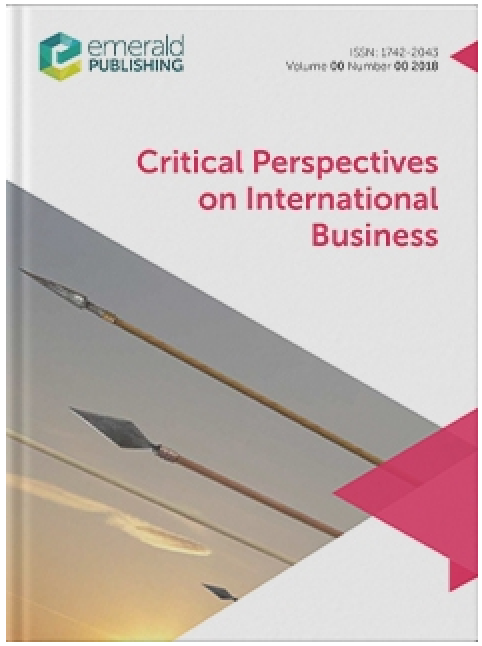


# Navigating Paradoxes in Sustainable SME Internationalization



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# Navigating Paradoxes in Sustainable SME Internationalization


## Abstract

### *Purpose*

This study investigates the role of sustainability in the internationalization strategies of small and medium-sized enterprises (SMEs). We explore the paradoxes faced by SMEs aiming to balance social, environmental, and economic goals. We focus on the tensions encountered by sustainability-oriented entrepreneurs in international markets.

### *Design/methodology/approach*

The study employs an exploratory qualitative methodology, using semi-structured interviews with SME managers, consultants, and support providers in France, providing in-depth insights into how different sustainability orientations influence international strategies, including market selection, entry modes, and strategic planning organization.

### *Findings*

Our findings highlight various sustainability behaviours in entrepreneurs, ranging from one-dimensional focus to holistic approaches, which shape international CSR in SMEs. The study examines the tensions of balancing sustainability adoption with adaptation to international markets, highlighting how sustainability-oriented SMEs expand internationally and navigate these challenges.

### *Originality*

Few studies combine Sustainable and International Entrepreneurship to examine SME internationalization. This research contributes to the emerging literature on responsible SME internationalization, offering new insights into how these SMEs strategically manage sustainability paradoxes.

### *Research implications /limitations*

Our study complements research on specific factors that contribute to the survival and international growth of sustainability-oriented firms, highlighting the behaviours of sustainability-driven SMEs and strategic outcomes. Limitations include a small sample size and a single cultural context. Future studies aimed at deepening our understanding will explore firms across industries and countries, including entrepreneurial cognition factors and longitudinal views.



## Keywords

SME internationalization, Sustainability, Paradox theory, Corporate Social Responsibility (CSR), Sustainable Entrepreneurship, International Entrepreneurship.

# Introduction

Over the past few decades, stakeholder pressures have driven international firms to advance their sustainability transitions toward more sustainable production methods (Heucher *et al.*, 2024). Sustainability has become a major global trend, changing international expectations and urging businesses to adopt more responsible, proactive practices to address society's global challenges (Hart and Milstein, 1999; Jones *et al.*, 2025). Research indicates that businesses transition to green sustainability for competitiveness, legitimacy, or ecological responsibility (Bansal and Roth, 2000). Small and medium-sized enterprises (SMEs) are increasingly recognized as key players in promoting sustainability through international value chains (Sinkovics *et al.*, 2021). They face growing pressure to produce and consume more efficiently while reducing their environmental impact to meet new standards, such as the European Clean Energy Directives (Asemokha *et al.*, 2020). Despite these challenges, sustainability-driven entrepreneurship is emerging as a key topic for helping SMEs achieve international success and contribute to sustainability transitions (Manesh and Rialp-Criado, 2019; Uzhegova *et al.*, 2018).

Yet, traditional international business (IB) research generally assumes that companies expand internationally seeking to develop opportunities by (i) conquering new markets, (ii) accessing rare or strategic resources, and (iii) improving the efficiency of their structure (Dunning and Lundan, 2008). These predominantly economic logics partially explain the strategic behavior of sustainability-oriented SMEs, whose entrepreneurs deliberately integrate their environmental and social responsibility into their internationalization processes. Entrepreneurs with sustainability orientations thus shape SMEs' international outcomes in distinct ways (Ayuso and Navarrete-Báez, 2018; DiVito and Bohnsack, 2017), especially when balancing economic, environmental, and social values across borders. However, sustainability transition creates tensions when companies expand their operations internationally while trying to align Corporate Social Responsibility (CSR) practices and values (Coldwell *et al.*, 2022; Denicolai *et al.*, 2021). Forcing entrepreneurs to balance sustainability goals, which can be particularly difficult in cross-border situations (Hahn *et al.*, 2010; Ratten *et al.*, 2019).

The purpose of this paper is to examine how SME entrepreneurs and managers, driven by sustainability, shape their international strategies while managing the tensions and paradoxes involved in aligning their sustainability-orientation with international expansion. IB research still lacks a clear theoretical understanding of how SMEs' managers navigate multiple paradoxes when adopting sustainability and engaging in international operations (Heucher et al., 2024). Entrepreneurial values play a central role in shaping sustainability-oriented strategic decisions (Divito and Bohnsack, 2017). Founders committed to sustainability often integrate triple bottom line goals (people, planet, and profit) into their business practices and operations, but face pressures to prioritize profit. (Dey *et al.*, 2022). Sustainability-orientation generates contradictions, particularly when international environmental standards differ from local regulations (Muñoz and Cohen, 2018). Unlike multinationals, which can use replication-entrepreneurship strategies to balance global integration with local adaptation (Tippmann *et al.*, 2023), SMEs lack the resources and governance mechanisms to manage these tensions.

By conducting a qualitative study, we examine how managers of SMEs focused on sustainability develop their international operating strategies. Our findings show that these entrepreneurs gradually shift from compliance to purpose-driven strategies through stakeholder engagement and managerial responsibility. We contribute to the literature on international sustainable entrepreneurship (Manesh and Rialp-Criado, 2019; Uzhegova *et al.*, 2018) and International CSR in SMEs (Pisani *et al.*, 2017; Stoian and Plakoyiannaki, 2023) by highlighting the paradoxes they face when aligning sustainability with international practices.

The article continues as follows: first, it examines the literature on sustainability paradoxes and on sustainability orientation and internationalization. Next, the qualitative methodology is described, along with the process for selecting interviewees. It concludes with the main findings and discusses how sustainable behaviors affect SME internationalization outcomes.

# 1. Literature Review

## *1.1. The Sustainable Entrepreneurial Oriented Firm*

In entrepreneurship research, sustainability engagement is explored through the lens of sustainable entrepreneurs who prioritize social, environmental, and economic goals at the center of their business models (Schaltegger and Wagner, 2011). However, Sustainable Entrepreneurship ranges from those entirely focused on these goals to those partly driven by CSR (Ratten *et al.*, 2019). DiVito and Bohnsack (2017) highlight three entrepreneurial sustainability orientations from qualitative research: singular (focused on one aspect), flexible (ecologically oriented yet adaptable), and holistic (committed to the triple bottom line). These orientations influence entrepreneurs' strategic choices, resource allocation, and reactions to institutional pressures. Sustainability orientations tend to develop over time, gradually moving from isolated initiatives to more integrated practices.

Sustainable Entrepreneurial Orientation (SEO) builds on these insights by capturing the strategic posture through which entrepreneurs are CSR-driven and embed sustainability into decision-making, stakeholder engagement, and opportunity recognition (Torkkeli, Saarenketo, *et al.*, 2017; Uzhegova *et al.*, 2018). Sustainable Entrepreneurial Orientation varies: Social Entrepreneurs tackle social issues, Ecopreneurs focus on environmental problems, and Sustainable Entrepreneurs cover all three (Schaltegger and Wagner, 2011). Sustainable entrepreneurs innovate through ethical sourcing, waste reduction, and products such as electric vehicles and plant-based foods, fostering a sustainable transition. Their focus often shifts from a specific dimension to a holistic approach, gradually adding other sustainability dimensions that have not yet been adopted to their strategy (Anand *et al.*, 2021).

Grimstad et al. (2020) highlight that internal motivations for sustainability often outweigh external factors such as market or contextual pressures, promoting CSR adoption driven by ethical considerations. However, empirical research indicates that many firms, particularly in the cleantech sector, do not fully adopt environmentally responsible practices. This highlights the need to align environmental goals with corporate culture practices (Torkkeli, Uzhegova, *et al.*, 2017). Sustainability can be seen as shifting from linear to circular economy practices, such as energy efficiency, material recycling, and reduced carbon footprints, which have significant potential to improve SMEs' sustainability performance (Dey *et al.*, 2022).

Ayuso and Navarrete-Báez (2018) found that entrepreneurial and international orientations significantly promote sustainable practices aligned with the triple bottom line (TBL) dimensions, particularly in environmental, HR, and community areas. International exposure introduces SMEs to new pressures, stakeholder demands, and market standards, boosting their social and ecological commitments. Studies on international CSR (Stoian and Plakoyiannaki, 2023; Uzhegova *et al.*, 2018) show firms vary in their ethical, instrumental, relational, or political approaches to global stakeholders. These differences highlight the importance of a sustainability orientation in helping SMEs manage cross-border expectations, conflicting regulations, and the paradoxical pressures of internationalization.

Building on this previous literature, we introduce the concept of the Sustainably Entrepreneurial Oriented Firm (SEOF). We define an SEOF as an SME in which entrepreneurial decisions are driven by sustainability and CSR perspectives, and in which managers pursue non-economic goals outlined in the triple-bottom-line. The sustainability engagement of these firms can be considered deeply responsible (Jones *et al.*, 2025), indicating a proactive adoption of CSR practices driven by their founders' motivations, resource availability, and international experience, to contribute to society and the planet.

Understanding these firms is crucial for explaining how entrepreneurs with non-economic goals develop international strategies while managing cross-border tensions. This lens helps analyze how SMEs balance trade-offs, align sustainability with local practices, and adapt their strategy during internationalization.

### *1.2. The entrepreneurial internationalization process*

Coldwell et al. (2022) observe that, in emerging markets, economic development often outweighs environmental concerns, prompting sustainable-oriented firms to seek innovative ways to align their goals with local conditions while maintaining their central mission. The International Entrepreneurship (IE) theory, supported in the International New Ventures (INV) model, offers a valuable framework for studying how SEOF can innovate its strategic approaches.

Understanding the internationalization of sustainable, entrepreneurial-oriented firms involves examining how different sustainability orientations influence SMEs' choices regarding scope, location, entry modes (De Massis et al., 2018, quoted in Casado-Belmonte et al., 2020) and international-CSR outcomes. *International-CSR are "CSR activities conducted by SMEs internationally, directed toward their international stakeholders"* (Stoian and Plakoyiannaki, 2023, p. 5). SMEs are driven by the pursuit of the triple bottom line during internationalization to address society's global challenges, aiming to increase their international impact and sustainable efforts rather than focusing solely on financial gains (Casado-Belmonte *et al.*, 2020).

According to DiVito and Bohnsack (2017), SEO can display qualities such as opportunity-seeking, innovation, risk-taking, proactivity, and networking. Their definition of SEO aligns with the International Entrepreneurship theory, suggesting that SEOF adopts an IE orientation that emphasizes the strategic flexibility of INVs. This flexibility allows for quick adaptation to changing international conditions and helps capitalize on emerging opportunities, challenging traditional models of gradual internationalization of firms (Johanson and Vahlne, 2009). Previous research shows that conventional SMEs tend to act opportunistically during internationalization (Chandra, 2017), mainly motivated by economic arbitrage. We believe the IE model can be appropriate for studying SEOF, but the results may differ.

IE theory states four key elements for a sustainable competitive advantage: internalizing core activities (like R&D) for control and quality, using trust-based governance (licensing/partnerships) to save resources and reduce risks, leveraging foreign location advantages to combine mobile resources with local assets for differentiation and cost efficiency, and possessing unique resources (valuable, rare, hard to imitate) to secure a competitive edge and enable global growth. Studying entrepreneurial behaviors in sustainable businesses helps understand how firms create eco-friendly products, processes, and models worldwide.

### *1.3. Navigating the Paradoxes of Sustainability and Internationalization*

A paradox can be defined as “a persistent contradiction between interdependent elements” (Schad et al., 2016, quoted in Tippmann et al., 2023). Paradoxes cannot be solved, but managers must continuously address them simultaneously (e.g., the paradoxical tension between exploitation and exploration in organizations, as discussed by Tippmann et al., 2022). In both concepts, sustainability and internationalization, paradoxes are inherently grounded.

#### 1.3.1. Sustainability paradoxes: from business case to paradox perspective

Corporate sustainability is often seen as a “win–win” for business, where environmental and social efforts are justified by their economic benefits. Hahn (2010) challenges this view, arguing that it prioritizes financial results and treats ecological and social issues as secondary, which are worth pursuing only if they boost competitiveness. A paradox approach to sustainability (Hahn *et al.*, 2018) recognizes that economic, ecological, and social objectives are all equally important, interconnected, and sometimes conflicting. Instead of expecting these goals to align naturally, it emphasizes the contradictions inherent in sustainability.

Sustainability goals create tensions such as short-term efficiency versus long-term resilience, local versus global norms, and incremental versus disruptive change. Instrumentally, these tensions challenge managers to adopt a both/and approach, balancing conflicting objectives dynamically. Normatively, the perspective challenges the limited business case view by noting that sustainability-driven firms may accept temporarily weaker economic returns to balance the triple bottom line (Hahn et al., 2018).

For SEOs, these paradoxes are crucial. Since their mission focuses on environmental and social responsibility, sustainability isn't just a competitive advantage. As traditional SMEs, SEOFs are economically vulnerable and rely on strong financial results to grow. Hahn’s paradox perspective shows that SEOFs face tensions like purpose versus market, ethics versus efficiency, and local roots versus systemic impact. Our study uses this lens to explore how SME entrepreneurs handle these contradictions in their international strategies.

### 1.3.2. Internationalization and growth paradoxes in sustainability-oriented SMEs

Sustainability-oriented SMEs face tensions when internationalizing, balancing cross-border and scaling paradoxes. IB research highlights strategic tensions for MNEs between adaptation and integration, with recent studies focusing on global scaling (Tippmann et al., 2022). But rather than choosing between standardization and innovation, successful global scalers pursue “replicable innovation”: integrating entrepreneurial initiatives into a global template and replicating them worldwide (Tippmann et al., 2022).

Previous literature suggests that internationalization and growth create complex paradoxes for SEOFs (Heucher et al., 2024). When expanding abroad, these firms must: (i) maintain a consistent sustainability identity while adapting to local cultures; (ii) replicate key practices across countries, allowing local experimentation; (iii) pursue rapid growth to scale impact without mission drift, maintaining stakeholder relationships; and (iv) improve governance to manage international complexity without losing their entrepreneurial spirit orientation.

For SMEs with limited resources, these internationalization and growth paradoxes are especially pressing, affecting decisions on market choice, entry modes, partner choice, outsourcing, and governance. Our study explores how SME entrepreneurs and managers, driven by sustainability, shape their international strategies while managing the tensions and paradoxes involved in aligning their sustainability-orientation with international expansion.

## 2. Methodology

### *2.1. Research Design*

To explore how and why SEO may shape the internationalization strategies of SMEs, this research adopts an exploratory qualitative approach, consistent with similar prior studies (Rialp-Criado *et al.*, 2019). Our methodology involves conducting semi-structured interviews with CEOs of sustainability-oriented firms and experts who support international and CSR strategies. Choosing SMEs with varying sustainability orientations and International CSR (Pisani *et al.*, 2017) activities enables us to observe, compare, and develop theoretical constructs grounded in empirical evidence (Eisenhardt and Graebner, 2007).

Given the scarcity of empirical studies on this topic, this research employs a qualitative approach. Qualitative methods explore the "how" and "why" of complex phenomena in underexplored areas, such as the interaction between value-driven motivations and practical adaptation, offering insights into the mechanisms and motivations behind sustainable decision-making. The novelty of our research topic justifies an exploratory qualitative approach, which is well-suited to studying poorly theorized variables (Yin, 2009).

A qualitative approach is essential for a nuanced analysis of motivations and processes in sustainability-oriented SMEs, as it enables the exploration of managers' values through detailed narratives (Yin, 2009). It effectively examines moral, social, and psychological factors vital to sustainability-driven entrepreneurs, providing a deeper understanding of the meanings and ethical considerations behind decision-making trade-offs (Muñoz and Cohen, 2018). Second, it provides a detailed and nuanced portrayal of reality, necessary to capture the dynamics at the intersection of sustainability and internationalization, an emerging field with limited theoretical grounding (Manesh and Rialp-Criado, 2019).

### *2.2. Data Collection*

We conducted semi-structured interviews, to gain a more nuanced understanding of the sustainability-oriented strategies and values of SME managers. Three participant categories were selected based on Campenhoudt et al., (2022): Directly involved actors (3 interviews), regional Export support advisor (1 interview), and other specialized actors deemed relevant by the regional advisor (3 interviews).

We interviewed in person: three SME owners, selected for their diverse sustainable practices, their engagement with TBL dimensions, and their management of sustainability paradoxes. For the other categories, four specialists were interviewed to deepen our understanding.

Given the exploratory nature of this research, we used theoretical sampling, a method commonly used in prior management studies. Eisenhardt (1989) describes this as strategic case selection, aimed at revealing insights into specific phenomena rather than representativeness. We focus on SMEs with unique, sustainability-oriented strategies in international contexts. Firms were selected based on: (1) a clear commitment to sustainability, including responsible practices and certifications; (2) matching the European Commission's SME classification (between 50 and 250 employees, and less than 50 million euros in turnover); (3) active international operations; and (4) demonstrating sustainability dimensions through specific behaviors (see Table 1). Sustainability orientations were inferred from data analysis guided by Schaltegger and Wagner's (2011) motivation's criteria.

| **Summary of information gathered** | | | |
|---|---|---|---|
| **Companies** | Company A<br>EA | Company B<br>EB | Company C<br>EC |
| **Year of foundation** | 2017 | 2008 | 1989 |
| **Products, services, and technologies** | Eco-responsible Shoes | Optimization and cost reduction of cleaning processes | Filling solutions for liquid products |
| **Firms' sustainability orientation** | Socially focused | Ecopreneur | CSR-Driven |
| **Entrepreneurs' motivations** | Social contribution, through the promotion of responsible working conditions in developing countries | Reducing pollution through water efficiency management internationally | Enhancing the territorial economy. Through the improvement of domestic employees' well-being conditions |
| **Sales (€m)** | 1.05 | 0,83 | 20.96 |

| | | | |
|---|---|---|---|
| **Number of employees** | 3 to 5 | 6 to 9 | 199 |
| **Share capital (K€)** | 34 | 150 | 100 |
| **Export intensity** | 28% | 20% | 80% |
| **Foreign markets** | Germany, Austria, Switzerland, Chile, Australia, Israel, and the Belgium-Netherlands zone | Austria, Denmark, Mexico, Morocco, and the United States | Germany, Belgium, Ireland, UK, Italy, Netherlands, Uruguay, USA, Canada, Guinea, Singapore, Indonesia |
| **Market entry modes** | Export, Close cooperation with foreign supplier, Expatriate to control imports | Export | Export, Licensing, and owned commercial subsidiaries |

**Table 1**. Presentation of case firms

The three firms were contacted through professional networks and assisted by members of the International Chamber of Commerce. We created interview guides with 16 open-ended questions to encourage in-depth sharing. These questions covered topics such as company history, origins, CSR practices, internationalization, stakeholder relationships, and competencies for sustainable growth.

Three consultants and a support provider with international business and CSR expertise were interviewed for insights on SMEs' sustainable internationalization. They included a regional economic advisor, two senior internationalization consultants, and a former CSR director.

A regional focus ensured consistency by controlling cultural and regulatory differences, enabling a precise examination of sustainable practices. Participants verified responses for accuracy. Interviews averaged 75 minutes (60-90 minutes) with prior authorization, totaling about 8 hours of recordings. Secondary data from company websites, industry websites, and press releases complement our data, allowing triangulation (Yin, 2009). Table 2 details profiles, sectors, experience (including international or CSR), relevant sustainability certifications, and the types of secondary data collected for triangulation.

| Name | Informant Position | Sector | Gender | Duration Time | Background: International and Sustainable Experience | Sustainability or CSR accreditations | Secondary Data Collected |
|---|---|---|---|---|---|---|---|
| EA | Chief executive officer and founder | Responsible Fashion | M | 1h00 | Before becoming founder and CEO, he led financial audits and valuations in France as a chartered accountant. He has NGO experience and expertise in CSR and international social development. | B-corp certified, Business Social Compliance Initiative (BSCI) certified. ADEME Carbon Audit informed. | Web page, news articles, email correspondence, follow-up discussions, other podcast interviews and LinkedIn information |
| EB | Chief executive officer and founder | Industrial water Cleanings Systems | M | 1h00 | With a finance and business management background, he led an energy efficiency start-up for 8 years before its acquisition. In 2008, he co-founded his current firm, which has expanded internationally and partnered with French MNEs. | Certified "Solar Impulse", Green-Rooster community by Bpifrance and ADEME | Web page, news articles, email correspondence, follow-up discussions, LinkedIn information |
| EC | Chief executive officer and founder | Industrial equipment manufacturing | M | 1h20 | An engineer with a business degree and extensive executive experience, he led IT MNEs for over 9 years and directed a start-up for 11 years before acquiring it. | EcoVadis label and CSR metallurgy industries and craftsmen union member | Web page, news articles, email correspondence, follow-up discussions, and LinkedIn information |
| ICA | CSR Director | International Development Support Firm C1 | F | 0h50 | With degrees in IB and Applied Foreign Languages and over 12 years supporting SMEs and startups in sustainable strategies and CSR in private firms and regional agencies. | Business Climate Convention 2023 laureate. Bpifrance partner specialized in FDI for carbon reduction strategies. | Web page, news articles, email correspondence, follow-up discussions, LinkedIn information |
| ICB | Senior Consultant | International Development Support Firm C1 | F | 0h40 | Holds a master's in IB and expertise in sustainable strategies, supporting organizations in low-carbon projects, CSR, and digital marketing. | As previous | As previous |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| SCA | Entrepreneur | Consultant in CSR Strategy C2 | M | 1h00 | With over 17 years in CSR and environmental strategy for MNEs, he specializes in public relations and branding. He has a master's in marketing and certifications in reducing carbon emissions and environmental standards. | Member of the Association for Low Carbon Transition (ABC); Member of the shift project (Think tank for decarbonizing the economy) | LinkedIn information, additional webpages |
| RSA | Regional Economic Advisor for Export Development | Regional Economic Advisor for Export Development | M | 1h10 | Holds advanced degrees in IB, with over a decade advising organizations on export strategies, market expansion, and international partnerships across Europe and Latin America. | Lucy 26000 certified since 2017. Set an objective to reduce its GHG footprint by 40% by 2030 | LinkedIn information and web page |

**Table 2**. Data sources and participant information

Table Glossary: CSR = Corporate Social Responsibility; FDI = Foreign Direct Investment; MNEs = Multinational Enterprises; ADEME = French Environment and Energy Management Agency; Bpifrance = Industries Investment National Bank; GHG = Greenhouse Gas; Lucy 26000 = Certification based on ISO 26000 standard

### 2.3. Data Analysis

To analyze the interviews, we adopted a phenomenological approach combined with a thematic framework, as recommended by Miles et al. (2020). Phenomenology helps explore lived experience through detailed interviews, aligning with our aim of capturing the complexity of how entrepreneurs with international trajectories adopt sustainability. We transcribed seven interviews (around 139 pages, 78,480 words) and developed a pre-coding framework based on themes from the IE literature (international scope, locations, governance advantages). The pre-coding table (see Appendix 1) organized the material as a sensitizing tool rather than a rigid grid, allowing us to trace these concepts across cases.

Our research uses abductive thematic analysis, integrating both inductive and deductive coding (Graebner *et al.*, 2012). Initially, one author performed inductive coding (Corbin and Strauss, 1990) and then applied predefined codes only when excerpts were explicitly aligned with their definitions. A coding table (see Appendix 2) supported cross-case comparison, while new sub-codes related to tensions and paradoxes were developed inductively (see Appendix 3). Using pre-coding carries an inherent risk of bias and limitations. To mitigate these issues, we continuously reviewed transcripts, searched for evidence that contradicted expectations, and enhanced our initial codes, making sure that emerging codes rooted in entrepreneurs' stories were not omitted. This helps limit the blind spots and biases that can arise from relying solely on predefined categories.

## 3. Findings

Our empirical study revealed the following findings: Two emerging themes (3.1), a differentiated perception of the international context (3.2), and multiple sustainability entrepreneurial behaviors. Also provides empirical evidence to the IE theory (3.3) by examining the internationalization process and strategies adopted by sustainable SMEs.

### 3.1 The International Entrepreneurship Advantages

Coldwell et al. (2022) highlight that sustainable entrepreneurs have a dual perspective, viewing international markets as both a challenge and an opportunity, where northern economies push for sustainability while southern nations prioritize economic growth. This is illustrated in entrepreneur EC's commentary.

> *The idea of environmental protection is very much alive in Europe, but in other countries, it's a concern that's quite distant. […] when you get to Asia, it's a worry that's rarely discussed in business settings […] It's also a notion linked to a country's level of development.*

Internationalization also offers a way to tackle global issues and catalyzes change (Schaltegger and Wagner, 2011). For entrepreneur EA, relocating part of his production to Asia became essential for maintaining his competitive edge and fulfilling his CSR commitments. He emphasizes the social aspect of his business model:

*Although we could have focused on 'Made in France', we chose instead to engage with the broader industrial world. There are millions of workers worldwide, especially in Vietnam. By ensuring they work under favourable conditions and keeping their jobs, we fulfil a social imperative.*

For entrepreneur EB, gaining international exposure was crucial for discovering technical innovations. During a previous project, he met a Canadian chemist whose invention became a key part of his firm's competitive edge.

*While planning this (previous) project, I looked for new technologies. Serendipitously, I met Gilles (in Canada), who had pioneered a solution that we adopted [...] I saw the prototypes and pilot projects Gilles had developed, which led to the factory becoming part of Groupe.*

As Rialp-Criado et al. (2019) suggest, internationalization provides vital resources for SMEs that can help sustain new technological ventures essential for achieving a sustainability transition. Advisor RSA commentary exemplifies this perfectly:

*International markets offer an additional growth level, allowing the company to diversify its risks and identify further growth opportunities.*

International experience may also encourage entrepreneurs to focus on different sustainability aspects early on. For example, Entrepreneurs EA began with a social focus but is now a B-Corp-certified company that highlights environmental efforts, such as reducing carbon emissions. Entrepreneur EB has also gradually adopted more sustainability goals; in addition to reducing carbon emissions as part of Anjou Responsible Managers, he aims to improve social conditions affected by climate pollution in southern countries.

*(we must) significantly and quickly expand, especially in areas where they will need it most in the coming decades to limit all these impacts. So, this is again a reflection that obviously involves the technical, business, and financing aspects.*

### 3.2 Sustainability and CSR-Driven behaviors

Muñoz and Cohen (2018), citing Leiserowitz et al. (2006), note that values such as: equality, solidarity, freedom, tolerance, respect for nature, and shared responsibility influence their ambitions and judgments. Our research identifies that the three sustainable entrepreneurs demonstrate CSR-driven behaviors (Uzhegova et al., 2018) and genuinely engage in sustainability. But each emphasizes different sustainability priorities: EA adopts a balanced social and environmental approach; EB focuses on technical innovation and ecopreneurship; EC promotes reflection and resource consciousness, emphasizing CSR, efficient materials use, and waste reduction.

*We share many core values. That's what inspired us to start our company. The two of us aim for a world that is more social, more ecological, and more just. (Entrepreneur EA)*

*Our own values include three main principles. The first is the technical value of an engineering company; we are curious and passionate about technical topics, regardless* *of the field, especially performance. There's always this drive to find something more efficient somewhere, and the environment is also a key part of it. (Entrepreneur EB)*

*I was 20, and back then, we didn't hear a word about the environment. So, it's more of a point of view. Just the use of resources, in fact. More than an economic view, it was the notion of usefulness or uselessness that initially drew me to it [...] It's more about values. (Entrepreneur EC)*

Our results also reveal three distinct approaches to the social aspect among entrepreneurs. Although two of them can be considered CSR-driven, their priorities differ significantly. While one follows a philanthropic approach as part of his firm's values, a second expresses skepticism toward philanthropy, suggesting it may reproduce unequal dynamics, and the third focuses on employees' well-being and territorial impact.:

*We donate 2% of our turnover to Sayden, an NGO that builds schools in Vietnam […] They have funded six schools with them since the start of the project, so that's around 300 children in school." (Entrepreneur EA)*

*I'm not a big fan of philanthropy as such. Sometimes, there's a condescending side. (Entrepreneur EB)*

*Sharing values, feeling positive about the company, and appreciating the work within the organization and with the ecosystem. You mentioned social impact; I'm talking about territorial implications [...] A company isn't isolated from its immediate environment. (Entrepreneur EC)*

Although the literature on Sustainable Entrepreneurship includes social and green entrepreneurship as subcategories, our cases reveal distinct sustainability outcomes in behaviors and priorities, influenced by entrepreneurs' diverse values, perceptions, and priorities.

### *3.3 The internationalization strategies of Sustainable entrepreneurial-oriented firms*

The previous section highlighted emerging themes in differences, shared values, and sustainable goals among various entrepreneurial orientations. This section examines their divergent approaches in processes, international market selection, and firm structure, analyzed through the lens of IE Theory (Oviatt and McDougall, 1994, 2005).

#### *3.3.1 Values Aligned Market Selection*

Musso and Francioni (2014) highlight that International Market Selection (IMS often follows opportunistic logic. In our sample, sustainable entrepreneurs' internationalization is shaped by their values and goals, thereby affecting where they will expand. Values influence market choices; for instance, entrepreneur EB emphasizes business continuity and market potential.

*When we discuss, there's a lot of work to be done in the US. There's also a large market, and I want the machine to keep running. Well, you still need to feed it. I venture into exports with markets that are as profitable as possible; that's clear.*

In contrast, entrepreneur EA prioritizes eco-responsibility over market appeal, intentionally steering clear of markets where logistical requirements conflict with his environmental principles.

> *We know that the US is a market where customers want fast delivery, so unless you have 10 warehouses, you end up flying goods within the USA. Well, in terms of eco-responsibility, it's difficult, so you either manage it differently or sometimes you might have to skip specific markets. Hence, when I say you must be honest, it means you must follow your convictions.*

Entrepreneur EC takes a mixed approach that combines practical engagement with value-based limitations. He is willing to export to China only if it lowers environmental impact, but he firmly rejects deeper market involvement, such as establishing subsidiaries.

> *What about a customer who wants to fill liquids in China? Whether he uses a machine that consumes more than mine, or he uses mines. I tell you, let him choose; it's better to use mine. […] I'm not in the colonizing spirit; I don't think I will have any impact.*

However, he also establishes a clear ethical boundary regarding direct market presence, addressing concerns raised by consultant SCA about human rights and labor conditions in specific supply-chain-sensitive markets.

> *In the automotive industry, for example, there are real questions about batteries in certain countries, especially in Africa, like Congo, and places like that, or in China, which holds a lot of raw materials. But we know that conditions regarding human rights and labor aren't always excellent.*

Non-market selection also strongly appears among entrepreneurs focused on sustainability. Some even leave profitable markets behind to stick to their principles, valuing ecological consistency over geographical expansion. Consultant ICA illustrates this trend with the example of a winery undergoing a generational transition.

> *A winemaker transitioning from father to children who were exporting internationally […] they adopted an ecologically advanced approach to organic wines. And the son said… 'I don't want to follow in my father's footsteps; it's not possible […] we will define a 1500 km radius around our vineyard by choosing partners who share our values and meet our criteria.*

The cases indicate that SEOFs tend to adopt cautious, value-aligned strategies when selecting markets. Entrepreneurs evaluate foreign opportunities based on economic potential, institutional proximity, and alignment with their sustainability orientation. This approach leads to a nonlinear internationalization process (Dominguez and Mayrhofer, 2017), often focusing on nearby or ethically aligned markets and sometimes involving avoiding or exiting locations that conflict with the firm's sustainability commitments.

#### *3.3.2 Sustainable Entrepreneurship International Activities*

The international operations of sustainable entrepreneurs reflect distinct strategies guided by their orientations and values. Entrepreneur EA externalizes key activities to enhance social well-being in developing countries by producing in Vietnam and supporting local artisans through fair-trade practices. He explains:

> *This is our competitive advantage. First, this dimension is something we're proud of. Our DNA emphasizes the hand-woven, artisan side, and we're practically the only ones doing that […] We're one of the few to use (ethnic) craftsmanship textiles on an industrial shoe.*

In contrast, entrepreneur EB, whose ecopreneur focus is on technical innovation, limits manufacturing to France to keep control of his value chain and safeguard intellectual property. He states:

> *My technology has a positive impact. Keeping it to myself protects my margin, but eventually, this solution needs to be adopted widely. It's not just about making money; it's about making sure technology is accessible worldwide.*

Entrepreneur EC operates globally but maintains all functions in-house. Concerns about safeguarding technology heavily guide his choices, as he notes:

> *There's the issue of technology protection, which is another reason why going to India is better than going to China. Yes, you have more protection for your technology in India than in China.*

Consultant ICB illustrates how sustainability awareness can shift firms' international configurations. He recounts the case of a manufacturer that reconsidered its export strategy after recognizing ecological inefficiencies:

> *Another example is a well-known biscuit company that makes metal gift boxes. It has been highly appreciated in China because of its gift-giving culture […] The boxes are produced in China, sent empty […] to France, filled in France, and then re-exported to China. The client says… 'Well, does it cost me less to do that? […] But from an ecological perspective, how is it?'*

These cases show SEOFs adopt similar international entrepreneurship activities. All entrepreneurs use internationalization to share resources with local partners while maintaining control over key capabilities like technology, quality, and marketing. They prioritize social and environmental goals and favor flexible, partnership-based arrangements. The cases reveal challenges in managing strategic resources, outsourcing, locating activities, and aligning sustainability efforts internationally.

### *3.3.3 Trust-driven Sustainability Governance*

Sustainable entrepreneurs adopt various entry modes, balancing operational aims with sustainability priorities. Our findings show that SEOFs tend to rely on partnerships with local distributors, though they employ different entry-mode strategies based on their values and constraints. Entrepreneur EA relies on import–export activities and builds close relationships with outsourcing partners overseas to foster supply chain transparency by reducing intermediaries. He explains:

> *We work directly with supplier networks in Vietnam because the problem with fashion is the lack of transparency caused by many intermediaries. So, we cut them out by having an employee on-site in Vietnam, along with my partner.*

His strategy strengthens trust with international partners by delegating logistics to his Vietnamese supplier, as he describes:

> *We used distributors with exclusive rights to the territory, so, for example, in Australia, we have someone there who will buy directly and place orders straight from Vietnam, and the container is shipped to Australia.*

Entrepreneur EB maintains a centralized decision-making approach focused on economic efficiency. He has privileged so far traditional export channels supported by flexible partnerships rather than other resource-intensive market commitments:

> *I prefer not to develop foreign subsidiaries unless it's on a case-by-case JV basis. My strategy focuses on building a network of distributor and integrator partners for our solutions.*

In contrast, entrepreneur EC follows a higher level of market engagement, including foreign subsidiaries, but is beginning to plan localized production to reduce environmental externalities.

> *What's the point of sending machines far away? We can finally have more local manufacturing and a much smaller environmental impact, in fact, but still with this highly developed technology.*

This shift toward more localized strategies is also described by advisor RSA, who notes that new institutional pressures for transitions are likely to strengthen higher levels of market engagement.

> *New regulations will push us to adopt these strategic approaches. Transfer, external growth, establishing operations in another country […] It's about reducing your environmental impact, so ultimately, it's a cycle that makes sense.*

SEOF employs diverse global governance strategies, but a common approach is to maintain centralized control while building trust with local partners. TBL dimensions guide control decisions, leading sustainability-oriented SMEs to avoid relying solely on contracts and instead invest in local control mechanisms, such as expatriates, joint ventures, or direct investments. This approach emphasizes responsibility, transparency, and aligns values.

### 3.4 Sustainability-related tensions and paradoxes in internationalization

The interviews suggest that sustainability-oriented entrepreneurs see internationalization as a series of ongoing contradictions among interconnected elements (Schad et al., 2016, quoted in Tippmann et al., 2023), not a straightforward "win–win" process. Reflecting Hahn et al. (2018) critique of the business case, informants constantly balance tensions between economic viability, ecological impact, and social responsibility. However, their choices of countries, business models, and partnerships are flexible, as they continually arbitrate between commercial viability and maintaining purpose, mirroring the growth and scaling paradoxes found in sustainability-focused SMEs (Heucher *et al.*, 2024).

Entrepreneur EC demonstrates that international market selection is influenced by responsibility and territorial values, using his technology to reduce clients' footprints in high-impact settings while also shifting some responsibility to them.

> *What about a customer who wants to fill liquids in China? Whether he uses a machine that consumes more than mine, or that uses mine, I tell you. Let him, it's better to use mine. […] I'm not in the colonizing spirit, that is to say that I don't consider that I will impact.*

Both Entrepreneurs EB and EC face tensions related to intellectual property risks, which affect country selection and can hinder the rapid spread of clean technologies due to legal safeguards.

> *For me, there's a sense of guilt, meaning how do I ensure that I have a rapid growth […] Keeping it for myself or preserving my margin as much as possible is good, but at some point, this solution will need to be everywhere [...]. So, by building this model, which obviously involves additional legal difficulties […], we need to ensure the contract is respected. (Entrepreneur EB)*

In this sense, institutional constraints, market expectations, and specific technological barriers might impede the fast spread of technology and responsible goods.

> *I understood very early on that chemical product sellers would do everything to discredit us […] We need to be scientifically solid on the technologies we use […] If we don't demonstrate this, we will be swept away. (Entrepreneur EB)*

> *This closed some doors for us because some clients demanded transparency… so I had to wait for our suppliers to obtain this label. (Entrepreneur EA)*

A second relevant tension reveals the paradox between the use of specific compounds or materials that may not align with the intended goal, as illustrated by the following paradoxical choices:

> *From a sustainability perspective in every sense of the term, from medium to long term… mainly the equation is simple, it's the journey, and its stainless steel. Stainless steel has a high carbon footprint. (Entrepreneur EB)*

> *We no longer look at things only in terms of the materials we choose [...] we might select a less ecological leather made from paper. Still, will it be more durable? [...] we ultimately consider it more ecological because the footwear will last longer. (Entrepreneur EA)*

But the most conflicting tension in the paradoxes, each handled differently, concerns commercial and market motivations. For example, Entrepreneur EA highlights paradoxes in eco-design, growth, and market scope, while Entrepreneur EB questions issues in internationalization speed and market choice to expand his technology. The following quotations capture the apparent tension between managing growth and purpose:

*We try to break away from the seasonal aspect, to make timeless, basic products [...] Is the goal to sell more and more products [...] or to sell at the right price and make products more durable, so consumers consume less but better? (Entrepreneur EA)*

*For me, there's a sense of guilt about how to ensure rapid growth, [...] Keeping it for myself or preserving my margin as much as possible is good, but at some point, this solution will need to be everywhere (Entrepreneur EB)*

Yet during initial startup phases pragmatism leads to concessions, as indicated by Entrepreneur EA:

*So, the very first container[...] the very first order we had come by air. Because at that time, we had it seeded through a crowdfunding campaign.*

These cases illustrate how sustainable entrepreneurs make international strategic choices while navigating paradoxes such as responsibility vs. growth, values vs. institutions, and global scale vs. market access. The chapter draws empirical evidence and insights from international entrepreneurship, international CSR, and sustainable entrepreneurship to examine how these entrepreneurs, guided by non-economic motivations, develop sustainable international strategies aligned with their values. We create a conceptual model of the evolving, often paradoxical nature of sustainability-oriented SMEs' internationalization. Next, we introduce this model and its key mechanisms.

## 4. Discussion

Our findings reveal a dynamic, value-driven internationalization process. Figure 1 shows the integrative model from our analysis. It suggests that entrepreneurs' trade-offs in internationalization practices are shaped by their sustainability orientation, indicating that paradox management is incomplete. Over time, Sustainable Entrepreneurs and managers shift from focusing on one sustainability dimension to integrating all three. Sustainability orientations influence SEOF internationalization through sequential adoption of TBL dimensions, without a fixed order. Figure 1 helps interpret these evolving dynamics.

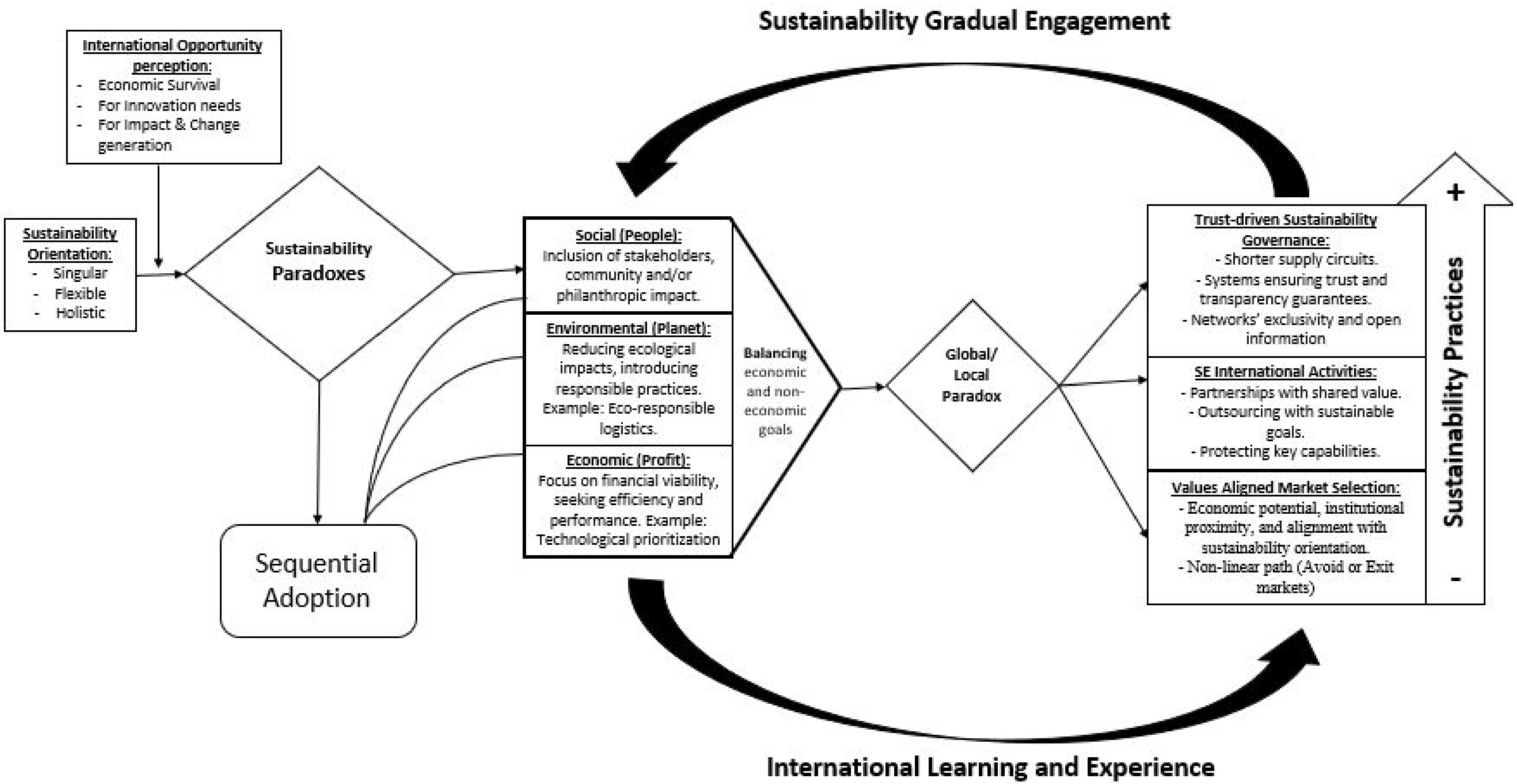


Figure 1: Conceptualization of Internationalization strategies of Sustainable-oriented SMEs through sequential adoption and trade-offs

### 4.1 Sustainability orientations and paradoxical management

Consistent with Muñoz and Cohen's (2018) view, results suggest that sustainable entrepreneurship is an ongoing effort to integrate the three elements of the triple bottom line, rather than reaching a static balance. In the three cases, entrepreneurs face trade-offs, prioritizing one sustainability aspect based on their values, resources, and economic context. This dynamic interaction is consistent with previous research (Anand *et al.*, 2021; DiVito and Bohnsack, 2017), illustrating that sustainable, entrepreneurial firms integrates different sustainability dimensions (TBL) gradually rather than all at once and differ in how they interpret and address sustainability challenges during international growth.

Stoian and Plakoyiannaki's (2023) argue that sustainability practices in SMEs are not fixed traits but adaptable responses to changing internal and external pressures. Our data show that international experience expands entrepreneurs' awareness of environmental or social issues, shifting their priorities. Over time, sustainability becomes a gradual, cumulative learning process, with more TBL dimensions adopted as capabilities, legitimacy needs, and opportunities grow.

CSR practices support this process, functioning as an operational tool for entrepreneurs to express sustainability priorities through stakeholder engagement, ethical sourcing, transparency, or community involvement. Some SMEs pursue philanthropic initiatives, others focus on employee wellbeing or local impact, but in each case, CSR allows entrepreneurs to put their sustainability values into action. However, CSR alone does not explain how strategic trade-offs are made; these decisions arise from entrepreneurs' sustainability orientation, which shapes their understanding of internationalization challenges.

This suggests that the paradox in sustainability-oriented firms' internationalization is rarely fully resolved (Hahn *et al.*, 2010). Instead, Sustainable entrepreneurs manage tensions by evolving their logic, balancing sustainability dimensions, often prioritizing one dimension temporarily while remaining committed to others. Figure 1 indicates that, depending on managers' sustainability orientation, firms will either integrate sustainability goals gradually or simultaneously. International Sustainable SMEs face resource constraints, institutional contradictions, and stakeholder demands, making sustainability engagement complex.

Proposition 1. An entrepreneur's sustainability orientation influences how SMEs prioritize social, environmental, and economic aspects of the triple bottom line during internationalization.

### 4.2. Internationalization process of SEOF

The SMEs in our study adopt internationalization strategies connecting SEO, sustainability values, and operational constraints. Entrepreneurs pursued diverse approaches, from trust-based partnerships to selective localization, to align with ethical principles. Illustrating the "glocal" paradox in IB research (Heucher *et al.*, 2024; Tippmann *et al.*, 2023), where firms adapt to local contexts while maintaining global sustainability commitments. By engaging stakeholders and aligning activities with values, sustainable entrepreneurs strike a balance between growth imperatives and values.

International exposure influences entrepreneurs' motivations and opportunity recognition, as noted in IE literature (Oviatt and McDougall, 2005). Engaging with foreign markets fosters flexibility and creativity, helping entrepreneurs strengthen their sustainability commitments and embed them into their strategies. International contexts offer learning opportunities that enhance firms' ability to balance sustainability goals.

Our findings align with Oviatt and McDougall's (1994) model, emphasizing alternative governance mechanisms in SMEs. Unlike traditional international new ventures (INV) that focus on speed and economic value, SEOF prioritizes transparency, responsible practices, and technology protection. Concerns over intellectual property may limit the international transfer of sustainable technologies due to fears of misuse, complicating efforts to address sustainability.

Market selection distinguishes SEOF from traditional models. Unlike SMEs that depend on opportunistic strategies (Chandra, 2017), SEOF selects markets based on sustainability principles, entering only those aligned with their values and avoiding others. These choices illustrate the sustainability paradox (Hahn *et al.*, 2010), balancing short-term profits with long-term ethical objectives. Sometimes, sustainability commitments cause firms to withdraw from markets, highlighting a nonlinear, responsible internationalization process.

Sustainable entrepreneurs internationalize not just for economic gain but also to create shared value and tackle global challenges (Zucchella *et al.*, 2023). This highlights the need for greater integration of IE, CSR, and sustainability research to understand how SMEs navigate internationally the transition to more sustainable and CSR-driven.

Proposition 2: SEOF often prioritizes or avoids foreign markets based on alignment between institutional conditions and sustainability values, even if those markets have high economic potential.

Proposition 3: SEOF tend to adopt partnership-based, low-control governance to manage sustainability tensions during international expansion.

## 5. Conclusions, implications, and limitations

Using DiVito and Bohnsack's (2017) sustainability profiles, our study advances research on sustainable entrepreneurship orientation (Schaltegger and Wagner, 2011) by showing how entrepreneurs prioritize and sequence conflicting economic, social, and ecological goals when they expand abroad. We support their view in which entrepreneurs do not systematically privilege one dimension, illustrating gradual, context-dependent sustainability adoption that resonates with paradox perspectives on sustainability trade-offs (Hahn *et al.*, 2018; Heucher *et al.*, 2024).

Our findings enrich work on International Sustainable Entrepreneurship (Zucchella *et al.*, 2023) by connecting sustainability paradoxes with specific international entrepreneurial activities. One case shows a manufacturer redesigning the supply chain and moving production to Asia to cut carbon footprint, not for economic gain. Another firm relies on territorial distributors who order directly from overseas factories, using trusted partnerships to improve logistics and control. A third case focuses on manufacturing in France for better coordination, including sending equipment and teams abroad. These results address recent calls for research on tensions between internationalization and sustainability adoption in SMEs (Denicolai et al., 2021) and expand research on nonlinear SME internationalization (Dominguez and Mayrhofer, 2017).

Our findings offer practitioners practical insights and avenues for reflection. Internationalization can reshape value chains sustainably, rather than just enabling market access. One case examines sourcing ethnic materials, turning cultural uniqueness and social impact into a competitive advantage rather than focusing on economic factors. A second case explores how to widely disseminate his technology across countries in the global south, despite profit concerns. However, even with good intentions, institutional voids can force tech-based cases to choose specific markets and locate production for IP and CSR considerations, slowing down the promotion and global scaling of responsible practices.

We acknowledge some limitations of our study, including a small sample size, a single context, and reliance on a single key informant per firm. Future research could compare multiple SEOFs across industries and countries, using longitudinal or mixed methods designs to trace how international activities, governance, and sustainability orientations co-evolve over time.

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# Appendices

| Oviatt and McDougall, (1994) | De Massis et al., (2018) | A priori Code | Code definition |
|---|---|---|---|
| N.D. | Scope | IE Scope | Refers to the scope of an organization's international entrepreneurial activities, including country selection, engagement breadth (measured by the number of countries), or market exits. |
| Foreign location advantage | Locations | IE Activities | Relates to actions and initiatives that define the organization's international entrepreneurial efforts. These foreign location advantages involve decentralizing activities through outsourcing, FDI, or alliances. |
| Alternative governance | Entry Modes | IE Governance | Addresses how international entrepreneurial efforts are organized within the company, including leadership and autonomy in decision-making processes related to international operations (internal structure or market contract). |
| Unique Resources and Capabilities | N.D. | IE Advantages | Control over key advantages that support scalability, such as R&D, marketing, or unique resources like intellectual property (IP). |

**Appendix 1**: Pre-Coding Table adapted from De Massis et al. (2018) and Oviatt & McDougall (1994)

| Informant | Verbatim Quote | First-Order Code | Second-Order Theme | Aggregated Theme |
|---|---|---|---|---|
| EA | This is our competitive advantage... the DNA is the hand-woven, artisan side... we are one of the few to use ethnic craftsmanship textile on an industrial shoe. | Leveraging artisanal and cultural uniqueness as a core competitive advantage | Purchasing ethnic raw materials internationally | International Entrepreneurship Advantages |
| EB | My technology has a positive impact. Keeping it to myself preserves my margin, but eventually, this solution needs to be widespread. It's not just about making money; it's about ensuring technology is accessible globally. | Balancing profit preservation with the ethical imperative to diffuse impactful innovation globally | Innovation in operational strategies | |
| EC | There's the question of technology protection, which is another reason why going to India is better than going to China. Yes, you have more protection for your technology in India than in China. | Choosing international markets based on the perceived strength of intellectual property protection | Challenges for international CSR operations | |
| ICA | Another example is a well-known biscuit company that makes metal gift boxes. It has been highly appreciated in China because of its gift-giving culture […] The boxes are produced in China, sent empty […] to France, filled in France, and then re-exported to China. The client says… 'Well, does it cost me less to do that? […] But from an ecological perspective, how is it?' | Questioning the ecological logic of globalized logistics in favor of more sustainable packaging strategies | Re-localization of specific activities to respond more to climate challenges | International Entrepreneurial Activities |
| EA | We used distributors who had exclusivity over the territory, so if I take the example of Australia, we have someone there who will thus buy directly, place orders directly from Vietnam, and the container is shipped to Australia. | Using exclusive territorial distributors to optimize international logistics and market access | Trust-based international social partnerships | |
| EA | We work directly with a network of suppliers in Vietnam, since the problem with fashion is its opacity due to the multitude of intermediaries. So, we eliminate them by having an employee on-site in Vietnam, plus my partner. | Enhancing GVC transparency by bypassing intermediaries and embedding local presence | Investment in a production control structure | International Entrepreneurial Governance |
| ICB | We have more clients transitioning into SCOPs. So, sharing governance, decisions, and hierarchical levels are completely erased [...] This will be especially the case when it's about external growth because that's often one of the criteria for external growth as such. | Transitions toward shared governance and democratic organizational models | New trends in ETI governance | |
| EB | I don't want to develop foreign subsidiaries, except on a case-by-case JV basis. My strategy is based on creating a network of distributor/integrator partners for our solutions. (email exchange) | Structuring internationalization through selective joint ventures and partner-integrator networks | Evolution to a more flexible mode, partnerships (contracts) | |
| ICA | "Defined a radius of 1,500 km around our estate... choosing partners who share their values, who will convey how they produce wines." | Defining international partnerships based on shared values and regional proximity | Sustainability-driven Market Exit | SEOF International Market Selection (scope) |

| | | | |
|---|---|---|---|
| SCA | "In the automotive industry, for example, there are real questions about batteries in certain countries, particularly in Africa, like the Congo(...)or in China, who hold a lot of raw materials. But (....) in terms of human rights, labor conditions aren't always great." | Questioning the ethical implications of raw material sourcing in international supply chains | Socially driven Non-Market selection |

**Appendix 2. Illustrative quotes, first-order codes, second-order themes, and aggregated dimensions for a priori codes**

| Informant | Verbatim Quote | First-Order Code | Second-Order Theme | Aggregated Theme |
|---|---|---|---|---|
| EA | We could have taken the prism of Made in France, but we chose i.e. sure they are well treated and keep them in employment there. | Choosing overseas production to protect and maintain foreign workers' jobs | Social responsibility towards foreign stakeholders versus relocalization narratives | Sustainability Paradox |
| EB | "From a sustainability perspective in every sense of the term, from medium to long term… mainly the Pareto is simple, it's the journey, and it's stainless steel. Because stainless steel has a high carbon weight." | Eco-efficiency technologies entail a higher initial environmental impact. | Tension between investment in eco-optimization versus global environmental performance | Sustainability ambition vs environmental impact |
| EC | "I'm a great believer in this pillar […] making people feel good. Sharing values and feeling good about the company, valuing the work that is done within the company, and the work that is done with the ecosystem. You talked about social impact; I'm talking about territorial impact […] a company is not isolated from its immediate environment." | Integration of social and territorial impact | Value-based sustainability practices | CSR-Driven practices |
| EC | What's the point of sending machines as far away […] we can find…technology which is very highly developed technology in the end." | Questioning long-distance exports when nearby markets/solutions exist | Tension between global dispersion of technology and localized, lower-footprint deployment | Local social/environmental impact vs global scaling |

**Appendix 3. Illustrative quotes, first-order codes, second-order themes, and aggregated dimensions for emerging themes**