financing.

4.2 External Pressures and Requirements

This broader discussion of sustainability integration also points toward the conditions shaping how sustainability is prioritised and implemented in practice. The interviews reveal that this integration is strongly influenced by external expectations and market conditions. These external pressures act as main drivers influencing sustainability decisions within the organisation. In particular, requirements and expectations from authorities, investors, and customers are highlighted as shaping both the level of ambition and how sustainability is prioritised in projects. Municipalities are described as especially influential in this regard, where increasing requirements are reflected in project processes, as explained by Development Manager 2:

“In recent years, there has been a clear increase in requirements, with more checklists, reporting, and sustainability workshops in projects. Much of this is driven by municipalities, where land allocations often include demands on energy use and sustainability aspects. As these requirements become more widespread, they gradually become a standard expectation.”

Several interviewees describe how sustainability has become increasingly important for maintaining competitiveness, strengthening the brand, and attracting both customers and employees. When external demands are introduced, companies are ultimately required to examine potential solutions to meet the new expectations and requirements placed upon them. If the necessary knowledge and capabilities already exist in-house, the company may gain a head start in responding to new requirements that competitors may not yet be prepared to address. In this sense, sustainability is framed not only as a responsibility, but also as a business opportunity. As Project Manager 2 explains: *“If you’re good at it, you can manage and take on deals that others might not be able to.”*

When external demands are clearly defined by customers, investors, or authorities, sustainability is more likely to be prioritised. In their absence, however, other con-

siderations may take precedence, particularly financial and project-specific factors. While external demands may pressure the company to integrate sustainability into its projects, market conditions affect its ability to meet higher sustainability requirements, as these are often associated with additional costs. The Business Developer describes the market as having been “*very tough for a long time*”. In periods of uncertainty or weaker demand, higher costs and unclear returns can make sustainable solutions more difficult to justify, potentially resulting in projects being rejected. Project Manager 3 similarly notes that: “*In recent years, given the market conditions, many people working with sustainability have unfortunately had to leave their positions.*” This refers to an organizational restructuring in which the responsibility for environmental coordination has shifted from the company to external contractors. Whereas environmental coordinators were previously employed internally, contractors are now required to provide their own environmental coordinators. As a result, external demands do not automatically lead to implementation. Rather, they interact with internal requirements, budgetary limitations and project-specific constraints, which may limit project selection or lead to projects being reconsidered or rejected at an early stage.

This raises the question of how sustainability can be made sufficiently tangible to be justified within project and market logics. In the interviews, certifications emerge as one important answer to this challenge. When sustainable solutions are associated with higher costs or uncertain returns, certifications can provide a recognisable and communicable form of value. They help translate sustainability from a broad ambition into something that can be measured, compared and used in dialogue with customers, investors and other stakeholders.

One certification frequently discussed by the interviewees is the Nordic Swan Ecolabel (NSE). In the Swedish market, NSE is described as having positive value because it is recognised by customers and can therefore function as a selling point. However, the interviewees also note that NSE is no longer a strong differentiator, as many real estate companies now use it as a baseline certification. In this sense, certifications can contribute to company image by providing a visible and recognisable symbol of sustainability work, but their ability to create competitive advantage may decrease as they become standardised across the market.

The interviews also point to a second limitation: certifications only make certain aspects of sustainability visible. Development Manager 2 describes NSE as relatively narrow, stating that:

“There are many people who might argue that it is somewhat timid that, so far, we have only adhered to NSE standards, since NSE is not particularly — or really at all — focused on CO₂ emissions. [...] NSE has traditionally focused more on, how should I put it, personal health and indoor environmental quality.”

This indicates that NSE may create tangible value by signalling sustainability to the market, but that the type of sustainability it represents is limited. While it

supports aspects such as health and indoor environmental quality, it is perceived as less useful for addressing climate-related concerns, especially CO₂ emissions.

Thus, even when certifications are imperfect or no longer provide strong differentiation, they can still become important internal governance tools. This is particularly visible in the case company, where certification has become mandatory by choice. One interviewee mentions that if the company want to, they can choose to make additional sustainability certifications a standard internal requirement, even when they are not externally required by law, customers, or authorities. NSE has not always been mandatory, and similar requirements can become standard in the future.

While the company can choose to make certifications internally mandatory, such decisions still need to be justified by the value they create for the organisation, for example through market recognition, brand value or project feasibility. External demands operate somewhat differently. When requirements are introduced by customers, investors, authorities or regulation, they are less dependent on whether the company itself immediately perceives them as valuable. Instead, they can reshape what is considered necessary to remain competitive, compliant or eligible for certain projects. Development Manager 2 explains: *“When requirements are introduced, the industry eventually adapts and finds technical solutions [...] as the entire industry moves in this direction, what seems difficult today may become much easier in the future.”*

It is commonly suggested by interviewees that external demands may have a stronger influence on company decision-making than voluntary internal initiatives. Whereas internally chosen certifications must be justified by their perceived value to the company, external requirements can create pressure regardless of whether that value is immediately evident.

4.3 Financial Constraints and Filtering

Financial demands are continuously described as a limiting factor that govern sustainability work and determine the level of ambition. Time and resources are often mentioned as both a hindrance and solution, meaning that they are closely linked. With higher demands, more pressure is put in the budget which means that projects can be delayed or discarded. More time and resources facilitate the development and implementation of sustainable solutions.

Interviewees across different decision-making levels described financial viability as a fundamental condition for project decisions. Sustainable solutions or materials, such as specific window glass or more extensive land-development approaches, were often perceived as involving higher costs. When these alternatives exceeded the project budget, they were typically rejected, regardless of their sustainability benefits. Project Manager 2, referring to a more sustainable solution, explained: *“It would have been interesting to try it, but it was also much more expensive, and since*

it was in a project with a tight budget, it was ultimately rejected due to the cost.” This indicates that sustainability is filtered through the financial conditions of each project. Sustainable alternatives may be considered desirable, but they are difficult to add at the project level if they have not already been included in the project’s requirements, budget or design from the beginning. When sustainability requirements are defined earlier in the process, whether internally or through customers, investors, authorities or certifications, the project can be planned and adapted around them.

Although project managers describe having some room to make decisions within their projects, this flexibility is limited by predefined project guidelines and budgetary frames. Rather than having the authority to make major independent decisions, their discretion appears to concern how sustainability requirements can be handled within already established financial boundaries. This is illustrated by Project Manager 1, who described being responsible for a complex project with high sustainability requirements, but without receiving additional resources: *“At that point, the organisation was not prepared to take on any costs for developing it, so that had to be done within the project.”* This suggests that even when sustainability ambitions are accepted or assigned to a project, the financial responsibility for realising them may remain at project level. In practice, sustainability therefore becomes something that must be absorbed within the existing project economy rather than supported through additional organisational investment.

Development managers and business developers appear to have somewhat greater influence earlier in the decision-making process, particularly in deciding which projects or sustainability initiatives are developed and presented to the investment committee. The investment committee is responsible for reviewing and approving larger investment proposals. Before a decision is made, project conditions, risks and business potential are compiled. Larger projects, or joint ventures, may be escalated from the regional investment council to group-level management for approval.

However, their influence is also mediated through financial justification. They may propose more ambitious sustainability solutions, but these still need to be framed as financially or strategically valuable to be approved. Development Manager 1 demonstrated a personal commitment to sustainability by allocating financial resources within a project toward social sustainability initiatives:

“It is them [the board of this joint venture] who make the decision based on what my colleagues and I propose. And I presented it, more or less, the way I described to you. It was an immediate yes without hesitation, and I am very proud that they made that choice.”

Instead of prioritising traditional expenditures such as marketing, the decision was made to dedicate approximately 1% of the land sales value to social projects. This illustrates that individual commitment can influence sustainability outcomes, but mainly when it can be incorporated into the project’s financial structure and approved through existing decision-making processes.

In contrast to the perception that sustainable solutions are often more expensive, some project managers described sustainable alternatives as the more financially viable option. One illustrative example involved a contractor proposing the blasting of a small rock formation that had not been accounted for in the original site plans, where the area had initially been designated as green space. After assessing the situation, the project manager decided to leave the formation intact, as this was considered the most sustainable, cost-efficient and safe option. Blasting would have required additional work, including handling and transporting materials, without adding any substantive value to the project.

This example shows that sustainability does not always involve additional costs. In some cases, it can instead be aligned with cost-efficiency, risk reduction and practical project management. While one project manager suggested that the company has become better at recognising this today than in the past, the interviews also indicate that such solutions often depend on employees' ability and interest in identifying better alternatives within existing project boundaries. For some interviewees, this was mainly connected to finding financially viable and cost-saving solutions, while others placed greater emphasis on identifying more sustainable solutions within the constraints of the project.

In this sense, sustainability does not always involve adding something extra to the project, but can also involve avoiding unnecessary interventions, material use and costs. This illustrates that sustainability may be understood both as an additional cost and as a potential source of efficiency, depending on how it is introduced and evaluated within the project. However, whether such opportunities are identified and acted upon depends not only on project-level evaluations, but also on how sustainability is directed, prioritised and supported within the organisation. This shifts attention to the role of management direction and organisational responsibility in enabling sustainability to influence decision-making.

4.4 Management Direction and Responsibility

Across the interviews, leadership was repeatedly raised as a central factor for integrating sustainability into project-level decision-making. Several interviewees emphasised that top management needs to lead by example, not only through administrative management systems, but through visible leadership, clear priorities and consistent communication.

The interviews suggest that what is currently missing is not necessarily sustainability rhetoric, but concrete managerial follow-through. Sustainability is described as something that is frequently discussed, for example through sustainability workshops and internal meetings. Yet it is not sufficiently supported through incentives, resources or decision-making structures that encourage employees to go beyond minimum requirements such as NSE, customer demands, investor expectations or regulatory obligations. As a result, more ambitious sustainability work appears to

depend largely on external pressure or individual commitment, rather than being systematically enabled by the organisation.

Under ordinary operating conditions, there are limited incentives to go beyond minimum sustainability requirements. An example of this was described in relation to a particularly ambitious sustainability project, where the project had gone beyond the minimum requirements and involved several non-standard solutions. In this case, the project team had been granted greater flexibility to make decisions at later stages of the process, which allowed additional sustainability measures to be identified and implemented during production. As one respondent explained: *“It is somewhat unique, because in that project we have identified things [...] along the way, so I have implemented them in production at a late stage. But it is unique, so perhaps we should not really include it.”* Although the respondent described this as an exceptional case, it illustrates how organisational flexibility can enable sustainability measures that would otherwise be difficult to incorporate once the project has moved into production.

Demands, information and all types of communication from the board and CEO are explained to set the tone and works as guidelines for everyone working below. Clear communication and explicit sustainability requirements are described as important motivating factors for project managers and others involved in project processes. They can encourage employees to take additional steps to implement sustainable approaches beyond what is formally mandatory. Interviewees in development, sustainability and business-oriented management roles expressed how sustainability is something that needs to be integrated in the entire top-down decision-making process to get clear demands and a clear division of responsibilities.

This is further reflected in how they describe a lack of clarity in how sustainability is evaluated in decision-making processes, particularly at higher levels. As the Sustainability Manager explains: *“there is a need for a clearer check on whether sustainability aspects have been addressed and at what level [...] it remains unclear to what extent these factors actually influence the final decisions made at higher levels.”* The importance of clear and consistent direction from top management is further emphasised by the Project Development Manager:

“Clear decisions from the company are crucial [...] As soon as there is flexibility, where it applies to some projects but not others, it becomes very unclear for employees [...] If that decision is left to each individual project manager, it becomes too big of a responsibility. Why should I choose to make a project two million more expensive if the company has not clearly stated it as a goal?”

Beyond clear communication, sustainability ambition is also described as something that must run through the entire organisation. Several interviewees emphasised the importance of interest and commitment from top management, describing it as a prerequisite for sustainability to be prioritised in practice. As the Project Development Manager explained, if the company were to communicate that sustainability

is “a very important issue for us” and actively encourage employees to “look for solutions” while “creating a culture where the environment is part of our DNA [...] the CEO needs to communicate it and spread it downwards”, sustainability would remain “far forward in people’s minds”. This suggests that sustainability integration depends not only on formal strategies, but also on whether management provides visible support, clear priorities and organisational mechanisms that enable sustainability to be pursued in practice.

One such organisational mechanism is the planned sustainability fund being discussed at Group level. Information from the initial exploratory interview indicated that the fund was intended to create a mechanism through which projects could apply for additional resources to investigate or test more ambitious sustainability solutions. The background to the fund was described as a recurring tension between project-level financial responsibility and company-wide sustainability value. In some cases, sustainability initiatives may generate reputational value, learning effects or stronger relationships with municipalities, while the additional cost remains within the individual project budget.

Although the fund is still in the planning stage, individual projects are expected to be able to apply for extra funding to test or evaluate new sustainability solutions. Extra funding is described by several interviewees as one of the most important enablers of more ambitious sustainability work. However, it is also described as limited in scope. The fund is expected to amount to approximately SEK 1.5 million at Group level and to support only a small number of projects, often through pilot studies or testing rather than full implementation. As Project Manager 1 explains:

“It is not a huge amount of money, but it could perhaps make people feel that they do not have to hold on to every single SEK in their projects. For example, we might want to look into building the house in a more environmentally friendly way. But then it costs fifty thousand more, and I do not have that money available just to look into something.”

The fund can therefore be understood as both symbolic and enabling. Its symbolic value lies in signalling that more ambitious sustainability initiatives are encouraged and recognised at Group level. Its enabling value lies in creating some financial space outside the ordinary project budget, making it easier for employees to investigate sustainable alternatives without having to justify every cost within a tight project economy. The interviewee continues: “It is about getting started, initiating the process, and feeling that it is worth investigating [...] I think it could be good to feel that there is something available alongside the project economy.”

At the same time, the fund is not perceived as a solution to the broader financial tensions between sustainability ambitions and project budgets. Rather, it is described as a positive initiative whose practical impact remains uncertain due to its limited size and scope.

However, the interviews also point to potential limitations of the fund. One concern

is whether projects will have the time and capacity to apply for funding and conduct additional investigations alongside ordinary project work. As Project Manager 3 interviewee asks: “*The follow-up question is, how many projects will have time to investigate?*” Another concern is that the fund may not provide sufficient financial coverage. If projects only receive partial support for investigations or implementation, the remaining costs may still affect the project’s financial result, which could reduce the willingness to test similar solutions in the future. As the same interviewee explains, there is a risk that projects may feel that “*it was still not enough*” and therefore choose not to apply for funding again. The respondent also emphasises that the application process needs to be user-friendly, since a complicated process requiring detailed information at an early stage may discourage project teams from using the fund.

In this sense, the fund illustrates how management support may enable sustainability work not only through direct financial resources, but also by creating organisational signals and structures that make it more legitimate to explore sustainability ambitions beyond minimum requirements, even though there might be limitations.

Across the interviews, the environmental department is described as a central organisational mechanism for embedding and translating environmental work. This function is represented by the Sustainability Manager and Sustainability Specialist, who are described as carrying much of the responsibility for structuring, communicating and following up sustainability requirements. Although the department has been reduced from several environmental coordinators to two roles, interviewees still describe it as important for structuring, communicating and following up sustainability requirements. Across organisational levels, the department is presented as a key intermediary between strategic ambitions and project-level implementation, helping to translate broader sustainability goals into practical requirements and routines.

Beyond structuring and following up requirements, the environmental department also contributes to organisational learning by supporting project teams in understanding new concepts, requirements and tools, the department helps build the maturity needed for more ambitious sustainability work. This development is also reflected by the Sustainability Specialist, who explained:

“They have actually learned a lot in just a year. As one colleague mentioned, ‘a year ago, I didn’t even know what an EPD was’, so you can really feel that we are making progress. Of course, more could be done, but it is also a matter of maturity, and I think we have now reached a point where we can take further steps.”

4.5 Shared Competence and Collaboration

Although interviewees describe increased internal knowledge through education and training, challenges remain in how this knowledge is shared and applied across project actors. Several respondents describe a growing maturity and integration of sustainability knowledge within the organisation, but the interviews also show that sustainability work still varies significantly between projects. Differences in knowledge, engagement and personal interest among project managers influence how sustainability is approached in practice. While some actively search for innovative solutions, such as fossil-free methods, in order to stay ahead of industry developments and avoid future financial constraints, others focus mainly on smaller-scale improvements or established ways of working. Since much of this competence is carried by the individual responsible for each project, the level of sustainability work becomes highly dependent on individual engagement rather than being systematically embedded across projects.

Furthermore, several respondents, particularly the business developer and development managers, highlight challenges related to competence among external actors, such as municipalities and customers. One example, highlighted by Development Manager 1, concerned a project in which plantable courtyard decks were designed to support trees intended to enhance green space. The solution required thick soil layers and substantial structural reinforcement, resulting in significantly higher costs and increased climate impact. As expressed by Development Manager 1: *“So, from that silo-based perspective, it seemed like a good solution, but the fact that it ended up costing several million and creating a significant climate impact was not assessed by the consultant.”*

Similar challenges are presented by other interviewees, both in relation to company expectations on external actors. Where contractors’ understanding of and capabilities in implementing sustainable design and construction practices, and balance sustainability requirements with project feasibility, do not always meet the required level of sustainable practices. For instance, municipalities and/or landowners are often perceived to present unrealistic or insufficiently developed demands, reflecting a misalignment in expectations and in the understanding of project financials. In relation to a potential project, the Business Developer expressed:

“They don’t really understand that we need to make the project financially viable, otherwise there won’t be any project. When developing a detailed plan, the requirements for design and development are sometimes set too high, it becomes like a wish list. In areas that simply can’t afford it.”

This can result in projects being delayed, plans needing to be reworked, and processes restarting, as no actor is willing or able to take on projects with such high cost-related demands. These issues illustrate how limited or fragmented competence can lead to sustainability solutions being proposed without a full understanding of their broader financial and environmental implications. Which, in turn, indicate the need for competence across the industry and stakeholders.

Although this remains a significant challenge, the Business Developer also notes that the situation has slowly improved through increased collaboration and industry forums such as the Swedish Construction Federation. These forums allow clients, municipalities and other stakeholders to develop a more shared understanding of industry conditions and challenges. However, differing levels of competence among contractors, municipalities and customers still complicate collaboration and decision-making. Interviewees therefore emphasise the need for continuous knowledge sharing across the industry. Without such exchange, there is a risk that organisations become stagnant, relying on previous successes rather than identifying new opportunities for change. As Project Manager 3 states:

“We need to collaborate across the industry. We can’t just sit here on our own and think we’ll solve everything. We need to talk to each other. There are consultants who are very skilled in this, as well as contractors, and we as clients also need to raise our level of knowledge. And a bit of trial and error, daring to try.”

Without continuous knowledge sharing and development, the company risks not only falling behind but also limiting the organisations and the broader market’s ability to take necessary steps towards greater sustainability.

Several interviewees describe a preference for already tested methods. This preference can make sustainable change more difficult, as new methods or materials may be perceived as risky until they have been tested and proven elsewhere. For such solutions to spread, stronger collaboration, trust and mutual understanding between actors are needed. Internally, trust is needed to encourage employees to share ideas and test new methods or materials without being held individually responsible if these initiatives do not lead to immediate financial gains. Externally, trust is also needed across organisational boundaries, as companies must be willing to share knowledge and competence without perceiving this as a threat to their competitive advantage.

Project Manager 2 explained that established processes and methods are often perceived as more reliable, making them easier to justify when seeking to avoid potential financial and resource-related risks. However, even when new methods are tested either within the company or in collaboration with external actors, their broader impact depends on whether the knowledge is shared. If the learning remains isolated within a single project, other project managers cannot build on these experiences or apply the same methods in future projects. As a result, potentially valuable steps towards more sustainable production may be lost rather than becoming part of the organisation’s shared practice. This suggests that competence alone is not sufficient. The right expertise must be combined with systematic knowledge sharing if sustainable solutions are to move beyond individual projects and become embedded in wider organisational routines.

4.6 Sustainability as Culturally Embedded

To achieve a more widely embedded organisational routine, including a shared understanding of sustainability, attention is given to how culture, and the engagement it fosters, are described as having a significant influence on how employees approach the company's stated sustainability goals. Several interviewees describe the company as a leading actor in sustainability within the market. While this perception is not always reflected to the same extent in strategic approaches, the interviews suggest that the company's sustainability image has shaped how employees understand the organisation and their own role within it. They continue to describe how they have been attracted to the company because of its perceived sustainability profile. In reference to choosing sustainable solutions, Project Manager 3 reveals their personal drift by stating: *"Personally, if I look at it from a private and personal perspective, I feel that there really is no alternative [other than the sustainable one]."* This appears to influence the organisational culture, as employees with a personal interest in sustainability may be more likely to search for and incorporate more ambitious sustainable methods into their work.

However, some interviewees question whether this perception is still as strong as it once was. As sustainability targets have become increasingly formalised through frameworks such as CSRD/ESRS and the EU Taxonomy, the company appears to have lost some of its earlier position as a clear sustainability frontrunner. They acknowledge that the company is still associated with sustainability but argue that it is no longer necessarily ahead of other real estate companies in the same way. For example, certifications such as the NSE and commitments such as SBTi are now used by several actors in the industry, even if the company adopted them early. Although the company was the first residential developer in Europe to have its climate targets approved by the SBTi, these initiatives may no longer provide the same level of differentiation as they did initially.

As the new regulatory landscape has become increasingly embedded in the industry, its influence has extended across several parts of the case company. When the topic of sustainability was introduced in the interviews, most interviewees associated that with environmental issues. This suggests a shared understanding of a changing sustainability context, in which data-driven, measurable and reportable values have become increasingly central. As a result, the reporting and presentation of sustainability data have become more visible parts of everyday organisational practice.

The Project Development Manager emphasises that social sustainability is viewed as a soft, inherent and long-standing aspect of the organisation's work:

"Social sustainability is, in a way, something you already carry with you—it feels very natural—and you've always worked with the idea of creating happy neighbourhoods. [...] And that was before my time, when it was somehow made permanent. But maybe that's what would be needed, or do we even want that? That's really the question. Does [company name] want to have the same level of ambition for sustainability? I don't

know.”

The interviewee further explains that each new neighbourhood includes initiatives designed to foster social cohesion by creating opportunities for residents to meet and interact. She describes this as a form of neighbourhood collaboration, which she explicitly connects to social sustainability. This perspective suggests that the embedded nature of social sustainability within the organisation may influence how it is perceived and articulated and may contribute to differences in how sustainability work is understood among employees. In contrast, Development Manager 1 describes social sustainability as more difficult to measure, set targets for and follow up, which creates uncertainty about whether social sustainability is fully operationalised, or whether it risks remaining more of an organisational narrative than a clearly implemented practice.

4.7 Champions and Individual Agency

If sustainability work becomes more deeply embedded in the organisation, everyone has the potential to contribute to driving sustainability forward. However, the interviews suggest that, at present, sustainability efforts are still largely associated with specific individuals rather than being evenly distributed across the organisation. The interviewees commonly understand much of the sustainability work as being carried by the Sustainability Manager, whose responsibilities include setting targets, following up on progress, and communicating sustainability-related issues. Project Manager 1 describes:

“[The Sustainability Manager] is fantastic at what she has been working on here. She has been employed for as many years as I have, and she has worked hard—almost behind the scenes, in my view—and everyone thinks, ‘oh no, here comes sustainability and environmental issues again.’”

This perception is also reflected at other organisational levels. When asked who drives sustainability work and communication, the Business Developer states:

“But it’s [Sustainability Manager], she’s the Head of Sustainability, so she’s the one driving it. She’s truly passionate as well. She’s great. Have you met her? Right—so I think it’s extremely important to have someone like that who really cares about it, and at the same time has an understanding of financial aspects. And that’s exactly what she has—both.”

The way the Sustainability Manager is described indicates that this person can be understood as a sustainability champion. This role appears important not only because of formal responsibility, but because the individual actively keeps sustainability on the organisational agenda, communicates its relevance and helps connect sustainability ambitions to project and business realities. The emphasis on both personal commitment and financial understanding is particularly important, as it suggests that sustainability champions gain influence when they are able to trans-

late sustainability into terms that are meaningful within the company's financial and project-based logic.

Another commonly identified driver is the problem-solving nature of project management roles within the real estate sector. Several interviewees describe project work as involving continuous problem-solving, where individuals are motivated by identifying and developing workable solutions. In this context, sustainability can become a source of engagement, especially when employees perceive that they can create positive change within their projects. Sustainability work is also associated with a sense of benefit and pride, which fosters motivation and can act as a driving force within the organisation. The Sustainability Manager highlights the importance of identifying individuals within the organisation who recognise these benefits and can act as ambassadors, thereby inspiring others. Initiatives aimed at more sustainable approaches often require additional time and effort and are therefore frequently driven by engaged project managers or other committed individuals. These efforts contribute not only to implementation, but also to increased engagement and a shared sense of pride within the organisation.

5

Analysis and Discussion

This chapter analyses and discusses the empirical findings in relation to the theoretical framework. The discussion focuses on how sustainability integration is enabled and constrained by business logic, external demands, financial conditions, and organisational practices in the case company.

5.1 From Ambition to Business Relevance

The empirical findings suggest that sustainability gains the strongest influence in decision-making when it is aligned with the company's business logic and supported by external demands. Sustainability appears to become particularly influential when it is requested or required by actors such as municipalities, customers, investors, or regulatory bodies. In these situations, sustainability is no longer treated only as a voluntary ambition, but becomes connected to project eligibility, market access, competitiveness, legitimacy, and customer value.

These findings align with Herazo and Lizarralde (2016) and Mokhlesian and Holmén (2012), who argue that sustainability in construction and real estate projects is shaped through multiple actors, negotiations, and project-specific conditions rather than through internal corporate strategies alone. In the present study, municipalities emerge as particularly important external actors. Through land allocation processes and project-specific requirements related to energy, climate, and social sustainability, municipalities influence the preconditions under which projects are developed. This means that sustainability can gain influence early in the decision-making process, before specific technical or design solutions are selected.

By increasing the level of sustainability requirements, municipalities may affect not only technical choices, but also whether projects are considered attractive, feasible, or achievable. This highlights how sustainability integration is shaped by the regulatory and institutional context in which the company operates. The finding also aligns with Candel and Törnå (2022), who show that Swedish municipalities can use project-specific sustainability requirements to raise sustainability ambitions in housing development.

However, both their study and the present findings indicate that such requirements do not automatically lead to implementation. For municipal sustainability require-

ments to influence decisions in practice, they must be reconciled with the company's business logic, technical capabilities, project conditions, and financial feasibility. This indicates that sustainability requirements gain influence when they can be connected to the company's business model. Customer and regulatory demands appear to be especially influential because they are difficult for the company to neglect. Drawing on Teece's (2010) understanding of the business model as the architecture through which firms create, deliver, and capture value, sustainability becomes decision-relevant in the case company when it supports this value creation logic. This occurs, for example, when sustainability responds to customer expectations, enables access to land or financing, strengthens competitiveness, or contributes to the company's ability to secure and carry out projects.

Furthermore, the findings also show that identifying external demands is not enough, the company must also be able to respond to these demands by adapting its routines, project processes, and organisational capabilities. This connects to Bocken and Geradts' (2020) argument that SBMI requires organisations to develop capabilities that allow them to sense sustainability-related opportunities, seize them, and transform existing processes and structures. In the case organisation, sustainability has increasingly become part of strategic communication, reporting, certifications, and project requirements. However, the extent to which these demands can be translated into practice remains less clear.

The findings therefore indicate that sustainability integration is strongly shaped by the organisation's existing value creation logic. Both the annual report analysis and the interviews show that the company's business model has remained relatively fixed over time, centred on developing and selling real estate. In line with Teece's (2010) understanding of the business model, the findings indicate that sustainability appears to gain influence when it can be connected to how the company creates value for customers, secures projects, strengthens competitiveness, and captures financial value. This suggests that sustainability is not integrated by transforming the business model, but by being adapted to the existing logic through which the company creates and captures value.

The annual reports show a development from sustainability as identity, branding, and strategic positioning toward a more formalised, measurable, and governance-oriented sustainability agenda. This development can be understood in relation to SBM literature, where sustainability is expected to become integrated into organisational structures, culture, governance, and value creation processes rather than remain a separate strategic ambition (Stubbs & Cocklin, 2008; Schaltegger et al., 2016). In the case company, social sustainability appears to have become connected to the company's value proposition through the idea of creating attractive and "happy neighbourhoods", while environmental sustainability has increasingly been formalised through reporting, certifications, climate targets, and measurable performance indicators.

However, this does not necessarily indicate a fundamental transformation of the

company's business model. Instead, the findings suggest that the company has both management systems and sustainable management systems, but that these systems are not yet clearly integrated with each other. Beusch et al. (2022) argue that SCS can support sustainability strategies, but also risk becoming decoupled from the organisational core when they remain separate from existing MCS. In the case company, increasing sustainability reporting requirements appear to make sustainability more visible and formalised within organisational systems. Yet this visibility does not automatically mean that sustainability is embedded in the control mechanisms that guide project-level decisions. Sustainability control therefore seems to operate partly as a parallel system, rather than as an integrated part of financial and operational decision-making. This limits the potential integration described by Beusch et al. (2022) and Narayanan and Boyce (2019) and raises the question of whether increased measurability actually strengthens sustainability's influence in project decisions.

As SBMI involves reconfiguring how firms create, deliver, and capture economic, environmental, and social value (Schaltegger et al., 2016; Geissdoerfer et al., 2018), the findings instead suggest that sustainability is mainly integrated when it can support or strengthen the existing business model, following new regulations and extended customer demands. This is particularly visible in how sustainability becomes easier to justify when it is linked to customer value, market access, financing, regulatory expectations, or competitiveness. Sustainability therefore appears to be incorporated into the company's existing value creation logic rather than fundamentally changing it.

This creates an important tension. On the one hand, external demands can strengthen sustainability's influence by making it necessary for market access, legitimacy, and competitiveness. On the other hand, sustainability targets that are not clearly connected to customer value, financial relevance, regulatory pressure, or project feasibility risk becoming weaker in decision-making. This suggests that sustainability integration in the case company is not absent, but conditional. It is increasingly present in strategy, reporting, certifications, and selected project practices, yet its influence depends on whether it can be translated into value that is recognisable within the existing business model. Sustainability therefore appears easier to integrate when it reinforces existing business structures, responds to external demands, and can be translated into recognisable business value.

This shift in how sustainability is framed and integrated into the company's business model and strategy can also be understood through the literature on SBM and the organisational integration of sustainability. Borland et al. (2019) describe how many organisations approach sustainability in a transitional way rather than transformative change, where sustainability initiatives are integrated within existing business structures instead of fundamentally reshaping them. The findings of this study suggest a similar development. The company appears to gradually integrate sustainability into its processes and projects, but this integration mainly occurs within existing business logics. Sustainability, therefore, does not emerge

as a separate decision-making logic that replaces financial priorities, but rather as something that continuously needs to be justified through financial relevance, risk reduction, or project-related benefits.

5.2 Translation into Decision-Relevant Value

The empirical results show that sustainability gets a stronger influence in organisational decision-making when it is translated into value that is measurable, comparable and understandable in an organisational context. In the literature review, it is stated that sustainability risks to remain on a strategic level if it is not integrated into the organisation structure, routines and control systems (Tipu, 2022; Pasamar et al., 2025). In this case, such translations are commonly understood as certifications, climate budgets, LCA-data, KPIs and reporting frameworks such as CSRD and ESRS, and they function not only as technical tools for following up, but as mechanisms that helps make sustainability more legitimate and useful in practical decision-making.

Furthermore, sustainability value depends on how different actors interpret what is meaningful or valuable, similarly to what Neesham et al. (2023) emphasises. In practice, sustainability initiatives appear easier to prioritise when their value can be expressed through more tangible decision criteria, such as customer value, lower costs, competitiveness, risk reduction or regulatory compliance. More abstract, indirect or long-term sustainability values, although important from a broader sustainability perspective, risk having less influence when they cannot be clearly translated into decision-relevant terms.

In the empirical results this becomes especially clear through the role of certifications. Moshood et al. (2024) describes certifications as a useful tool to guide and define environmental decisions. NSE is described to make sustainability visible, understandable and communicable both internally and externally. The certification works as a recognisable proof of certain sustainability demands being met and is therefore useful in relation to customers, municipalities and other stakeholders. In this way, sustainability is translated from a broad ambition into something that is comparable, sellable and able to follow up on. This strengthens the position that sustainability has in decision-making, since it becomes easier to motivate within the business. However, the results also show that certifications can limit what type of sustainability becomes visible. When NSE is perceived as being more strongly associated with indoor environmental quality and health than with climate impact and carbon emissions, this specific certification is at risk in becoming symbolic in nature. But as the results show, the very acceptance and understanding of NSE in the industry also shows that other certifications and requirements also can become standards in the industry in the future.

In the document analysis, it is shown how sustainability reporting has changed over time from being more communicative and identity building to becoming more for-

malised and data driven. In the earlier annual reports, sustainability is perceived more as part of the company branding, for example, through “Happy neighbourhoods”, which is closely aligned with de Paula et al., (2017) who states that sustainability often is used as reputation building. Later reporting, especially in 2025, sustainability becomes more structured through CSRD/ESRS, EU-taxonomy, LCA-data and updated climate goals. This can be interpreted as sustainability becoming more organisationally embedded through measurability and reporting.

5.3 Financial Filtering and Trade-Offs

The empirical results show that sustainability is continuously filtered through financial and project-based decision logics where budget, risk and profitability become crucial for which sustainability initiatives is followed through in practice. Even if sustainability is expressed as important on a strategic level and is integrated in the company’s overall ambitions, the empirical results show that sustainability initiatives must be motivated and defended within the projects financial constraints to achieve practical impact. This closely aligns with the literature on financial rationality and MCS, where sustainability often is described as subordinate to financial and investment demands (Narayanan & Boyce, 2019; Alkaraan et al., 2023). The results are not indicating that sustainability initiatives are completely rejected within the organisation but rather that these initiatives get filtered through the projects financial and organisational demands.

Many interviewees describe financial feasibility as a foundational prerequisite for project decisions. Sustainable solutions may be considered desirable by project managers, but when they involve higher costs and uncertain financial returns, they become difficult to prioritise within the project budget. This reflects the competitive market conditions described by Mokhlesian and Holmén (2012), where tendering and procurement shape firms’ incentives and reinforce cost-oriented decision-making. In such a context, sustainability integration becomes closely tied to financial decision-making. Mocharref et al. (2025) and Edmans and Kacperczyk (2022) argue that incorporating ESG considerations into financial decisions may help bridge the tension between sustainability ambitions and financial pressures. However, the findings suggest that this bridge remains limited in practice. Under current market conditions, employees appear to adapt primarily to the requirements set through procurement, customer demands, or regulation, rather than actively pursuing more ambitious environmental solutions beyond what is required. As a result, sustainable solutions may be rejected even when they are perceived as interesting or environmentally preferable, if they cannot be justified within the project’s financial constraints.

Sustainability is therefore something that must fit into the already existing project framework rather than being something that transforms it. This is consistent with Alkaraan et al. (2023), who argue that sustainability considerations may receive weaker influence in investment evaluations when they are difficult to compare with traditional financial criteria. Jackson & Orr (2021) also emphasise how sustainability work is limited by an uncertainty regarding value and difficulties motivating

costs when the financial gain is unclear.

At the same time, the findings show that sustainability is not understood solely as a cost. In some situations, sustainable solutions are instead perceived as the most cost-effective alternative. The example where a project manager chose to preserve a rock formation rather than remove it through blasting clearly illustrates this. The solution was described as both more sustainable, less expensive, and less risky than the alternative. This suggests that sustainability gains stronger influence when it can be linked to efficiency, risk reduction, and practical project feasibility. The findings therefore indicate that sustainability is more easily accepted when it supports dominant project logics rather than challenges them. Sustainability initiatives that reduce costs, lower uncertainty, or improve project efficiency appear easier to legitimise than initiatives that require additional resources without a clear financial return. This does not necessarily indicate that the company has moved towards what Narayanan and Boyce (2019) describe as a transformational approach to sustainability integration. Rather, the findings suggest that sustainability remains strongly shaped by financial rationality and existing project-based decision logics. The company does not appear to represent a pure status quo approach, since sustainability has gained influence through certifications, reporting, climate targets, social sustainability initiatives and external requirements. However, sustainability is still largely integrated only when it can be justified within existing financial and organisational structures.

This suggests a reform-oriented approach, where sustainability is incorporated through incremental adjustments rather than through a fundamental restructuring of financial priorities, decision-making criteria or governance structures (Narayanan & Boyce, 2019). Sustainability initiatives are more likely to gain influence when they can be connected to customer value, market access, risk reduction, regulatory compliance or financial feasibility. When sustainability requires additional costs, long-term value creation or priorities that are difficult to express in financial terms, its influence becomes weaker. Financial rationality therefore remains a central filtering mechanism in determining which sustainability targets are implemented, adapted or excluded.

The findings further show how project-based organisational structures reinforce this type of financial rationality. Construction and real estate development are carried out through temporary projects with clear budget constraints, time limitations, and divided responsibilities, creating conditions in which short-term feasibility becomes central. This is consistent with Herazo & Lizarralde (2016) and Mokhlesian & Holmén (2012), who describe how sustainability goals are continuously renegotiated in project-based environments. The findings show that even when sustainability requirements are accepted within the organisation, the practical responsibility is often placed on the individual project without corresponding additional resources being allocated. When project managers describe how sustainability-related development must be financed within the ordinary project budget, this suggests that sustainability is not fully supported through separate organisational resources but is instead

expected to be absorbed within the project's existing financial framework.

This creates a situation in which project managers' room for flexibility becomes limited. Although several interviewees describe having some opportunity to influence sustainability work within projects, this primarily occurs within already defined financial boundaries. Sustainability-related decisions therefore rarely appear to concern free strategic choices, but rather how sustainability can be adapted to the project's budget, timeline, and level of risk. This illustrates how financial rationality functions as an organisational filter rather than as direct resistance to sustainability. Sustainability is accepted in principle, but its implementation remains conditional on not undermining the project's financial feasibility.

This becomes particularly visible in relation to external sustainability requirements. When demands from municipalities, investors, or certifications are introduced early in the project development process, sustainability appears to gain stronger influence because projects can then be planned around these conditions from the beginning. When sustainability, on the other hand, is introduced later in the process, or perceived as something added on top of the original project budget, the risk of sustainable solutions being rejected increases. This suggests that the influence of sustainability depends on when and how sustainability requirements are integrated into the project's financial structure. Sustainability therefore appears to have a greater opportunity to survive organisational decision-making filters when it is institutionalised early through requirements, budgeting, and planning.

5.4 Organisational Enablers and Moderators

While external demands, business logic, and financial feasibility clearly shape sustainability integration, both the literature and the empirical findings point to several internal enabling conditions. Management direction, organisational culture, sustainability champions, knowledge sharing, and dynamic capabilities all influence whether sustainability targets are translated into project-level decisions. However, the findings suggest that these enablers are not yet fully structurally embedded, leaving sustainability integration partly dependent on specific individuals, projects, and situations.

A central finding is the need for more visible guidance from management. Several interviewees question whether sustainability is sufficiently prioritised internally, leaving project managers uncertain about how far they are expected to go in pursuing more ambitious sustainable methods. Although sustainability has had a strategic position in the organisation for several years, this commitment is not always experienced as sufficiently concrete in everyday decision-making. If employees understand sustainability as something mainly addressed when externally required, internal sustainability ambitions risk being weakened.

This aligns with Phua (2018) and Opoku et al. (2015), who emphasise the importance of organisational leadership in making sustainability goals authentic, rel-

evant, and connected to everyday practices. It also relates to Antonakis and Day's (2012) understanding of leadership as a social and contextual process, where influence depends not only on formal authority but also on how leadership actions are interpreted by employees. In the findings, this is reflected in repeated calls for clearer demands, information, and communication from the board and CEO. Such guidance is perceived as necessary to encourage employees to take additional steps toward sustainable practices that are not explicitly required by project demands or regulation.

The findings therefore suggest that management needs to take on a more active leadership role. Sustainability targets must not only be formulated, but also supported through structures, resources, responsibilities, and prioritisation mechanisms that make them decision relevant. This is, again, consistent with Tipu (2022) and Pasamar et al. (2025), who argue that sustainability needs to move beyond isolated operational initiatives and become embedded across business levels, organisational culture, and everyday processes. In the case organisation, sustainability appears present in strategy and communication, but its translation into ordinary project routines and decision-making structures remains uneven.

One example of how management has attempted to bridge this gap is the planned sustainability fund. The fund indicates that the organisation is beginning to create structural support for sustainability initiatives by reducing the risk that individual project managers must carry the full cost of testing new methods or materials within their own project budgets. Its contribution is both practical and symbolic: it may provide resources for experimentation while also signalling that sustainability initiatives are legitimate and supported by the organisation. However, because the fund remains separate from ordinary operations and appears limited in scope, it does not fully solve the issue of organisational embedding.

Organisational culture also shapes how sustainability is interpreted and acted upon. The company's sustainability identity, expressed both in company communication and by several employees, appears to influence how embedded sustainability becomes in the organisation. Some employees describe choosing the company because of its sustainability profile, and several emphasise the company's work with social sustainability and "Happy neighbourhoods". The findings therefore suggest that social sustainability has become relatively embedded in the organisation's identity and value proposition, even if some interviewees question how far this extends to broader social sustainability issues.

However, the empirical findings raises the question of whether social sustainability has a stronger influence on decision-making, or whether it is perceived as more embedded because it is less directly measured and compared than environmental sustainability. While environmental sustainability is increasingly shaped by external requirements, reporting standards and measurable indicators, social sustainability appears to operate more through organisational identity, values and communication. This makes it easier to present as integrated, but more difficult to assess in terms of

its concrete influence on decision-making. Thus, social sustainability may be both a genuine part of the company's value proposition and a more rhetorical expression of sustainability, as its effects are less visible and less easily verified.

Environmental sustainability, however, appears to be embedded in a different way. It is more strongly associated with measurement, reporting, certifications, climate targets, and external demands. This suggests that environmental sustainability is more dependent on formal systems and measurable requirements, while social sustainability appears more culturally connected to the company's identity. In relation to Pasamar et al. (2025), this indicates that some aspects of sustainability may remain closer to an operational or compliance-oriented level, rather than being fully integrated into the organisation's broader culture and decision-making processes.

A clear internal enabler is the role of sustainability champions and individual agency. The Sustainability Manager is described as a central actor who drives, translates, and legitimises sustainability across organisational levels, from the board to project managers. This aligns with Sergeeva's (2016) concept of the innovation champion as an individual who promotes, initiates, and drives innovative practices and processes within an organisation. It also aligns with Gluch and Månsson's (2021) description of environmental managers as actors whose role extends beyond technical environmental expertise. In the case organisation, the Sustainability Manager appears to act as a communicator, strategist, and internal translator of sustainability requirements.

Some project managers also take on champion-like roles when they actively search for and implement more ambitious sustainable methods within their projects. This shows that sustainability leadership is not limited to formal managerial roles but may also emerge through individual initiative and practical engagement. However, this reliance on champions also reveals a potential limitation. Sustainability champions can mobilise support, translate ambitions into practice, and keep sustainability visible. Yet if sustainability work depends too heavily on specific individuals, implementation may become vulnerable and uneven. Pekaar et al. (2024) emphasise sustainability champions as proactive change agents in complex sustainability implementation processes. Building on this, the empirical findings suggest that strong dependence on individual engagement may also indicate weak structural embedding. Additionally, champions therefore function both as enablers of sustainability integration and as indicators that sustainability has not yet been fully institutionalised across the organisation.

This reliance on individuals is also connected to knowledge sharing. When sustainability knowledge is held by specific people or developed within individual projects, it may not become available to the wider organisation. This reflects the project-based nature of the real estate and construction industry, where knowledge often risks becoming tied to specific projects, actors, or individuals. Bossink (2018) and Nyallu et al. (2025) highlight how sustainable innovation and knowledge development in project-based contexts may remain fragmented if learning is not systematically transferred and scaled. In the case organisation, this means that sustainable

solutions may be tested or identified in one project without necessarily becoming part of shared organisational practice.

The findings also suggest that external knowledge sharing can support this process. Collaboration with municipalities, consultants, contractors, and industry forums may help reduce the silo-based perspective described by several interviewees. This aligns with Pemsel and Widén's (2011) argument that boundaries between project actors need to be bridged through translation, education, evaluation, and support. Knowledge sharing is therefore not only an internal organisational issue, but also an inter-organisational condition for sustainability integration in project-based real estate development. However, for knowledge-sharing to be useful the right competencies must exist across all actors. As the findings suggest this is not always the case and makes it difficult to utilise in full.

Finally, these findings relate to the organisation's dynamic capabilities. The company appears to have developed some sustainability-related capabilities, particularly in relation to reporting, certifications, climate targets, and sustainability expertise. Using Bocken and Geradts' (2020) distinction, the company appears able to sense sustainability-related demands and opportunities, especially those emerging from regulation, customers, municipalities, and market expectations. It also appears able to seize some of these opportunities through initiatives such as certifications, project requirements, and the planned sustainability fund. However, the transforming dimension appears less developed as sustainability has not yet been fully integrated into ordinary project processes, financial structures, and decision-making systems.

6

Conclusion

Returning to the aim and research question, the conclusion now brings together the main findings concerning the integration of sustainability ambitions into organisational decision-making in a project-based real estate context. It also covers potential future research opportunities.

6.1 Answering the Research Questions

Overall, the study concludes that sustainability ambitions are integrated into organisational decision-making through a gradual and conditional process, rather than through a direct transfer from strategy to practice. Sustainability ambitions first need to enter the organisation through external demands, internal priorities, or strategic ambitions. They then need to be translated into forms that are meaningful within existing decision-making structures and remain influential as they pass through financial, project-level, organisational, and managerial conditions. In this sense, sustainability integration is not only a matter of having ambitious targets, but of creating the conditions that allow these ambitions to gain, retain, and translate influence across the decision-making process.

This study concludes that *the factors that seem to enable sustainability ambitions to enter the organisation and gain relevance in a project-based real estate context* are a combination of external demands, internal demands, internal ambitions, and business strategies. External demands can come from municipalities, regulatory bodies, or customers, while internal demands and ambitions are reflected in the organisation's strategic priorities, sustainability targets, and ways of working. The findings also indicate that internal ambitions and business strategies are often directly shaped by external demands, meaning that sustainability becomes relevant through the interaction between external pressure and internal prioritisation rather than through either factor alone. In this sense, external demands often function as important entry points for sustainability, while internal strategies and ambitions determine whether these demands are taken further within the organisation. Sustainability ambitions therefore seem to gain relevance when they are connected to the organisation's broader strategic direction and the basic conditions for developing projects, rather than being treated as separate environmental goals.

The second part can conclude that *sustainability ambitions are translated into business-relevant and decision-relevant value* when they are made measurable, comparable,

and understandable within existing organisational decision-making systems. This occurs particularly when sustainability can be connected to financial measurability, such as cost efficiency, energy efficiency, operational savings, or competitiveness. Certifications, reporting frameworks, and climate-related measurements also function as important translation mechanisms, as they turn sustainability ambitions into concrete indicators, requirements, and follow-up structures. Another conclusion is that sustainability ambitions appear easier to translate into decision-relevant value when they are both measurable and culturally embedded. Environmental sustainability seems to provide stronger measurable foundations through indicators as mentioned. However, these measurable dimensions do not necessarily make environmental sustainability feel naturally embedded in everyday organisational practice. Social sustainability, by contrast, appears to carry stronger cultural and rhetorical significance within the organisation, but lacks the same level of measurable data and decision-supporting indicators. This suggests that full sustainability integration requires both dimensions: the cultural ethos that makes sustainability feel meaningful and legitimate, and the measurability that allows it to be translated into concrete decisions.

The study further concludes that *the influence of sustainability ambitions is strongly shaped by financial and project-level conditions*. Sustainability appears more likely to gain influence when it can be positioned as financially viable, profitable, or risk mitigating, rather than as an additional cost. This was illustrated in cases where sustainable alternatives also reduced project risk or supported cost efficiency, making them easier to justify within the project logic. However, the findings also show that sustainability ambitions must fit within the already established project framework. In project-based real estate development, budgets, timeframes, technical solutions, and investment assumptions are often set early, which limits the possibility of integrating sustainability gradually throughout the process. Once the project conditions are fixed, sustainability measures that do not align with the financial or practical framework risk being weakened or excluded. Knowledge-sharing also becomes important in this context, as project-based work can make sustainability learning fragmented and dependent on specific projects or individuals. The influence of sustainability therefore depends not only on whether it is valuable in principle, but on whether it fits the financial, temporal, and knowledge-related conditions of the project.

Finally, the study concludes that *sustainability integration is shaped by organisational and managerial conditions that either keep sustainability present throughout the decision-making process or allow it to lose influence*. Management plays a central role in this, as sustainability needs to be supported not only through formal targets, but also through visible engagement, interest, and prioritisation from the top of the organisation. Internal cultural integration therefore appears to begin with management but must also be translated into shared practices and understandings across the organisation. Knowledge is another important condition, since sustainability cannot remain dependent only on specialists or specific individuals if it is to influence everyday decisions. Sustainability champions can enable integration by

driving issues forward, creating engagement, and translating ambitions into practice. However, reliance on champions also reveals a potential weakness, as sustainability work becomes vulnerable when it depends too much on individual agency rather than organisational structures. Overall, sustainability integration is enabled when management commitment, shared knowledge, cultural embeddedness, and individual engagement are combined, while it is constrained when these remain fragmented or dependent on individuals.

6.2 Future Research

Future research could build on the limitations of this study by examining sustainability integration across multiple project-based real estate organisations. Since this study is based on a single case company, further research could compare how sustainability ambitions are translated into decision-making in organisations with different business models, market positions, and sustainability maturity. In addition, the study was conducted in a period shaped by challenging market conditions, which may have strengthened the influence of financial constraints and risk considerations. Future studies could therefore examine whether sustainability ambitions gain different forms of influence under more favourable market conditions. Further research could also include external actors, such as municipalities, customers, investors, consultants, and contractors, to develop a broader understanding of how sustainability requirements are negotiated and integrated across the wider project ecosystem.

Bibliography

- Adam, A., & Lindahl, G. (2017). Applying the dynamic capabilities framework in the case of a large public construction client. *Construction Management and Economics*, 35(7), 420–431. <https://doi.org/10.1080/01446193.2017.1309441>
- Alkaraan, F., Elmarzouky, M., Hussainey, K., & Venkatesh, V. G. (2023). Sustainable strategic investment decision-making practices in UK companies: The influence of governance mechanisms on synergy between industry 4.0 and circular economy. *Technological Forecasting and Social Change*, 187, 122187. <https://doi.org/10.1016/j.techfore.2022.122187>
- Antonakis, J., & Day, D. V. (Eds.). (2012). *The nature of leadership*. Sage Publications.
- Bell, E., Bryman, A., & Harley, B. (2019). *Business research methods* (5th ed.). Oxford University Press.
- Beusch, P., Frisk, J. E., Rosén, M., & Dilla, W. (2022). Management control for sustainability: Towards integrated systems. *Management Accounting Research*, 54, 100777. <https://doi.org/10.1016/j.mar.2021.100777>
- Birkinshaw, J., Zimmermann, A., & Raisch, S. (2016). How do firms adapt to discontinuous change? Bridging the dynamic capabilities and ambidexterity perspectives. *California Management Review*, 58(4), 36–56.
- Bocken, N. M. P., & Geradts, T. H. J. (2020). Barriers and drivers to sustainable business model innovation: Organization design and dynamic capabilities. *Long Range Planning*, 53(4), 101950. <https://doi.org/10.1016/j.lrp.2019.101950>
- Bocken, N. M. P., Short, S. W., Rana, P., & Evans, S. (2014). A literature and practice review to develop sustainable business model archetypes. *Journal of Cleaner Production*, 65, 42–56. <https://doi.org/10.1016/j.jclepro.2013.11.039>
- Borland, H., Lindgreen, A., Ambrosini, V., & Vanhamme, J. (2018). Creating theory for business strategies for sustainability and climate change: Transitional and transformational strategies and ecocentric dynamic capabilities. In *Business Strategies for Sustainability* (pp. 65–80). Routledge. <https://doi.org/10.4324/9780429458859-4>
- Bossink, B. (2018). The influence of knowledge flow on sustainable innovation in a project-based industry: From demonstration to limited adoption of eco-

- innovations. *Journal of Cleaner Production*, 193, 249–262. DOI:10.1016/j.jclepro.2018.05.063
- Candel, M., & Törnå, N. (2022). Housing developers' perceived barriers to implementing municipal sustainability requirements in Swedish sustainability-profiled districts. *Journal of Housing and the Built Environment*, 37, 1693–1721.
- Denscombe, M. (2014). *The good research guide* (5th ed.). Open University Press.
- De Paula, N., Arditi, D., & Melhado, S. (2017). Managing sustainability efforts in building design, construction, consulting, and facility management firms. *Engineering, Construction and Architectural Management*, 24(6), 1040–1050. <https://doi.org/10.1108/ECAM-07-2016-0165>
- Edmans, A., & Kacperczyk, M. (2022). Sustainable finance. *Review of Finance*, 1309–1313. <https://doi.org/10.1093/rof/rfac069>
- European Commission. (n.d.). *EU Taxonomy Navigator*. Retrieved February 4, 2026, from <https://ec.europa.eu/sustainable-finance-taxonomy/>
- Evans, S., Vladimirova, D., Holgado, M., Van Fossen, K., Yang, M., Silva, E. A., & Barlow, C. Y. (2017). Business model innovation for sustainability: Towards a unified perspective for creation of sustainable business models. *Business Strategy and the Environment*, 26(5), 597–608. <https://doi.org/10.1002/bse.1939>
- Fei, W., Opoku, A., Agyekum, K., Oppon, J. A., Ahmed, V., Chen, C., & Lok, K. L. (2021). The critical role of the construction industry in achieving the sustainable development goals (SDGs): Delivering projects for the common good. *Sustainability*, 13(16), 9112. <https://doi.org/10.3390/su13169112>
- Geissdoerfer, M., Vladimirova, D., & Evans, S. (2018). Sustainable business model innovation: A review. *Journal of Cleaner Production*, 198, 401–416. <https://doi.org/10.1016/j.jclepro.2018.06.240>
- United Nations. (n.d.). *Globala målen för hållbar utveckling*. Retrieved February 4, 2026, from <https://fn.se/globala-malen-for-hallbar-utveckling/>
- Gluch, P., & Månsson, S. (2021). Taking lead for sustainability: Environmental managers as institutional entrepreneurs. *Sustainability*, 13(7). <http://dx.doi.org/10.3390/su13074022>
- Hart, S. L. (1995). A natural-resource-based view of the firm. *The Academy of Management Review*, 20(4), 986. <https://doi.org/10.2307/258963>
- Herazo, B., & Lizarralde, G. (2016). Understanding stakeholders' approaches to sustainability in building projects. *Sustainable Cities and Society*, 26, 240–254. <https://doi.org/10.1016/j.scs.2016.05.019>
- Finansinspektionen. (2025). *Hållbarhetsrapportering – CSRD*. Retrieved February 4, 2026, from <https://www.fi.se/sv/hallbarhet/regler/hallbarhetsrapportering/>
- Jackson, C., & Orr, A. (2021). The embeddedness of sustainability in real estate investment decision-making. *Journal of European Real Estate Research*, 14(3), 362–380. <https://doi.org/10.1108/JERER-09-2020-0050>

- Lüdeke-Freund, F., Froese, T., Dembek, K., Rosati, F., & Massa, L. (2024). What makes a business model sustainable? Activities, design themes, and value functions. *Organization & Environment*, 37(2), 194–220. <https://doi.org/10.1177/10860266241235212>
- Massa, L., Tucci, C. L., & Afuah, A. (2017). A critical assessment of business model research. *Academy of Management Annals*, 11(1), 73–104. <https://doi.org/10.5465/annals.2014.0072>
- Mocharref, F., Errabih, S., & Marghich, A. (2025). Green finance as an operational bridge: Integrating corporate social responsibility, top management support, and innovation for enhanced sustainability performance. *Multidisciplinary Reviews*, 9(6), 2026267. <https://doi.org/10.31893/multirev.2026267>
- Mokhlesian, S., & Holmén, M. (2012). Business model changes and green construction processes. *Construction Management and Economics*, 30(9), 761–775. <https://doi.org/10.1080/01446193.2012.694457>
- Moshood, T. D., Rotimi, J. O., & Shahzad, W. (2024). Enhancing sustainability considerations in construction industry projects. *Environment, Development and Sustainability*, 27(12), 29287–29313. <https://doi.org/10.1007/s10668-024-04946-2>
- Narayanan, V., & Boyce, G. (2019). Exploring the transformative potential of management control systems in organisational change towards sustainability. *Accounting, Auditing & Accountability Journal*, 32(5), 1210–1239. <https://doi.org/10.1108/AAAJ-04-2016-2536>
- Neesham, C., Dembek, K., & Benkert, J. (2023). Defining value in sustainable business models. *Business & Society*, 62(7), 1378–1419. <https://doi.org/10.1177/00076503221147902>
- Nyallu, B. A., Deng, X., & Ibrahim, A. S. (2025). Knowledge loss in construction project-based organizations: The role of project features, knowledge withholding, fear, and teams interaction. *Sustainability*, 17, 9880. <https://doi.org/10.3390/su17219880>
- Opoku, A., Cruickshank, H., & Ahmed, V. (2015). Organizational leadership role in the delivery of sustainable construction projects in UK. *Built Environment Project and Asset Management*, 5(2), 154–169. <https://doi.org/10.1108/BEPAM-12-2013-0074>
- Pasamar, S., Bornay-Barrachina, M., & Morales-Sánchez, R. (2025). Institutional pressures for sustainability: A triple bottom line approach. *European Journal of Management and Business Economics*, 34(4), 460–484. <https://doi.org/10.1108/EJMBE-07-2022-0241>
- Pekaar, K. A., Demerouti, E., & van Gool, P. J. R. (2024). Sustainability champions: A proactive perspective on the inter-organizational job design dynamics of sustainability implementation. *Organizational Psychology Review*, 14(4). <https://doi.org/10.1177/2041386624126719>

- Pemsel, S., & Widén, K. (2011). Bridging boundaries between organizations in construction. *Construction Management and Economics*, 29(5), 495–506. <https://doi.org/10.1080/01446193.2011.563786>
- Phua, F. T. T. (2018). The role of organizational climate in socially embedding construction firms' sustainability goals. *Construction Management and Economics*, 36(7), 409–421. <https://doi.org/10.1080/01446193.2018.1424348>
- Project Management Institute. (n.d.). *Projects and the project lifecycle*. Retrieved May 14 2026, from <https://www.pmi.org/about/what-is-a-project>
- Real Estate Institute of British Columbia. (2021). *The real estate development process*. Insight REIBC Blog. Retrieved May 14, 2026, from https://www.reibc.org/cgi/page.cgi/_blog.html/Insight_REIBC_blog/The_Real_Estate_Development_Process
- Rötzel, P. G., Stehle, A., Pedell, B., & Hummel, K. (2019). Integrating environmental management control systems to translate environmental strategy into managerial performance. *Journal of Accounting & Organizational Change*, 15(4), 626–653. <https://doi.org/10.1108/JAOC-08-2018-0082>
- Schaltegger, S., Hansen, E. G., & Lüdeke-Freund, F. (2016). Business models for sustainability: Origins, present research, and future avenues. *Organization & Environment*, 29(1), 3–10. <https://doi.org/10.1177/1086026615599806>
- Seale, C., Gobo, G., & Gubrium, J. (1999). *The quality of qualitative research*. Sage.
- Sergeeva, N. (2016). What makes an “innovation champion”? *European Journal of Innovation Management*, 19(1), 72–89. <https://doi.org/10.1108/EJIM-06-2014-0065>
- Shen, L., Tam, V. W. Y., Tam, L., & Ji, Y. (2010). Project feasibility study: The key to successful implementation of sustainable and socially responsible construction management practice. *Journal of Cleaner Production*, 18(3), 254–259. <https://doi.org/10.1016/j.jclepro.2009.10.014>
- Stubbs, W., & Cocklin, C. (2008). Conceptualizing a “Sustainability Business Model.” *Organization & Environment*, 21(2), 103–127. <https://doi.org/10.1177/1086026608318042>
- Teece, D. J. (2010). Business models, business strategy and innovation. *Long Range Planning*, 43(2–3), 172–194. <https://doi.org/10.1016/j.lrp.2009.07.003>
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509–533.
- Tengblad, S. (2006). Is there a ‘new managerial work’? A comparison with Henry Mintzberg’s classic study 30 years later. *Journal of Management Studies*, 43(7), 1437–1461.
- Tipu, S. A. A. (2022). Organizational change for environmental, social, and financial sustainability: A systematic literature review. *Review of Managerial Science*, 16(6), 1697–1742. <https://doi.org/10.1007/s11846-021-00494-5>

UN Environment Programme. (2025). *Global Status Report for Buildings and Construction 2024/2025*. UN Environment Programme. <https://www.unep.org/resources/report/global-status-report-buildings-and-construction-20242025>

A

Comparative Table of Annual Reports

Annual Reports	Business model	Business strategy	Traditional/Transitional/Transformational strategy	Environmental strategy
2016	Development and sale of affordable housing tailored to customer needs.	Based on the experience that similarities between different markets are strong enough to benefit from operating as one company with a broad geographical presence and shared processes.	As a major housing developer, The company's aims to take responsibility for driving sustainable urban development and creating value for customers and society through stakeholder dialogue.	Environmental impact reduction through sustainable construction practices, reported via GRI-aligned sustainability reporting.
2017	Development and sale of affordable housing tailored to customer needs.	Based on our experience that similarities between different markets are strong enough to benefit from operating as a single company, with a broad geographical presence and shared processes.	The company's aims to address global challenges by integrating social, environmental, and economic sustainability into its strategy, linking its sustainability agenda to long-term financial goals and core values.	Environmental impact reduction through sustainable construction practices strengthened by measurable climate targets and certification goals, reported via GRI-aligned sustainability reporting.
2018	Development and sale of affordable housing tailored to customer needs.	The company's strategy is based on our experience that the similarities between different markets are strong enough for us to benefit from operating as a single company. Based on this foundation, The company's can become northern Europe's cost-leading supplier of affordable homes.	The company's sustainability agenda positions the company as part of the transition toward social, environmental, and economic sustainability, supporting long-term strategy and alignment with global development goals.	Environmental impact reduction through sustainable construction practices advanced by circular production, science-based climate targets, and certification, reported via GRI-aligned sustainability reporting.
2019	Development and sale of affordable housing tailored to customer needs.	The strategic vision is based on the insight that the similarities between our markets are strong enough for us to benefit from acting as one company, with joint processes and systems.	Began establishing climate targets for 2030 in line with the Science Based Targets initiative. The company's sustainability agenda is otherwise unchanged.	Environmental impact reduction through sustainable construction practices advanced by science-based emission targets and lifecycle climate commitments, with expanded climate and supply-chain transparency reported via externally assured GRI-aligned sustainability reporting.
2020	Development and sale of affordable housing tailored to customer needs.	Based on the insights that the similarities between our different markets are strong enough for us to benefit from operations as a single company. This is how we can become cost-efficient developers of affordable housing. Our sustainability agenda clarifies the conditions that are necessary for us to contribute to a sustainable society over time and achieve our objective.	The sustainability agenda guides The company's long-term strategy, aiming to balance resource efficiency, affordable housing, and responsible business practices while achieving financial targets.	Environmental impact reduction through sustainable construction practices strategically embedded via circular production, validated climate performance, and green financing integration, reported through externally assured GRI-aligned sustainability reporting.

A. Comparative Table of Annual Reports

2021	Development and sale of affordable housing tailored to customer needs. The company's business model is based on diversification across customer segments, product types, and geographic markets to balance risk.	<i>"Everything we do must take us towards our purpose and our strategic objectives."</i> The company aims to improve profitability by strengthening operations and leveraging market opportunities.	Strategy focuses on development and innovation to create 'happy neighbourhoods' while contributing to the UN Agenda 2030 and selected SDGs.	Environmental impact reduction through sustainable construction practices consolidated via strategic integration, validated climate performance, and scaled operational implementation, reported through externally assured GRI-aligned sustainability reporting.
2022	Development and sale of affordable housing tailored to customer needs. The company's business model is based on diversification across customer segments, product types, tenure forms, and geographic markets in order to meet varying customer needs.	<i>"Everything we do must take us towards our purpose and our strategic targets."</i> The company aims to strengthen profitability and financial capacity while pursuing its mission of creating 'happy neighbourhoods,' supported by core themes and a sustainability foundation.	The company's purpose is to create thriving neighbourhoods based on customer needs, with its sustainability agenda guiding long-term priorities and contribution to global sustainable development.	Environmental impact reduction through sustainable construction practices operationalised via energy-efficient housing solutions, refined emissions measurement, and SBTi-aligned climate targets embedded in strategic performance management, reported through externally assured GRI-aligned sustainability reporting.
2023	Development and sale of affordable housing tailored to customer needs. The company's business model is based on diversification across customer segments, product types, tenure forms, and geographic markets in order to meet varying customer needs.	<i>"Everything we do must take us towards our purpose and our strategic targets."</i> The company's maintains its strategy despite market changes, prioritising profitability and financial strength alongside its mission of creating happy neighbourhoods, supported by core themes and a sustainability foundation.	The company's purpose is to create thriving neighbourhoods based on customer needs, with its sustainability agenda guiding long-term strategic priorities and contributions to global sustainable development.	Environmental impact reduction through sustainable construction practices maintained via lifecycle assessment expansion, regulatory alignment, and industry material collaboration, reported through externally assured GRI-aligned sustainability reporting.
2024	Development and sale of affordable housing tailored to customer needs. The company's business model is based on diversification across customer segments, product types, tenure forms, and geographic markets in order to meet varying customer needs.	<i>"Everything we do must take us towards our purpose and our strategic targets."</i> The company's aims to develop land into 'happy neighbourhoods,' addressing housing shortages while executing its strategy through defined focus areas and a sustainability foundation.	The company's purpose is to create thriving neighbourhoods based on customer needs, supported by a sustainability agenda that provides a stable foundation.	Environmental impact reduction through sustainable construction practices embedded via lifecycle assessment institutionalisation, decentralised climate transition planning, and incentive-linked governance, reported through externally assured GRI-aligned sustainability reporting.
2025	Development and of affordable housing tailored to customer needs. The company's business model is based on diversification across customer segments, product types, tenure forms, and geographic markets in order to meet varying customer needs.	<i>"Everything we do must take us towards our purpose and our strategic targets."</i> Bonava aims to develop land into 'happy neighbourhoods,' addressing housing shortages, promote good living environments and creating sustainable communities.	Sustainability is integrated as a strategic foundation and value driver, embedded in the company's purpose and operations, but remains aligned with existing economic logic, indicating a continued transitional rather than transformational approach.	Environmental impact reduction through lifecycle-based climate management, including LCA for all projects, carbon budgeting at project level, science-based targets, circular production ambitions, and regulatory-aligned sustainability governance.

B

Interview Guide

Presenting the Study

The idea is to analyze how climate targets are translated from strategy into concrete investment and project decisions within real estate development. The aim is to understand where sustainable ambitions sometimes lose momentum and which organizational factors influence this.

We interview different parts of the organization to gain an overall perspective, and the idea is that respondents base their answers on their own experiences.

Introductory Questions

May we record and transcribe the conversation?

Is it okay if we store the interview until the study is completed?

The study will be published via Chalmers, and all responses will be anonymous.

Is it okay if we quote you?

Background

1. Can you briefly describe your role?
2. How long have you held this role?
3. If you were to summarize briefly, what types of decisions are you mainly involved in?

Organization & Business Model

4. How would you describe Bonava's business model today?
5. What role does sustainability play in the business model?
6. How are the company's sustainability goals communicated within the organization?
7. How are sustainability goals followed up in the organization?

Possible follow-up questions:

- How are these goals reflected in project development?
 - Which roles are responsible for follow-up?
8. How are sustainability aspects incorporated into financial decision-making processes in projects?

9. Do you feel that you need to balance financial and sustainability considerations against each other?

Possible follow-up question:

- How do you perceive the relationship between sustainability and profitability?
10. How are situations handled where financial and sustainability goals do not fully align?

Possible follow-up question:

- At what stage in the process do these trade-offs arise?

Drivers and Challenges

11. What do you see as the main drivers behind sustainability work from a business perspective?
12. What obstacles do you encounter when integrating sustainability into business decisions?

Possible follow-up question:

- Internal / external factors

Practical Examples

13. Can you describe a situation where a sustainable solution was discussed in a project but was not chosen?
14. What determined the decision?

Possible follow-up questions:

- At what stage in the process was the decision made?
- Which stakeholders were involved?

Organizational Conditions

15. What organizational changes would be required for sustainability goals to have a greater impact on financial decisions, for example governance, incentives, decision-making processes, mandates, and responsibilities?
16. Is there anything regarding how sustainability and financial considerations are handled in decision-making processes that we have not covered but that you think is important?

DEPARTMENT OF SOME SUBJECT OR TECHNOLOGY
CHALMERS UNIVERSITY OF TECHNOLOGY
Gothenburg, Sweden
www.chalmers.se



CHALMERS
UNIVERSITY OF TECHNOLOGY