

Case Study: Sonnentor

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Purpose: To create organic products that support people and nature

Design Trait: Network

Innovative Practice: Regionally Responsibility-Based Network Design

Key Facts

Sonnentor is a family-owned company specialising in 100% organic herbs, spices, and teas, built on fair partnerships with local and global producers. Based in Austria, it actively supports its structurally weaker home region by creating jobs, fostering economic resilience, and leading initiatives that prioritise organic farming, social equity, and environmental regeneration.

Founded: 1988

Industry: Organic food

Location: Sprögnitz, Austria

Founded by: Johannes Gutmann

Ownership: Family-Owned

Legal form: Limited Liability Company (GmbH)

Employees: 544 (2022/2023)

Webpage: <https://www.sonnentor.com/de-at>

Purpose, Business Model & Objectives

Purpose: To create organic products that support people and nature

Founded in 1988, *Sonnentor* has grown into a well-recognised brand, closely associated with its founder, Johannes Gutmann and, more importantly, for its commitment to organic farming. Known for his signature red glasses and Lederhosen,

Gutmann had a clear vision from the outset: to sell only high-quality, organic, and sustainable food and to create impact in his home region, the Waldviertel in Austria. Initially a pioneer of the organic market, *Sonnenator* has grown into a global network with over 1000 agricultural partners, far beyond the three farming families who launched the journey.

“The idea of Purpose was present from the very beginning and it has developed in various directions. Naturally, the situation is completely different now, with 360 employees in Austria, nationwide in Germany, 180 in the Czech Republic, and 1,000 farmers worldwide growing for us, compared to how it started—as a one-man business with three regional farming families.” — Verena Königsberger, Corporate Communication Manager

Sonnenator as a company has evolved and grown, yet the core philosophy remains unchanged: a commitment to ethical partnerships and ecological responsibility.

“These two aspects [regional ties and ecological conviction] are very, very deep in our DNA and are absolutely cross-cutting issues in our company. Every department is involved.” — Florian Krautzer, CSR-Manager

To minimise its ecological footprint, *Sonnenator* has long been committed to clean energy transformation. For decades, the company has integrated renewable energy solutions, continuously eliminating fossil fuel dependency and accelerating its shift towards net neutrality. Key initiatives include:

- Purchasing 100% green energy since 1992
- Implementing a wood-chip heating system
- Expanding its photovoltaic system to maximise solar energy use

Thanks to these efforts, *Sonnenator*’s own emissions are now equivalent to those of just thirteen Austrian households per year. While significant progress has been made, the company remains dedicated to achieving long-term net-zero emissions. *Sonnenator* aims to eliminate all fossil GHG emissions from its own operations by 2030, while supporting projects and developments aimed at sequestering CO₂ from the atmosphere, such as building up humus within its supply chain or generating biochar from its waste stems in production.

Insights into the Regionally Responsibility-Based Network Design

One of *Sonnentor*’s most distinctive qualities is its deep and fair network of partnerships, which includes suppliers, employees, customers, and communities. Since 2011, *Sonnentor* has been part of the “Economy for the Common Good” movement and discloses its sustainable activities within its biennial Common Good Report. Specifically, the following areas are analysed: Dealing with suppliers, employees and customers, ownership and financial structures as well as the general social environment and the impact of the product. In 2023, the company scored 746 points (out of 1000), including 87.50% in the criteria supplier ethics.

Figure 1: Economy for the Common Good



Source: Economy for the Common Good 2025.

Suppliers

Strong supplier relationships are essential for *Sonnentor*, as they form the foundation of its business. From the very beginning, the brand has remained closely connected to its regional roots—not just as a commitment to local areas but also as a fundamental principle of how it engages with business partners. Whenever possible, *Sonnentor* sources all herbs and spices that can grow locally from Austria and neighbouring countries, reinforcing its dedication to regional agriculture in rural areas.

To ensure high-quality and sustainable sourcing, *Sonnentor* has strict requirements for its cultivation partners. Farmers must be certified organic producers under EU Organic Regulation, hold an organic certification for all herbs and spices they intend to grow, have expertise in matching crop selection to soil suitability and possess the necessary machinery for cultivation, processing, and harvesting, as well as drying facilities.

Beyond these requirements, *Sonnentor* ensures fairness in supplier relationships through three key practices: fair pricing, direct trade, and long-term partnerships.

Fair Prices

Sonnentor guarantees its suppliers fair prices, ensuring stability regardless of fluctuations in global market prices. For one, *Sonnentor* establishes cultivation and supply contracts that guarantee minimum prices above standard market rates.

Direct Trade

A key element of *Sonnentor*'s purpose is its commitment to direct trade, sourcing products directly from farmers or local partners, bypassing intermediaries whenever possible. While intermediaries can help connect small-scale producers to markets and reduce risk through diversification, direct trade gives *Sonnentor* the flexibility needed to sustain fair and stable prices across its international supply chain. This approach allows the company to pay stable, fair prices that provide producers a secure and long-term livelihood. Today, approximately 60% of *Sonnentor*'s herbs, spices, and coffee are sourced through direct trade.

"It is very important to us that the values that we have stood for from the beginning – the ones that have made us successful – are also upheld internationally. We want to ensure that equality, trust, the strong gut feeling that we have built up are carried into our supply chain worldwide." — Florian Krautzer

Even when working beyond its immediate regional network, *Sonnentor* remains committed to respectful and fair supplier relationships.

Long-Term Partnerships

Sonnentor focuses on long-term partnerships that ensure stability for both the company and its suppliers. More than 60% of raw material partners have supplied *Sonnentor* for more than 5 years, while all three original local farmers still supply *Sonnentor*, some in second, some in the third generation, after 37 years. *Sonnentor* fosters partnerships with a long-term vision, offering mutual planning security and strengthening trust for future collaboration. It's about

"taking a long-term approach, not just (...) setting rigid demands like, 'These are our conditions and if you can't fulfil them, you're out'. Instead, we say, 'Here's how we envision working together—can you do that? If not, why? Could you do it next year? Or the year after?' This mindset ensures planning security, allowing us to grow and evolve together." — Florian Krautzer

Regular on-site visits and advance financing that assists partners expand their production capacities are important tools in maintaining regionally responsible supplier relationships. For example, *Sonnentor* provided advance financing to one of its

partners in Kosovo, enabling them to develop new, organic products and capabilities.

Employees

The regionally-based network design also includes its employees. As one of the largest employers in the rural, structurally weak Waldviertel region, *Sonnenmentor* plays a crucial role in providing stable jobs and strengthening the local economy and community.

"We see ourselves as a strong regional employer in the Waldviertel. You might know the Waldviertel – a structurally somewhat weaker area where one might have to travel a bit further to get to work, as there aren't so many companies in the region. And we have always seen ourselves as a very strong employer; we have 320 employees right here at our location in the Waldviertel." — Verena Königsberger

With 320 employees at its headquarters and additional home-based workers, the company not only offers direct employment but also supports many farming families through seasonal and flexible work opportunities. For example, it supports rural farming families who may have seasonal work fluctuations by including them in the hand packing process.

"There are approximately 60 or more men and women who work as freelance contractors from home. These are often farming families who take on more hand-packaging work in the winter when there is less fieldwork. We place a strong emphasis on continuing this practice. It may not always be the most economically efficient decision, as we could achieve a much higher output with machines." — Verena Königsberger

Unlike many traditional businesses, *Sonnenmentor* rejects rigid performance quotas and instead trusts its employees to work at their own pace. This pressure-free environment fosters a culture of respect and well-being, recognising that individual productivity may vary from day to day.

"Unlike other companies, we don't have a set requirement for employees to produce a specific number of units per day. That simply doesn't exist here. Instead, we place a certain level of trust in our employees, trusting that the work will get done. Of course, some colleagues are faster than others—that's just how it is and always will be. But we don't apply pressure; we trust that our employees will do their best." — Verena Königsberger

Fig 2: Hand-Packaging at Sonnentor



Source: Sonnentor 2024.

Including Employees in the Purpose

Furthermore, *Sonnentor* ensures that employees are not just workers but active participants in the company's purpose. To foster engagement and inclusion, *Sonnentor* regularly shares updates on sustainability initiatives, company values, and business decisions through its internal magazine, social intranet, and mobile communication tools. This communication is a vital tool in bridging the classical gap between office and production workers.

"We wanted to minimise this gap as much as possible, which is why implementing a mobile app was a must-have for us. This tool ensures that every employee can access information at the same time—if they choose to. We recently saw how valuable this was when we experienced severe flooding in our region two weeks ago. On a Sunday, I was able to quickly send out a message to all employees using a special push notification feature. The message popped up directly on the phones of those who had opted in, allowing us to instantly reach everyone—whether they were in production, administration, or our retail stores—even outside of regular working hours." — Verena Königsberger

Beyond traditional communication, *Sonnentor* gamifies engagement to encourage employees to interact with company values. For example, employees can participate in company-wide challenges, such as:

- **Health initiatives**, like the annual “Adios Zucker” (Goodbye Sugar) campaign, where employees receive training on healthy eating and take part in sugar-free cooking classes.
- **Inclusion in product development.** With an internal ideas and feedback box on the company’s social intranet, employees can easily submit suggestions. Many new products also go through an internal testing phase, where employees can volunteer to try prototypes and provide feedback, as seen with the 3 Minze tea, which was tested by 15 employees.
- **Interactive quizzes on the Economy for the Common Good report.** Such quizzes about *Sonnentor*’s sustainability goals foster a sense of shared purpose. This way, *Sonnentor* makes sure “that employees are also informed about its contents and that it’s not just something we create for external purposes” (Verena Königsberger).
- **Sustainability competitions.** For example, the company conducted an upcycling challenge where employees repurposed packaging materials into new creations. The winning idea—gift wrap sewn from tea bag covers—was later showcased on social media, inspiring both employees and fans.

Work-Life Balance & Holistic Well-Being

The company offers a range of benefits, from sports classes and therapy services to free lunches, embodying its values (namely respect, recognition, and health) through a supportive work culture. These include:

- **Flexible work models**, including remote work options and a four-day workweek for much of the production team.
- **A company daycare centre**, “Sonnenscheinchen” (ray of sunshine), helping employees balance work and family life.
- **Free organic lunches** for all employees, with a focus on healthy, sustainable eating (two vegetarian/vegan days per week).

“We also take part in Veganuary, the international campaign promoting plant-based eating. The goal is to showcase vegan cooking and encourage employees to explore it. In general, we offer our employees a free organic lunch from Monday to Thursday in our organic restaurant. Everything served is, of course, organic—aligning with our company’s values and commitment to sustainability.”—(Verena Königsberger)

- **Health & wellness initiatives**, such as free sports classes, therapy services, and regular health workshops. Each campaign revolves around a *Sonnentor*-specific theme, often featuring one of their in-house herbal experts. Employees can initiate and participate in herbal workshops, baking or cooking courses, all linked to

sustainability—such as regional cooking, plant-based recipes, or waste reduction, like baking your own bread to avoid packaging waste.

Customers

Naturally, the customers are also crucial stakeholders for *Sonnentor*, both as buyers and as active participants in the purpose. Through social media engagement, the customer magazine FREUDE, and direct communication channels, the company fosters strong relationships that provide valuable insights into consumer needs. *Sonnentor* takes a deliberate approach to distribution, prioritising direct customer engagement over conventional supermarket sales. The company sells most of its products through:

- 17 franchise partners who uphold *Sonnentor*'s values
- Independent health food stores
- Online sales, allowing direct interaction with customers

By bypassing traditional grocery retail, *Sonnentor* maintains greater control over its prices rather than being pressured by large retailers' cost-cutting demands. Furthermore, the stores serve as educational spaces rather than just points of sale, ensuring customised customer advice, and strengthening its direct relationships with consumers. This direct sales model mirrors *Sonnentor*'s commitment to direct trade in sourcing—building transparent, trust-based relationships at every stage, from suppliers to end customers.

This customer-driven approach is reflected in product development:

- 50% of all new products are based on direct customer feedback and requests. For example, *Sonnentor*'s "Beste für Reste" (Best for Leftovers), a spice blend designed for leftover food, was co-created with its social media community. Fans participated in the process by voting on recipes, packaging designs, and even the product name.
- The *Sonnentor* community has even played a financial role, contributing capital via a crowdfunding campaign to support the company's internal energy transition.

Community Impact

Sonnentor's commitment to social and environmental responsibility extends beyond its own operations, actively supporting communities, sustainable agriculture, and democratic engagement. This way, *Sonnentor* fosters long-term positive change both locally and globally.

Sonnenor invests in social projects that align with its values, supporting health, organic farming, and regional empowerment. One such initiative in Uganda promotes the local production and distribution of clean, efficient cooking stoves, reducing indoor air pollution and improving health outcomes for families.

“There is less smoke indoors, meaning better health for the families. They also save time and money on fuel. Most importantly, these stoves are developed locally, made with local materials, and maintained by local businesses. It strengthens the region—and that’s something in our DNA, so it’s great to promote this elsewhere too.” — Florian Krautzer

Sonnenor actively works to protect farmers from the risks of conventional agriculture. In Austria, *Sonnenor* and its farmers established an association that helps them insure against pesticide drift damage from neighbouring non-organic farms. This initiative functions as an alternative insurance model, allowing affected farmers to claim compensation for lost revenue without the bureaucratic hurdles of traditional insurance contracts. Additionally, the company collaborates with “Enkeltaugliches Österreich”, an organisation advocating for large-scale organic agriculture, sustainable forestry, and biodiversity protection. This initiative also financially supports farmers impacted by external environmental damage, ensuring greater security within the organic farming network.

Additionally, *Sonnenor*’s founder has stepped back from daily operations to focus on advocacy and education, giving talks at universities, schools, and businesses on sustainable business practices and responsible entrepreneurship. Furthermore, he is particularly engaged in promoting democratic politics.

“Actually, it is important for us not to position ourselves along party-political lines. However, this political cause is still very important to us. We are currently participating in an initiative called ‘Love Politics,’ which is all about encouraging people to stand up for democracy and exercise their right to vote.”—Verena Königsberger

How the Regionally Responsibility-Based Network Design Enables Regenerative and Distributive Dynamics

Increased Resilience

The responsibility-based network design creates reliable, long-term partnerships. These partnerships cannot be replicated easily, as the organisation of the relationship is inherently time-consuming and requires time to develop.

“This is the central credo, and long-term partnerships work when you treat each other fairly, when you create predictability, when you work together as equals, when you build trust and exchange ideas and visit each other” — Florian Krautzer

This long-term approach results in further benefits such as improved planning and mutual reliability. Especially during times of crisis, *Sonnentor* is able to rely on its networks to ensure its prosperity and security.

“Yes, during the pandemic, we were one of the few companies in our bubble, I would say, that was able to deliver without restrictions when you have such long-term partnerships and know each other well then you also go the extra mile. If you know that things will continue next year and the year after that then you simply help each other in a different way I think that makes us more resilient, yes. I can only speak for us now, but these good partnerships definitely helped us.” — Florian Krautzer

This was particularly evident during the COVID-19 pandemic. When *Sonnentor*’s field representatives in Germany were unable to perform their usual duties, they stepped in to assist local farming partners with fieldwork. In Austria, the company called on employees to help with the harvest when travel restrictions prevented seasonal workers from entering the country. Meanwhile, the company’s Greek farming partner returned the favour by supporting *Sonnentor*’s hand-packaging operations in Sprögnitz alongside his wife.

The company’s commitment to strong relationships with its stakeholders is not only a moral imperative – it’s also a key competitive advantage, yielding resilient connections that are especially valuable during challenging times.

Innovation

Innovations are not only the result of inputs within the company and the wishes expressed by customers. Innovation and new product development are made possible continuously and, above all, reliably by investing in partnerships. Customer requests may point to new market needs. Internal suggestions are taken seriously as well and have recently led to noticeable improvements in production by saving resources.

“It is absolutely encouraged for employees to contribute ideas—everyone can actively participate, and this is genuinely put into practice. Before we introduced our social intranet, we had a physical suggestion box in the company where employees could submit ideas. At first, it worked well, but over time, engagement declined. Now, with our social intranet, we have a dedicated Ideas & Feedback Box, making it much easier for employees to submit their suggestions via a simple form.

We regularly receive great ideas—not just from our retail stores but also from our production employees.” — Verena Königsberger

Skilled Labour Selection Instead of Shortage

Sonnentor's sustainability efforts are a big part of the company's image and public presence, attracting like-minded people with similar values. The company receives numerous applications every year and therefore has no problem with a potential shortage of skilled labour. In addition, employees have a high commitment and a low fluctuation rate.

“Sonnentor is known for being a very sustainable company in the region and beyond (...) and that also attracts a certain kind of people who want to work at Sonnentor.”—Florian Krautzer

The appreciative work culture contributes to this low fluctuation rate of 8,5% (in contrast to around 14% within the industry).

Challenges Arising From Designing Networks Around Regional Responsibility

While *Sonnentor's* regionally focused network offers many benefits, it also presents unique challenges. These arise from the pioneering nature of the company's early days, the intensive effort required to maintain supplier relationships, the scalability limits of such a hands-on approach, and the company's reliance on long-term partnerships.

Building and Maintaining Supplier Network

Creating and sustaining regionally anchored supply networks is no simple task. It requires significant upfront investment and long-term commitment. “Finding new raw materials or something is not easy because you can't just reach onto the shelf or call and say, ‘I'll order x quantity then and then, there and there’” Florian Krautzer. Unlike conventional businesses that can source materials on demand, *Sonnentor* carefully chooses and empowers new suppliers before they can reliably deliver. Despite this additional effort, the high product quality that results makes it a worthwhile benefit that customers recognise and appreciate.

Company Growth and Scalability

As *Sonnentor* has grown, maintaining intensive supplier relationships has become more challenging. The company acknowledges that its hands-on, relationship-driven approach is not infinitely scalable, yet it remains committed to preserving its values. This involves balancing trade-offs such as in the case with hand packing. While the company has retained hand-packing in some cases, it admits that “not everything can be done by hand anymore. For our best-selling products, we simply cannot keep up with demand through manual work alone—we saw this clearly during the COVID-19 pandemic when demand surged” (Verena Königsberger).

This makes it a potential challenge, as the intensive relationships do not appear to be infinitely scalable. Nevertheless, the supply of the required volume of goods and products must be guaranteed at a consistently high level of quality. But even with increasing growth, “we want to stay the way we are” (Sonnentor 2025). Business activities should continue to be characterised by the values that have made *Sonnentor* so successful to date.

Greater Dependency on Partnerships

Because *Sonnentor* prioritises long-term supplier relationships, it does not have the same flexibility as businesses that can quickly switch to new suppliers if problems arise. Building new partnerships is time-consuming and labour-intensive, making it crucial to nurture and protect existing relationships. When problems arise, efforts are made to cooperate and communicate in a solution-oriented manner,

“because it is more important for us to maintain and expand a partnership over time than to go looking for a new one now, also because I mentioned it before, it is simply extremely time-consuming and labour-intensive to build something like that.” — Florian Krautzer

For example, *Sonnentor* has provided advance financing to key partners or sought out organisations in regions like Tanzania that can coordinate hundreds of farming families to ensure timely, high-quality deliveries.

Interactions with Other Design Traits

Finance Design

One important design trait interaction is with financing. *Sonnentor* places value in its high amount of equity (67%) and its financial independence. “For stockholders who

are only after quick profits, there is no place here. We are owner-managed and independent of external investors” (Sonnentor 2025). While *Sonnentor* generally avoids outside investors, it is not completely closed to external funding—but only from trusted sources.

“If we do take external investments, they must come from people we absolutely trust—especially our fans and employees. We regularly offer opportunities for them to participate in our sustainable projects.” — Florian Krautzer

In this vein, *Sonnentor* has tapped into crowd-based financing, allowing customers and supporters to contribute directly to sustainable projects. One key example is the “Crowd Sunding” project, which financed the construction of *Sonnentor*’s own photovoltaic system through a discounted product voucher system. Supporters could purchase discounted vouchers for €400, which were allocated specifically for expanding the photovoltaic system. In return, participants received €500 in *Sonnentor* vouchers, distributed over five years, equating to a 5% annual return—surpassing typical bank interest rates. This carefully curated financial strategy ensures that *Sonnentor* remains aligned with its core values, safeguarding its ability to make ethical, long-term decisions rather than being driven by short-term financial pressures.

Recommendations for Adopting a Regionally Responsibility-Based Network Design

Authentic Commitment to Purpose

What has begun with Johannes Gutmann, continues to drive *Sonnentor* today: the company positions itself as both a brand and a business with purpose, attracting like-minded employees, customers, and partners through consistent media presence and a compelling sustainability narrative. However, a shared purpose must be deeply ingrained in everyday business practices, instead of serving as a mere branding tool. At *Sonnentor*, this authentic commitment is reflected in supplier partnerships, employee relations, and social initiatives that directly align with its purpose. Everything ties back to the heart of the company.

Maintain Long-Term, Respectful Partnerships

To build a resilient, regionally-based network, it is essential to foster open communication and cooperation on equal footing. Prioritising mutual respect, fairness, and long-term commitment ensures that partnerships are not just transactional but genuinely sustainable.

Inspiring Redesign Beyond the Business

Sonnentor's business model stands as a direct counterpoint to the notion that conventional companies have no viable alternatives.

"We show that it can be done." —Florian Krautzer

Sonnentor proves that economic success does not have to come at the expense of environmental and social responsibility. Instead, prioritising long-term supplier relationships, meaningful customer engagement, and active employee participation strengthens both the company and the broader community. While *Sonnentor* once operated without clear role models, it now strives to become one—demonstrating that distributive and regenerative business practices are not only possible but also beneficial. By leading by example, *Sonnentor* contributes to a fundamental shift in business thinking and a cross-industry transformation toward a more sustainable economic system.

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