Master Thesis

Organizing Boots on the Ground:

Proactively Managing Sustainability Risks in Global, Multi-tier

Supply Chains

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Abstract

Sustainability considerations increasingly become important in today's business world and oblige multi-national corporations (MNCs) to expand their efforts of sustainable practices across the supply chain. This research examines how MNCs can leverage sensing capabilities and engagement practices on the ground to approach sustainability risks in their supply chain. Literature concerning organizational practices applied in MNCs and affiliated non-governmental organizations (NGOs) was considered to understand sustainable supply chain organization from a multi-actors perspective. Based on an explorative case study, this research highlights a pro-active, collaborative approach for MNCs including internal and external supply chain actors by considering their contextual conditions. The results add a relational perspective to the current literature on sustainable supply chain management and contribute to the larger discussion about various forms of responsible organizing. Translated to managerial practice, the results demonstrate the importance of a pro-active, collaborative approach for MNCs in multi-stakeholder initiatives to reach out to lower tiers of their supply chain. The research offers a starting point for future research on the multi-actor perspective in collaboration initiatives and suggests future research to include even further *boots on the ground* perspectives.

Keywords: Sustainable supply chains, sustainable organizing, multi-stakeholder collaboration

Acknowledgements

Introduction

Sustainability performance of organizations plays an important role in today's business world (Schneider & Wallenburg, 2012). Over the last years, the focus of multi-national corporations (MNCs) on sustainability has broadened, expanding from their own behaviour and impact towards a more inclusive approach that involves supplier sustainability performance to the lowest tier of the supply chain. MNCs are considered sustainable not only in terms of their own actions, but in combination with the complete upstream supply chain (Krause, Vachon, & Klassen, 2009). This focus shift becomes increasingly important for MNCs, since sustainability risks progressively occur at the lower tiers of supply chains and give rise to severe implications for MNCs when turning into crises, independently of the actual cause of the glitch (Hendricks & Singhal, 2005). Sustainability risks within the supply chain are "a condition or a potentially occurring event which is present within a focal organization's supply chain and may provoke harmful stakeholder reactions" (Busse, Kach, & Bode, 2016, p. 318). Whereas risks such as catastrophic events and natural disasters (earthquakes, hurricanes, etc.) are uncontrollable variables in supply chain oversight, the systematic social, economic and environmental performance of sub-suppliers are approachable and influenceable variables. Risks are therefore considered within the OECD guidelines on due diligence for multinational enterprises, which classifies risks as the "likelihood of adverse impacts on people, the environment and society that enterprises cause, contribute to, or to which they are directly linked" (OECD, 2018, p. 15).

As MNCs are frequently held accountable for breaches and crises in their supply chain (Hartmann & Moeller, 2014), efforts to reduce chain liability effects (Grimm, Hofstetter, & Sarkis, 2016; Van Tulder, Van Wijk, & Kolk, 2008) come to the forefront of organizational attention. Over the last decade, Van Tulder et al. (2008) recognised that particularly European based MNCs are developing towards a more proactive approach in their supply chain strategies, based on joint initiatives with other parties. Van Tulder et al. (2008) label this shift as a progression from pure chain liability focus towards chain responsibility. To achieve chain responsibility, MNCs re-organize their structure and supply chain governance in order to recognize risks in their supply chain and connect to valuable stakeholders, ultimately connecting sustainable supply chain considerations to larger organizational design issues (Chappin, Cambré, Vermeulen, & Lozano, 2015). Conversely, social movement forces exercise external influence, since they are found to increase the social responsibility of MNC's from the ground up (King & Soule, 2016). A multi-actor perspective becomes apparent, that shapes the development of increasingly sustainable, global supply chains.

The disruptive dynamics of supply chain risks cannot exclusively be attributed to one particular industry or sector, but ample examples illustrate how MNCs of various industries are affected. In the garment industry, the prevailing example over the last years has been the Rana Plaza disaster in 2013, where the collapse of a garment production building led to the death of over 1,100 humans and generated worldwide, public attention from consumers, non-governmental organizations (NGOs), and governments (Reinecke & Donaghey, 2015). The electronics industry encounters similar distress when it comes to mining of scarce resources such as cobalt, gold, bauxite or tantalum. These commodities are often called *conflict-minerals*, because they are mined in primitive small mines and their profit is used to finance warlords and militant organizations (Callaway, 2017).

Initial engagement practices to increase transparency and proactively approach multi-tier supply chains have been developed in multi-tier supply chain literature, to support MNCs in satisfying their own sustainability requirements and the ones of stakeholders (Tachizawa & Yew Wong, 2014; Wilhelm, Blome, Wieck, & Xiao, 2016). Yet, this literature puts MNCs in the central role of supply chain management, whereas other actors – internal or external to the actual supply chain (Schneider & Wallenburg, 2012) – are merely considered as information sources (Busse, Kach, & Bode, 2016). To address this gap in literature, this research is based on the stakeholder perspective advanced by Freeman (2010), highlighting the importance of various relationships MNCs enter with sub-suppliers or others, so called, *boots on the ground* and the contextual implications of such diverse relationships. In order to fully exploit the diverse relationships and emerging opportunities, this research draws on the concept of sensing capabilities, referring to the identification and assessment of opportunities shaped by individual, organizational actors (Brusset & Teller, 2017; Teece, 2007, 2012).

In practice, preventing disturbances in large and complex supply chains which are vulnerable to disruptive events will enhance the sustainability performance of the complete supply chain and improves the perception of the MNC in public image (Craighead, Blackhurst, Rungtusanatham, & Handfield, 2007). Predominant practical issues for MNCs in managing sub-suppliers and implementing sustainability standards concern limited information and access to sub-suppliers as well as the complex and interconnected relationships of important actors and stakeholders on the ground.

The overall goal of this research is to fill the above stated gap with a proactive approach to sustainability that takes multiple actor perspectives on the ground into consideration. The objective of this research is to approach the need to develop a better

understanding of how MNCs can proactively approach supply chain risks by leveraging multiple actor perspectives on the ground. Therefore, the research question reads as follows:

How can MNCs leverage sensing capabilities and engagement practices on the ground to approach sustainability risks in their supply chain?

To this end, answers will be given to three, more focused sub-questions that will each approach a part of the overall research question:

1. How can organizational sensing capabilities help to organize *boots on the ground* activities?

2. How can MNCs develop sensing capabilities and engagement practices to identify good value network partners for *boots on the ground*?

3. How can *boots on the ground* activities distil information that is usable for MNCs?

In this research, the first sub-question is answered to illuminate the organizational activities on the ground and to further understand the relationships of MNCs and sub-suppliers. By means of the second sub-question, a multi-actor perspective is considered to gain valuable insights into the possible network activities. Finally, the last sub-question is concerned with information processes within established supplier and actor-networks.

The results of this research contribute to the multi-tier supply chain literature and sustainable supply chain management literature by connecting sustainable multi-tier supply chain strategies and social movement theory to extend the broad and general strategies in literature to a multi-actor context. Particularly the role of MNCs and other important actors in understanding and facilitating challenges in supply chains are illuminated to achieve a more integrated picture than single-perspective strategy formulations by MNCs. Thereby, this research aims to fulfil the future research recommendation by Busse, Kach, and Bode (2016) to clarify supplier-buyer relationships by taking into account their differing contexts. This research also adds new insights to the literature on global and responsible sourcing by developing and understanding the contextual influences of sustainability risks in global supply chains. It follows Stanczyk, Cataldo, Blome, and Busse (2017) and their extensive literature review of over three decades of global sourcing literature, that a "greater understanding of interconnections and correlations in the occurrence of external factors" (p. 58) appears necessary. Overall, this research considers sustainable supply chain management as an organizational practice, contributing to the larger scientific discussion about different forms of responsible organizing.

The thesis is divided into five sections. Following this introduction, the next section highlights sensitizing concepts in existing theory which form the conceptual framework of the

research in order to set the context which informs the overall research problem (Charmaz, 2000). Subsequently, the third section substantiates the case study as applied research method. In the fourth section, the main research results, which explain the various contingency factors that influence supply chain relations and how relations to stakeholders on the ground change organizational behaviour are presented. In the final section, the results are discussed, and conclusions as well as implications are presented.

Theoretical Background

A growing body of literature advances the claim that sustainability considerations of MNCs should expand over their multi-tier, complex supply chains, even including low-tier suppliers (Ashby, Wilding, Leat, & Hudson-Smith, 2012). The concept of sustainability and its integration into supply chain management recently progressed (Ahi & Searcy, 2013) towards a common understanding of sustainable supply chain management and raised the questions for new governance mechanisms that can reach out to lower tiers of complex supply chains.

Sustainability in Multi-tier Supply Chains

The triple bottom line. Academic literature on sustainability and its definition is diversified and continuously growing, leading to innumerable definitions and re-definitions of the concept of sustainability. Within the definitions of sustainability, first coined at the Stockholm Conference in 1972 (Stahel, 2005), the focus of conceptualizing sustainability and, in particular, its importance for organizations, has shifted. Early definitions were inclined to set primary focus on environmental sustainability and ecological responsibility (Ahi & Searcy, 2013; Bowlby & Mannion, 1992; Starik & Rands, 1995). Predominantly based on the global definition of sustainable development, which is described as a "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987, p. 24), many definitions focus on ecological sustainability, whereas social and technological developments are merely considered based on their impact on the environment.

Consecutively, the global and broad definition given by the Brundtland Commission in 1987 has been criticized for its unspecific character (Starik & Rands, 1995). The focus on environmental sustainability and "green" movement was accused to leave wider societal considerations and issues unnoticed, such as social capital or human security (Stahel, 2005).

In recent years, a more exhaustive definition of sustainability was distilled, and even extended with considerable appeal from academic literature into the business world (Bansal, 2010).

Sustainability performance is nowadays considered in terms of economic, social and environmental benefits (Elkington & Rowlands, 1999). This concept, often referred to as the *triple bottom line*, combines three cornerstones - people, planet, profit - in one sustainability definition (Elkington & Rowlands, 1999). The triple bottom line enables MNCs to evaluate broader societal value creation in addition to increasing shareholder value (Foran, Lenzen, Dey, & Bilek, 2005). Further opportunities in using this triple bottom line lie in the fact that it addresses the full range of sustainability changes, fosters and advances the creation of shareholder value, and offers great opportunities for long-term growth (Hart & Milstein, 2003). Conversely, through the various dimensions in the triple bottom line, a higher degree of complexity is imposed on implementation activities (Ahi & Searcy, 2013).

This elaboration shows that the sustainability definition has shifted from an environmental focus towards the triple bottom line and, with this, gained utilization potential in the business world. For this research, the triple bottom line defines the theoretical understanding of sustainability and allows for a comprehensive consideration of multiple dimensions - people, planet, profit - within the subsequent argumentation (Elkington, 1998).

Multi-tier supply chains. The systematic management of supply chains has already received scholarly attention over the last three decades (Ashby et al., 2012). Research on this topic extended as supply chains became more globalized in practice, and their increased inherent complexity and risk adversity attracted awareness (Ashby et al., 2012). Even though the growing interest in supply chain management since the 1980s led to ample definitions over time (Ahi & Searcy, 2013), in general, supply chain management is concerned with "managing flows of materials, services, and information" (Ahi & Searcy, 2013, p. 330). Supply chains are continuously growing and becoming more globalized, and approaching sustainability risks within the supply chains raises the need to consider supply chains as complex, multi-tier constructs (Wilhelm et al., 2016). Multi-tier supply chains emerge autonomously over time (Choi & Hong, 2002) without a central organization or actor in the position to actively shape the development (Choi, Dooley, & Rungtusanatham, 2001). Taking multi-tier supply chain concepts as a basis for sustainability considerations allows for an analysis extending towards the lowest tiers within the supply chains. Increasingly complex supply chains lead to challenges such as low transparency in procurement, financial risks (Craighead et al., 2007), decreased operational performance (Hendricks & Singhal, 2005), as well as increased relational conflicts between supply chain partners (Bode, Wagner, Petersen,

& Ellram, 2011). In addition, activities employed by MNCs severely impact the network of suppliers. For example, formalized cost-cutting policies of MNCs can lead to a sense of inequity and margin-cutting practices further down the supply chain, culminating on the back of the low-tier suppliers (Choi & Hong, 2002). The theories on multi-tier supply chains allow this research to consider complex supply chains in a more accurate, practice-relevant way.

      Sustainable supply chain management. The integration of sustainability considerations into supply chain management literature gives room for a definition of sustainable supply chain management (Ahi & Searcy, 2013; Teuscher, Grüninger, & Ferdinand, 2006). In accordance with the definition of the sustainability concept already mentioned – the triple bottom line –, the proceeding research is based on the sustainable supply chain management definition by Seuring and Müller (2008):

> The management of material, information and capital flows as well as cooperation among companies along the supply chain while taking goals from all three dimensions of sustainable development, i.e., economic, environmental and social, into account which are derived from customer and stakeholder requirements. (p. 1700)

The large interest in global supply chains and their implications on various socio-economic factors arises from the concept of global sourcing, which allows MNCs to leverage world-wide mechanisms for better accessibility of low-cost markets (Stanczyk et al., 2017). Only over the last decades, negative implications of global sourcing practices came to the forefront of organizational research (Stanczyk et al., 2017). In particular, it became apparent that there are various risks and problems arising from global sourcing practices that dissent the initial goals of financial savings and economic benefits (Stanczyk et al., 2017). Global sourcing encompasses not only supply and supplier management and the selection of suppliers, but also bridges towards purchasing and procurement decisions (Stanczyk et al., 2017). Global sourcing practices are, inter alia, restricted by challenges, such as cultural and language problems, bureaucratic hindrances and adequately skilled actors, to create strong relationships with suppliers on the ground (Nassimbeni, 2006). The global sourcing literature clearly illustrates that natural disasters and political turbulences are potential antecedents of supply chain disruptions and environmental risks lead to network risks (Zhu, 2015). It becomes apparent that social, environmental and network risks in the supply chain are closely interconnected and affect each other (Stanczyk et al., 2017).

Responsible Organizing for Sustainable Supply Chains

Sustainability considerations about supply chains are framed from a macro-sociological perspective by relating societal developments to the infrastructural design of MNCs (Achterbergh & Vriens, 2009). Society and MNCs are closely connected, since well before Bowen (as cited in Lee, 2008) postulated the moral obligations and responsibility that organizations have towards society. Conceptually, MNCs emerge from an interplay of their infrastructure and accompanying social practices, and trigger changes in the society through the enactment of values, rules, and other social practices (Chappin et al., 2015). Vice versa, social change, such as an increasing societal sense for sustainability, can be linked back to organizational change, for example, when sustainability considerations of individuals utilize issue selling practices to change organizational strategy and behaviour (Blazevic & Lauche, 2019; Howard-Grenville, Nelson, Earle, Haack, & Young, 2017). The interaction of MNCs that shape the mutual influence between society and MNCs is influenced by various interaction premises, such as organizational structure, goals, and culture (Achterbergh & Vriens, 2019). These interaction premises are all subject to organizational design practices, ultimately linking back sustainability considerations in supply chains to an organizational design that is directed at a responsible contribution to society (Chappin et al., 2015). In summary, MNCs shape and develop capabilities to recognize risks in their supply chain and engage stakeholders, rooted in a motivation for an increased responsible societal contribution.

Sensing Capabilities within Supply Chains

In order to pursue more responsible organizing, MNCs need to adapt their institutionalized organizational practices and alter the resource base they are drawing on (Chappin et al., 2015). Organizational practices are loosely defined in literature, but often describe organizational routines, actions, standards, and aggregated organizational knowledge (Kostova, 1999). In this research, I draw on the concept of organizational capabilities, which is characterized as "the know-how that enables organizations to perform (particular) activities" (Dosi, Nelson, & Winter, 2001, p. 1). Considering the extensive research focus on organizational capabilities, such capabilities are considered of great importance for organizational success (Hong & Snell, 2013). Grounded on the resource-based view, organizational competencies arise from physical, human, and organizational assets (Eisenhardt & Martin, 2000), which are configured and reconfigured while markets emerge (Teece, Pisano, & Shuen, 1997). In increasingly complex and dynamic markets, competitive advantages of organizations particularly arise from their dynamic organizational capabilities

to "integrate, build, and reconfigure internal and external competencies to address rapidly changing environments" (Teece et al., 1997, p. 516). Dynamic capabilities are, for example, processes within organizations, such as alliancing with external parties as a value-creating strategy (Eisenhardt & Martin, 2000). They also arise from the organizational structure (Teece, 2007), connecting the foundations and development opportunities of dynamic capabilities to organizational design considerations (Achterbergh & Vriens, 2009). In order to create dynamic capabilities that can improve sustainability performance in supply chains, organizations are required to integrate their external responsiveness with supply chain management (Foerstl, Reuter, Hartmann, & Blome, 2010). Particularly, leveraging knowledge resources in these dynamic markets support organizations' competitive advantage (Eisenhardt & Martin, 2000).

The concept of dynamic capabilities is divided into sensing, seizing and reconfiguring capabilities (Teece, 2007). Sensing capabilities are defined as the identification and assessment of an opportunity (Brusset & Teller, 2017; Craighead et al., 2007; Teece, 2012) including scanning, creation, learning, and interpretive actions (Teece, 2007). In order to sense opportunities, investments in research are particularly necessary (Teece, 2007). Next to understanding the market dynamics and evolving customer needs, research activities have to continuously investigate supplier responses (Teece, 2007) to fully exploit the possible opportunities and develop advantageous sensing capabilities.

Conceptually, dynamic capabilities are shaped by the capabilities of individual actors within the organization that possess exceptional sensing skills, enabling them to recognize and pursue opportunities as discovered (Teece, 2007). It becomes evident that individual actors on the ground are, in the end, executing the necessary activities and are the locus of action, whereas the organization offers support to encourage and develop sensing skills. Nevertheless, to be of actual competitive advantage for the organization, it is desirable to expand sensing capabilities over the whole organization (Teece, 2007). Organizing and institutionalizing sensing capabilities, which can support MNCs in recognizing supply chain risks, demand new structural considerations (Chappin et al., 2015) and, hence, need to be considered from an organizational design perspective.

This duality between the structure of the organization and the individual capabilities on the ground leads to successful learning, sensing, shaping, filtering, and calibrating of opportunities (Teece, 2007). The larger and the more institutionalized an organization is, the fewer capabilities actually depend on individuals and the more sensing capabilities can be executed (Teece, 2012). However, organizations ought to refrain from static strategic

frameworks for supplier assessments, such as the five forces model by Porter (2008), as these inhibit to see the greater picture of dependency relationships and involvement of third parties (Teece, 2007).

Engagement Practices and Strategies in Literature

      Generic engagement strategies. Research has already developed various strategies to approach sustainability risks within multi-tier supply chains (Grimm et al., 2016; Tachizawa & Yew Wong, 2014). Four approaches towards lower-tier supplier management practices are proposed by Tachizawa and Yew Wong (2014): *direct*, *indirect*, *don't bother*, and *work with third parties*.

      The direct approach includes the provision of clear standards stated to the low-tier suppliers, such as codes of conducts (Tachizawa & Yew Wong, 2014). Codes are defined alongside two dimensions: their specificity, the extent and focus on certain issues and compliance, whether it is implemented through a measuring or auditing system, and the inherent possibility of sanctions (Van Tulder et al., 2008). Implementing (voluntary) codes of conducts and other industry codes offers potential to initiate a cultural shift towards a more sustainable culture by establishing a more apparent connection of activities and environmental implications as well as increasing a sense of responsibility in managers towards affected communities in sourcing countries (Nash & Ehrenfeld, 1997). Nevertheless, the implementation of codes can also lead to the adoption of necessary tools primarily for appearance and leave cultural structure untouched (Nash & Ehrenfeld, 1997). To ensure supplier compliance on the codes, the direct approach also entails monitoring of suppliers and sub-suppliers via social audits and visits. Even though this established practice is used as the primary tool to ensure compliance in many industries, social auditing seems ambiguous and has frequently been criticized as creating new power dependencies and inequalities by imposing larger global control over various actors and failing to achieve the actual objective of transparent and honest compliance (De Neve, 2009; Locke, 2013). Albeit accountability and control are often referred to as critical mechanisms to ensure sustainability compliance (Parmigiani, Klassen, & Russo, 2011), standards alone are insufficient to guarantee sustainability within the supply chain (Mueller, dos Santos, & Seuring, 2009).

      Using the indirect approach, MNCs delegate responsibility and authority of sustainability risks primarily to their first-tier supplier and provide assistance to the first-tier supplier to collaborate in turn with their suppliers (Tachizawa & Yew Wong, 2014). The

guiding idea is to scale down sustainability responsibility towards the next tier of the supply chain and then further down, tier by tier (Tachizawa & Yew Wong, 2014).

Likewise, the don't bother approach focuses only on the first-tier suppliers and takes no further tiers into consideration (Tachizawa & Yew Wong, 2014). In addition, the organization shows no intention to gain information about any lower-tier suppliers. Often, the MNC has rather imprecise or non-existent information about low-tier suppliers (Choi & Hong, 2002). This approach is frequently adopted by smaller buying corporations with less public recognition and no external driver to enhance their supply chain transparency (Tachizawa & Yew Wong, 2014). These corporations lack the dynamic capabilities to deal with the structural and control complexity to monitor performance in a larger setting (Tachizawa & Yew Wong, 2014).

Working with third parties, the last approach defined by Tachizawa and Yew Wong (2014), describes collaboration activities with multiple partners along the supply chains and delegation of responsibilities to third parties. Reasons for establishing such a collaboration are to elaborate sustainability standards or implement regulations, as well as standards and monitoring of suppliers by making use of third-party databases (Tachizawa & Yew Wong, 2014).

Collaboration drives social change. MNCs and their collaboration with network partners are often referred to as a source of positive social change. King (2007) argues that the theory of transaction costs is central, in order to understand the circumstance under which MNCs can be the driver of positive social change. Cost consideration is the central force that shape supply chains and network structures (Choi & Hong, 2002). Transaction costs are comprised of four dimensions, which are individual maximization of every margin, costs of measuring performance, enforcement agreements, and the underlying ideological attitudes and perception (North, 1987). In theory, a mutually beneficial exchange between MNCs and stakeholders will lead to social improvement. In light of transaction cost theory, mutually beneficial exchange happens in case that MNCs choose the more sustainable solution when the financial benefit of this solution is less than, for example, the environmental benefit gained (King, 2007). Even though relationships are the baseline of collaboration across the supply chain, they are hindered by opportunistic behaviour and dysfunctional conflicts when transaction costs are considered too high to choose for the ideologically justified behaviour (Cheng & Sheu, 2012). As North (1987) already pointed out in his conceptualization of transaction costs, ideology and the perception of fairness matter to counter the costs of measurement and enforcement. Adapted to the context of supply chain collaboration,

procedural justice during the implementation of sustainability activities increases supplier compliance more than monitoring and control (Boyd, Spekman, Kamauff, & Werhane, 2007). In addition to these considerations, strategies and activities such as signalling, information provision and adoption of standards are crucial preconditions for the overall success of sustainable supply chain management (Wittstruck & Teuteberg, 2012). Overall, working with third parties as a strategic approach, requires MNCs to engage with actors on the ground and establish collaborative relationships.

       Social change and issue selling. When entering collaborative initiatives with third parties, MNCs are not the only source of change, correspondingly social change, such as an increased sense for sustainability considerations, can cause organizational change as well (Blazevic & Lauche, 2019). Individual actors are driving social change within MNCs by availing themselves of various issue selling practices and strategies (Wickert & de Bakker, 2018). Internal issue selling thereby leverages practices known from outsider activists, like NGOs, that aim to change organizational behaviour (Briscoe, Gupta, & Anner, 2015). Organizational change responding to the global advance of sustainability awareness often starts with individual actors (Blazevic & Lauche, 2019) pursuing the change in a bottom-up approach. The way individual organizational actors advance important sustainability practices (Howard-Grenville et al., 2017), use their sensing capabilities to recognize risks in the supply chain, and establish valuable relationships across supply chain actors (Blazevic & Lauche, 2019) shapes the responsible organizing of global MNCs.

The Supply Chain Actors

       Boots on the ground. To move beyond an individual organization analysis towards a more holistic network understanding, as suggested by Buhman, Kekre, and Singhal (2009), collaboration with lower-tier suppliers is identified as a critical factor for sustainable supply chains (Kim & Rhee, 2012). In order for MNCs to engage with sub-suppliers, boots on the ground, who facilitate relationships, are a potential leverage to proactively address sustainability risks. Therefore, a multi-actor perspective appears useful to understand the different ways for MNCs to engage on the ground that are suggested in the literature, such as collaboration and engagement with NGOs, competitors, local groups, as well as movements, transnational social movements, and multi-actor initiatives. Stakeholders, defined as "any group or individual who can affect or is affected by the achievement of the organisation's objectives" (Freeman, 2010, p. 46), are important drivers for the implementation of sustainability on corporate as well as functional level (Schneider & Wallenburg, 2012). In

previous research, partnerships with NGOs, competitors and local governments are defined as a source for sustainable innovations (Pagell & Wu, 2009). The different groups are distinguished in supply chain-internal stakeholders (e.g. corporate management, customers, suppliers) and supply chain-external stakeholders (e.g. competitors, institutions, NGOs) inspired by the stakeholder classification of Schneider and Wallenburg (2012).

Collaboration with NGOs. Non-governmental organizations (NGOs) are often considered as external drivers for the implementation of global, sustainable sourcing actions, by raising public awareness on particular topics and issues (Schneider & Wallenburg, 2012). NGOs act as the key supplier of information within the supply chain network, by actively and passively screening the situations on the ground and making this information accessible to the public (Busse, Kach, & Bode, 2016). In addition, MNCs can rely on their strategic decisions on NGOs' databases to monitor low-tier suppliers (Johnston & Linton, 2000; Plambeck, Lee, & Yatsko, 2012).

Next to this informative function, NGOs can act on behalf of the society or a social group under pressure by approaching MNCs on the same level and with similar legitimacy perceptions and by taking over an advocating role. Nevertheless, they also often pursue their own agenda (Busse, Kach, & Bode, 2016). Third parties who value their own objectives higher than the objectives of partners are a potential risk factor when less powerful stakeholder groups are exploited as a means to another end (Busse, Kach, & Bode, 2016).

Local social movements and collective activism. Social movement theory, rooted in the sociology discipline, expanded over the last decades and found application in various other disciplines such as political science, history and organization studies (Roggeband & Klandermans, 2017). Social movements are commonly defined as

> collectivities acting with some degree of organization and continuity outside of institutional or organizational channels for the purpose of challenging or defending extant authority, whether it is institutionally or culturally based, in the group, organization, society, culture, or world order of which they are a part. (Snow, Soule, & Kriese, 2004, p. 11)

Relating organization science and social movement theory results in an understanding of how social movements influence MNCs and how MNCs react upon such challenges (De Bakker, Den Hond, & Laamanen, 2017). Social movement theory illustrates that individual activists or a small group of like-minded activists are at the heart of local social movements (*Frontiers in social movement theory*, 1992). The collective goals they establish are linked to the subjectivist perspective of these actors and often impose direct consequences on their personal

surroundings (*Frontiers in social movement theory*, 1992). Using this lens to understand how MNCs are approaching sustainability risks in their supply chains is consequential for this research, as previous research has already shown that MNCs have become more socially responsible caused by movement forces (King & Soule, 2016).

Social activism that shapes decision making (Briscoe et al., 2015) employs various and often opposing strategies to engage with MNCs, labelled as contention versus collaboration (De Bakker et al., 2017). Strategies of contention allow social movements to focus on weak points of MNCs in order to exploit their vulnerabilities (De Bakker et al., 2017). Different tactics that social activists can engage in on the ground are rather disruptive tactics like boycotts or publicising for broad public attention (Briscoe et al., 2015; Frooman, 1999).

Advancing a less radical perspective appears advantageous in some cases, such as evidence-based tactics which are not focused on disruption but rather aim to increase the creditability of the actors' arguments to influence decision makers by providing materials and evidence (Briscoe et al., 2015). When decision making and adoption of social practices by MNCs is enforced through social activism on the ground under coercive pressure, this change is found to be unreliable to transfer to other industry actors which are not targeted by the social movement (Briscoe et al., 2015). As such, practices and behavioural change of MNCs which is inferred through social movements with a focus on evidence-based tactics are more reliable and more likely to spread over other industry actors (Briscoe et al., 2015).

An often-mentioned disadvantage for social movements to join such collaborations is the risk to lose legitimacy in the perception of other, more radical activists as well as perceived as influenced by the MNCs (De Bakker et al., 2017). Recent scholars even suggest the most successful impact on MNCs in the combination of both, the contention as well as collaboration approach (De Bakker et al., 2017).

Transnational social movements and multi-actor initiatives. Local social movements can also cross borders and become a transnational network of actors in collaboration with other parties (Kraemer, Whiteman, & Banerjee, 2013). The purpose of these international networks is to "collaborate on a particular issue and use informational and symbolic resources to influence power holders" (Kraemer et al., 2013, p. 825). In those transnational networks, local, national, and international social movements collaborate with NGOs on specific issues (Tarrow, 2001). They benefit from complementary capacities in the way that the different actors have access to different resources: for example, NGOs bring in the collaborative resources, whereas organized social movements draw on their moral

perspective (Reinecke & Donaghey, 2015). In doing so, these multiple actors together advance an issue that sets the basis for innovative governance solutions (Reinecke & Donaghey, 2015). Reinecke and Donaghey (2015) suggest that the formation of new power coalitions that make use of such complementary capacities can improve the collaboration across less regulated and risk-averse supply chains, and can, therefore, function as an advantageous collaboration partner for MNCs.

Drawing on the previous example from the garment industry provided in the introduction, the "Accord for Fire and Building Safety" in Bangladesh was signed by leading clothing brands within a few weeks after the Rana Plaza disaster. The accord itself was established through a collaboration of "social movement organization mobilisation and the negotiation route of unions enabled by representative structures" (Reinecke & Donaghey, 2015, pp. 736-737). Improved labour standards and increased public attention were the most prominent positive implications of this coalition on global supply chains (Reinecke & Donaghey, 2015). Forming such coalitions is influenced by various issues, such as response speed or division of roles and mandates which lead to conflicts and are potential sources for conflicts in such collaborative initiatives (Reinecke & Donaghey, 2015).

In addition, collaborative approaches support the shift in governance models from a mere chain liability focus towards a mindset of chain responsibility as advanced by Van Tulder et al. (2008). Multiple modes of sustainable supply chain governance are developed by Vurro, Russo, and Perrini (2010), that suggest appropriate collaboration styles depending on the network structure of the industry. In particular, the participative approach is found to be successful in establishing collaboration across multiple actors in dense and centralized supply chains, where one focal MNC takes the lead and maintains flexibility and adaptability to multiple voices in the supply chain (Vurro et al., 2010). Contrary, Vurro et al. (2010) found that large, complex supply chains without a central MNC are unsuccessful in establishing a long-term, overarching sustainability.

The collaboration of multiple actors can result in International Framework Agreements that establish global labour governance (Stevis, 2010). These International Framework Agreements are developed out of consent of multiple multinational organizations and unions, sometimes supported by other actors such as NGOs (Hammer, 2005). Literature shows an increase in the implementation of such voluntary sustainability standards (Helms & Webb, 2014) which allow MNCs to organize differently for their corporate social responsibility (CSR) (Rasche, de Bakker, & Moon, 2013). Voluntary sustainability standards permit organizations to only partially organize their CSR activities, leaving room for

collaboration with multiple actors and new considerations of division of labour across the supply chain (Rasche et al., 2013). MNCs recognize the advantages of participation in such initiatives in approaching possible market disruptions through enforceable standards and rationalized systems of constraint for a complete industry to prevent supply chain glitches that are described as collective dilemmas (Bartley, 2007). Collective dilemmas, in system theory also defined as the tragedy of the commons, can only be attained through collective action on a global scale and not through individual actions (Bartley, 2007). Vurro et al. (2010) conclude in their research on sustainable supply chain governance models, that these collaborative approaches across organizational and national boundaries are considered as major drivers in the development of further sustainability performance.

Considering multiple actor perspectives and relationships with multi-actor initiatives raises the need to recognize that claims voiced by various stakeholder groups – internal or external to the supply chain - are often unpredictable and impermanent, due to changing market conditions, public visibility and reputational factors (Schneider & Wallenburg, 2012). Additionally, by crossing geographic and cultural boundaries, a common understanding between the various stakeholder groups appears to be a critical factor (Busse, Kach, & Bode, 2016). Busse, Kach, and Bode (2016) argue that particularly contextual factors, such as institutional difference and distance, lead to different interpretations of the legitimacy of actions. Still, MNCs will be held accountable for misconduct that, in fact, is legally protected (Busse, Kach, & Bode, 2016). The behaviour displayed in one context does not necessarily need to be legitimate or valid in another context (Busse, Kach, & Bode, 2016).

The Research Framework

Overall, the literature on sustainable supply chains and multi-tier supply chains indicates that sustainable supply chain management gained importance over the last decades. MNCs have understood their responsibility in the growing complexity of global supply chains and discovered the benefits of proactively approaching supply chain risks. Nevertheless, merely superficial strategies from the perspectives of MNCs have been formulated. How to actually engage with high-risk low-tier suppliers in an effective, yet sustainable way and how contextual and contingency factors influence the actor role definition on the ground remains unclear. Using social movement theory as a means to understand the reciprocal relationship of organizational actors and actors on the ground also response to the claim made by De Bakker et al. (2017) that furthering the connection of the disciplines of organizational theory and social movement needs to consider settings outside of the Western context.

The sustainable supply chain management literature has been influenced by the conceptualization of sustainability, the developing literature about multi-tier supply chains and global sourcing literature. Sustainable supply chain literature combines the three literature streams to a basis for theoretical considerations about organizational capabilities in this realm, as well as engagement strategies led by organizations to engage with their supply chain and actors on the ground. Table 1 comprises an overview of the central authors and publications for each literature realm. By drawing on the outlined theoretical background (Blumer, 1954) in the previous section, the guiding question for this research is how MNCs can find a sustainable and effective way to leverage their sensing capabilities and engage with actors on the ground in order to minimize their supply chain risks.

Table 1

The research framework

Theory	Author(s)	Explanatory Realm	Gap
Sustainability Concept	WCED (1987), Elkington and Rowlands (1999), Starik and Rands (1995)	Overarching conceptualization of the sustainability concept and the triple bottom line.	-
Multi-tier supply chain literature	Ahi and Searcy (2013), Ashby et al. (2012), Choi and Hong (2002), Wilhelm et al. (2016)	Theoretical background that allows considerations of supply chain management in an increasingly complex and therefore praxis-relevant context.	Contextual considerations of diverging cultures between suppliers and buyers are missing
Global sourcing literature	Stanczyk et al. (2017), Zhu (2015)	The negative impacts of global sourcing caused the development of sustainable supply chain management.	Global sourcing practices are merely driven by economic benefits and leave out social and environmental impact
Sustainable supply chain management literature	Ahi and Searcy (2013), Teuscher et al. (2006), Seuring and Müller (2008)	Combines the sustainability concepts and connects it to previous supply chain management research. This literature is still in its early development.	A multi-actor context is missing as Sustainable supply chain management approaches engagement strategies from a top-down MNC perspective
Responsible Organizing for Sustainable Supply Chains	Achterbergh and Vriens (2009, 2019); Chappin et al. (2015); Rasche et al. (2013)	Sustainability considerations within organizations are ultimately a question of organizational design as sustainable supply chains require responsible organizing practices	How can organizational practices spread into inter-organizational context supporting responsible organizing across supply chains?
Organizational Capabilities	Eisenhardt and Martin (2000), Teece et al. (1997), Teece (2007)	Organizational capabilities describe social practices that contribute to competitive advantage.	What organizational practices are necessary for organizations to recognize risks and engage with stakeholders in a responsible way?
Current Engagement Strategies	Tachizawa and Yew Wong (2014), Grimm et al. (2016), Blazevic and Lauche (2019)	Generic strategies to engage with supply chain actors from the perspective of MNCs. Social change and organizational change are mutually connected	For the most parts frame from a "top-down", MNC perspective, excluding other supply chain actors from the considerations.
Supply chain actors and collaboration	Kim and Rhee (2012), Schneider and Wallenburg (2012), Busse, Kach, and Bode (2016), De Bakker et al. (2017), Briscoe et al. (2015), Kraemer et al. (2013), Reinecke and Donaghey (2015)	Initial conceptualization of the boots on the ground. Who are actors, parties and stakeholders?	What can the role of MNCs be when engaging with boots on the ground and how can contact be established?

Methods

The main goal of this research is theory elaboration based on the abductive approach as defined by Locke, Golden-Biddle, and Feldman (2008). This approach allows for research that sets out to build theory from cases (Eisenhardt, Graebner, & Sonenshein, 2016). Apart from providing the setting for a "dive deep into the 'how' questions" (Langley, 1999), abductive reasoning provides insightful explanations about how organizational processes work (Eisenhardt et al., 2016). The research method chosen combines the case study approach and grounded theory (Eisenhardt et al., 2016) for a rich understanding of the nature and complexity of the relationship of MNCs with their low-tier suppliers (Guba & Lincoln, 1982). Therefore, the research is of a qualitative nature, to understand the processes used when MNCs sense information and engage on the ground and aim at capturing the progression of their relationship with sub-suppliers within its context (Langley & Abdallah, 2011). The explorative research conducted aims at understanding this phenomenon in its natural setting based on and guided by the naturalistic paradigm that includes considerations of real-world conditions and contingencies (Guba & Lincoln, 1982). Based on the naturalistic paradigm, alternative quality criteria for qualitative research – credibility, dependability, confirmability, transferability – are used, in order to develop a plausible theory that explains the data (Guba, 1981). All considerations are based on an epistemological approach leaning towards critical realism as defined by Van de Ven (2007b). This objective ontological stance assumes a real world, however it considers a subjective epistemology, that every form of inquiry and research is value-laden and, therefore, the understanding of a complex reality is only achieved through multiple perspectives (Van de Ven, 2007b). Approaching this research from a clear and reflexive philosophical standpoint enabled me to continuously reflect on the research practices conducted.

Theoretical Sampling

By using a theoretical sampling approach, I selected interview partners in accordance with the research objective. All interview partners were strategically positioned within their organizations, characterized by their expertise in complex supply chains and sub-supplier engagement. Table 1 gives an overview of the respondents, their industry sector and professional expertise. The sampling process emerged in collaboration with one key participant at an MNC, who supported this research by leveraging business network connections and contacts. This process led to a set of respondents from large MNCs as well as non-governmental actors which were related to the MNC. Choosing respondents according to

theoretical sampling methods helped to gain a deeper understanding and illuminated the buyer and sub-supplier relationship (Eisenhardt et al., 2016). In addition, this method approached the quality criterion of transferability – the counterpart of external validity or generalizability – by ensuring a focus on context relevancy and hindered the research to be biased by situational uniqueness (Guba, 1981).

Table 1

Interview respondents by Industry

Industry	Expertise	Collection Method
Semiconductor	Sustainability, Environment, Health & Safety in Supply Chains	Interview (2)
Beverage	Global Workplace Rights	Interview (1)
Consulting	Transparent Supply Chains	Interview (1)
NGO	Fair Labour, Labour and Human Rights, Community Empowerment and Sustainable development	Interview (3)

Data Collection

The primary form of data collection was based on semi-structured interviews with critical respondents from MNCs as well as NGOs (e.g. Director Sustainability and Environment, Policy Advisor). These pre-scheduled and formal interviews, often referred to as short case study interviews (Arsel, Dahl, Fischer, Johar, & Morwitz, 2017), were mostly conducted via the digital conference tool Skype or other call-in options. This was necessary, as the geographic distance between the respondents and me was often too large to overcome in the short time frame of this research, since respondents were located in various cities, countries, and continents.

I conducted all the interviews in English. All data and transcripts of the interviews were anonymized during the transcription process. Therefore, the case descriptions only include anonymous information. The interviews all lasted one hour on average and were carried out by myself. After acquiring the informed consent of the respondents, the interviews conducted via Skype were recorded with the system's recording function. All other interviews were recorded with an audio recording application on a tablet. The audio tapes were all transcribed verbatim after the collection process. In total, seven interviews were conducted for this research.

I used a pre-defined interview guide for the semi-structured interviews, containing an introduction section with information about the research, reaching informed consent about the audio recording of the interviews, and questions for the respondents that are guided along the research questions (see appendix 1) (Arsel et al., 2017). Emerging new concepts and shift in importance that arose from the first interviews were incorporated in a revised interview guide for further interviews (Arsel et al., 2017). Since the contextual setting of the respondents diverged (MNC vs. NGO perspective), I adapted the interview guides to further understand their perspective on the activities and issues in the supply chain and on the ground.

To the collected data by retrospective interviews, I added various artefacts and additional data as listed in table 2 (Langley & Abdallah, 2011). The data collected during the interviews were triangulated with additional data sources to increase internal validity, or rather, in this case, the counterpart of qualitative research – credibility (Guba, 1981).

Table 2

Additional Data Sources

Source	Content description
CSR Report	CSR report from 2017 of the focal MNC for further information about business strategies to address sustainability issues and how organizations display their CSR impact on the public image.
Presentation Slide – Responsible Sourcing	Slide of a presentation provided by an respondent, displaying a conceptual framework for responsible sourcing of minerals.
OECD Due Diligence Guidance for Responsible Business Conduct	A practice support guide for MNCs to conduct due diligence processes.
UN Guiding Principles on Business and Human Rights	The UN "Protect, Respect and Remedy" Framework for Multinational Enterprises.
Websites of the participating NGOs	The participating NGOs shared stories during the interviews. For further understanding, the websites were consulted.

Data Analysis

The data analysis process of this research was based on grounded theory and the associated theory-building process (Glaser, 1965). As this ideographic research was guided by the naturalistic paradigm, the data analysis was conducted through the template analysis method. This method is less restrictive than adhering to the fixed guidelines of grounded theory and allows for a flexible analysis procedure (King, 2012). With the template analysis, a scheme of preliminary codes based on a subset of data was developed and further applied to the rest of the data gathered. The used template analysis cards are displayed in appendix 2. I coded the raw data collected from the interviews into a hierarchy of more abstract levels of codes and labels to build thick description from data (Langley & Abdallah, 2011). The first iteration of coding involved the thorough reading of all transcripts and the development of open codes very close to the actual data. In the next iteration of analysis, second order codes were established, condensing the open codes on a higher, more abstract level. This allowed for rooting the data in the sensitizing concepts (Blumer, 1954), such as supply chain strategies, dynamic capabilities of MNCs and the variety of social groups and stakeholders. The last iteration concluded in high-level, aggregated concepts that can be further used for analysis and comparison to literature. The process of coding was supported by the qualitative analysis software Atlas.ti, which allowed for direct coding in the data and relation of codes in a code network (code network in appendix 3). In table 3, the an exemplary extract of the resulting codes is listed, defined and illustrated in a specific example from the data (complete code book in appendix 4).

The coding process was accompanied by the constant comparison principle (Glaser, 1965), which describes the iterative process of data collection, abstraction of concepts through coding and the connection to underlying theoretical concepts (Eisenhardt et al., 2016). Making sense of the data with this process ensured broader and valuable theoretical contribution (Langley & Abdallah, 2011) and allowed for theory building to develop a plausible conceptual model which could answer the research question (Van de Ven, 2007a).

The template analysis was conducted within a team of researchers. Sensemaking within this group of researchers led to a triangulation of expertise and perspectives. This peer-review and debriefing process elevated the quality criterion of credibility of this research, by accounting for the complexity of the collected data and find noteworthy patterns (Guba, 1981). Differences in perspectives and understanding were discussed among the group members until an agreement was achieved. This resulted in a shared understanding and a dependable outcome of the analysis and therefore fulfilled the quality criteria of

confirmability and dependability – as qualitative counterparts to objectivity and reliability – to minimize investigator perception and bias (Guba, 1981).

During the analysis, abductive reasoning was applied (Locke et al., 2008) to theorize new ideas from the data. Abductive reasoning usually begins with a surprising observation or experience (Van de Ven, 2007a). Using abductive reasoning was consequential for this research because, in contrast to inductive or deductive reasoning processes, this alone originated possible explanations (Locke et al., 2008).

Table 3

Code book – exemplary extract (complete code book in appendix 4)

Aggregated dimension	Definition aggregated dimension	Second order concept	Definition second order concept	First order codes	Exemplary citation
Collaboration Challenges	Describes the challenges arising when MNCs engage in multi-stakeholder collaborations in relation to other parties	Alignment Challenges	When actors collaborate, they encounter conflicts about their diverging goals and strategies - it is hard to find an alignment to start collaborating	Clash of cultures	*Your operating environments with a multitude of different languages, a multitude of different realities. If you look at India, for example, the North and the South and the East and the West, they are different, they are not the same.*

Research Ethics and Methodological Reflexivity

Depending on a central research participant for sampling respondents was advantageous for getting in contact with experts on the topic. Nevertheless, this gateway biased the sampling method as the perception of "who is important" is not completely based on pure theoretical characteristics, but also on subjective perceptions of the contact person and his proximity to the respondents.

One of the virtues of good qualitative research practice is to allow for deliberate conversations when conducting interviews (Holt, 2012). Due to time and geographic constraint, the interviews for this research were conducted via technological tools (e.g. Skype). This setting creates an atmosphere for the researcher as well as the respondents where non-verbal conversation is excluded and supporting interview techniques such as active listening positions, nodding and non-verbal confirmation of understanding is hindered. Especially, long-distance connections additionally suffered from other communication issues such as a unstable connection that led to misunderstanding in a small number of cases. Since the topic itself about supply chain risk is not per se a personal and intimate topic, the

influence of such difficulties was assessed appropriately in this context. Nevertheless, reflecting on the interviews, my personal impression encountered a lack of interpersonal relationships in some conversations.

Conducting qualitative research with interviews as the primary data source always touches upon ethical considerations as well as methodological implications. Before every interview, I introduced the topic, the research setting, and explained the purpose of this data collection. In addition, full anonymity was guaranteed to ensure privacy and sensitivity in handling the participant relationships. I clearly asked for consent to continue with the questions and the recording and only continued after agreement. All interview respondents participated voluntarily in the research and were offered the freedom to choose the time and date of the interview. Nevertheless, attention has to be paid to the possibility that not all respondents can grant full honesty and, from a critical realism perspective, always display only their own subjective perspective on the world that can never be taken as the unanimous truth.

Especially in ethnographic research or psychological studies, impact on the individual feelings, world views, and conditions needs to be considered. In the research, the focus on these ethical questions decreased, as the topic merely focused on the professional expertise and experiences in the professional field of the respondents. Nevertheless, I considered to include an announcement for a possible stop of the interview at any point in my introduction, but decided to renounce as this created an overly serious setting not appropriate for the topic under discussion.

Since interviews are always a dyadic and dynamic complex of participant and researcher, my own role as a researcher was part of the reflexive process. The topic of supply chains did not play an extensive role in my academic background, which led to situations where I was not able to fully comprehend the expertise of the interview respondents. In addition, my own inexperience as a researcher in terms of research methods is a shortcoming that has influenced this research during the framing of sensitizing concepts as well as conducting the interviews.

In addition, the research project set out in a limited time frame of five months, so each part of the research, such as familiarizing with the theoretical background as well as conducting the interviews was constrained by a short time frame of several months.

Results

This section reports the response of MNCs to complex challenges of global, multi-tier supply chains by 1) developing organizational sensing capabilities from an individual actor perspective towards 2) increasingly institutionalized engagement practices in 3) collaboration with valuable network partners based on 4) multiple information sources on the ground. Figure 1 presents this development of organizational engagement on the ground.
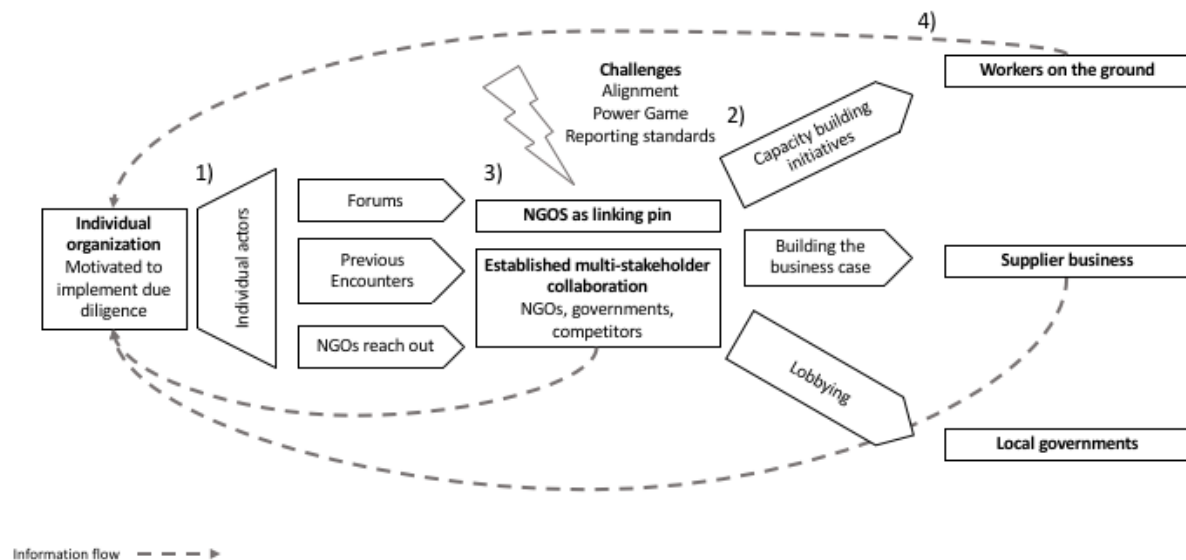
Figure 1. MNCs engage on the ground

Grand Challenges – "A plate of spaghetti"

The grand challenges that global, multi-tier supply chains posed on MNCs in terms of (1) the complexity of its structure, (2) the unstable conditions, (3) the lack of transparency of the supply chain and (4) a general lack of knowledge and awareness of the risks on the ground could only be solved with multi-stakeholder collaborations that reach out to the actors on the ground.

Complexity. The complexity of global supply chains is not a novel consideration, but appeared to be the challenge with the largest impact. Complexity grew exponentially with the number of ingredients multiplied by the length of supply chain, defined by the number of tiers until the raw material extraction. An NGO member vividly described her impression: *"it's like, maybe a plate with spaghetti and you pull on one of the strings." (P1).* Complexity of the supply chain impacted the first engagement steps of MNCs as well as any kind of collaborative engagement on the ground by increasing the difficulty of finding the right information, the right partner, the right issue and the right solution.

Unstable conditions. The challenge of complexity was intensified by the unstable supply chain conditions, situations, and developments that made supply chains and actors unpredictable and impeded the organizational strategy making: *"the other challenge you have in these supply chains is: they are not very stable. You can have a farmer produce sugar one year and wheat next year. They come into our supply chain and they go out of our supply chain, based on what prices they can achieve for the commodities that are available for them to grow. So that's the reality, that is challenging." (P2).* Unstable conditions complicated planning and required MNCs to install flexible adaption mechanisms for every engagement practice.

Transparency and traceability. The grand challenge of transparency in the supply chain was twofold, consisting of the lack of shared business information as well as material information. Supply chain actors retained information about their business, supply chain and issues out of a sense of business confidentiality as well as the perceived sensitivity of information about issues and risks: *"This is sensitive information and it's potentially damaging for a company's reputation." (P1).* The lack of shared information about materials and commodities was closely connected to the first grand challenge, the complexity of global supply chains. Raw materials and commodities were passed through multiple refining processes in various countries and instances, resulting in the often impossible tracing of the original material: *"What I described for gold: It gets mixed by gold smelters and refiners, making it impossible to distinguish." (P1).*

Lack of knowledge and awareness. MNCs were still at the beginning of their outreach into the supply chain: *„We haven't even looked that far yet. So, at this moment, it's looking at working with our tier one suppliers, to reach out to the tier two." (P7).* They were struggling to extend their reach, collect information, and build awareness about important topics. Particularly, supply chain consulting firms saw their impact in contributing to this lack of clarity about global issues in the supply chain: *"We are developing tools and training materials to raise the awareness, because there is still a lot of lack of knowledge and awareness." (P5).* This lack of knowledge and awareness encumbered the ability of MNCs to engage on the ground: *"For an individual company or a group of companies to go to a mine and to engage with them is very difficult.[...] [They] don't have the knowledge." (P5).*

Collaborate to Cope

One approach to deal with these grand challenges mentioned across all cases in this research was to collaborate and involve multiple actors with various and diverse expertise:

"Everybody sees that you have to cooperate. You have to work together to achieve something." (P4). The attitude of MNCs towards approaching challenges by collaborating with actors on the ground was framed by one respondent: *"You have to do it! The challenge is how you do it" (P2).* Even though the respondents all agreed on the necessity of such a collaboration, the results gave the impression that collaboration was not necessarily voluntarily, but rather resulted from a lack of capacity and resource on the organizational side to engage properly: *"You can't send your people everywhere, there is not enough people to cover the field." (P2).*

    Laying the ground rules. The complex challenges of supply chains justified the need for a multi-stakeholder collaboration as the only viable long-term strategy for sustainability development on the ground: *„The biggest tension is actually on the ground. [...] You not always have the resources, you don't have the knowledge, you don't speak the language, you are having cultural problems. So, there's a huge set of parameters that make it difficult for a group of companies to go to a mine and to engage them. So what happens, is you bring onboard global civil society and NGO organizations who have a network at local level." (P5).*

    In order for these collaboration initiatives to work, ground rules were established. Particularly collaborations with multiple MNCs happened in *pre-competitive spaces.* Characteristic features of these pre-competitive spaces were the shared topic of concern that was highly relevant for all competitors in a certain industry and the safe and confidential space for MNCs to share business information detached from competitive strategies: *"We try to do this in a pre-competitive space. So, we will engage with [Competitor], we work together with [Competitor] in some issues, where we have a common interest in resolving a challenge that we both have on the same commodity. [...] But generally speaking, the elimination of child labour is a pre-competitive piece. The elimination of bad farming practices and the improvement of the environment is a pre-competitive piece." (P2).*

    Supporting these pre-competitive spaces, actors introduced *Chatham house rules*: *"a lot of these roundtables and initiatives have all kind of confidentiality clauses" (P1).* The respondents were free to use the information provided, but the affiliated identity of the providers stayed concealed. The ground rules established the element of trust among the collaborating actors necessary for a long-term and successful cooperation. Across all cases, the respondents agreed that the collaborative ground rules depended on the special situation and that *„there is no silver bullet, and there is no one-size-fits-all." (P2).*

Organizational Sensing Capabilities

In their attempt to address complex sustainability issues, MNCs developed sensing capabilities to scan their environment for possible collaboration opportunities and actively pursue emerging possibilities. The sensing capabilities of MNCs were formed in an emerging process, starting at individual actors with special expertise and the motivation to pursue opportunities in pre-institutionalized phases towards the first steps of engagement activities until engagement practices with actors in the ground.

Role of the MNC. The respondents employed at MNCs framed the role of the organization from a *"thought leadership perspective" (P5).* In this research, the MNCs led the way by participating in various multi-stakeholder initiatives and deploying due diligence processes in various countries. In doing so, MNCs were responsible to operationalize global governance frameworks and make them applicable for their own strategy formulation: *"It's [a] theoretical framework of what is the concept of cause, contribute and link, and what should be a company's strategy to deal with those risks or how or should they take responsibility [...] - but it's not specific at all. So, a company always needs to really make that operational or translate that." (P1).* For example, the UN "Protect, Respect and Remedy" Framework and Guiding Principles (UN, 2011), referred to as the *Ruggie framework* by the respondents, were frequently used as a prominent way to classify the role and impact of the MNC within their supply chain. According to this framework, organizations could either cause supply chain risks, they could contribute to them, or they were merely linked to the risks on the ground: *"The reality is that a lot of the problems which we are facing are caused from the brand side." (P3).* The different levels of accountability gave clear indication and guidance for MNCs to define their engagement strategy.

Despite the effort and motivation to engage on the ground, even the most advanced MNCs in this area were still only touching the surface of what might be possible: *"I think the challenge is: we are only currently touching the surface, when we talk about really extending our, our social responsibility and our work in our supply chain, because we are still struggling with working with tier one suppliers." (P7).*

In all their considerations, MNCs were facing a responsibility dilemma: Engaging on the ground required long-term investment, intrinsic motivation, and patience. Nevertheless, when no results or improvements could be reported, the question arouse, whether relocating the sources and supply to another region or country would be possible, or whether a possible product redesign could eliminate the risky commodities: *"Because sometimes you need to redesign your product and you choose other materials" (P5).* When pulling out of a sourcing

country, MNCs deliberately left behind an issue unsolved: *"If you want to really address child labor in Bangladesh and you pull out of the country, you don't buy anything, you have everything made in India, for example. Is that really going to help the child labor issue? Probably not. But so can you stay engaged then?" (P1)*. This responsibility dilemma required MNCs to balance the strategic target to eliminate a supply chain issue with the required resources, time, and effort that changing the conditions required.

People make the difference. Whereas the MNC was often mentioned as a single entity, the results of my analysis clearly indicated the importance of the multi-actor perspective in this research. Individual actors within the MNCs played a vital role in developing organizational sensing capability by acting as brokers in establishing collaborations and as knowledge resources with exceptional sensing skills.

The role as a broker emerged, because the individual actors within the organizations were the ones who maintained and cultivated personal relationships with actors on the ground: *"I used to know a lady with a local NGO in Malaysia who is very active in supporting human trafficking victims in Malaysia, as well as foreign migrant workers. Unfortunately, she passed away and I am still trying to find out who has taken over her organization." (P7)*. Through these individual, interpersonal relations, people stayed in contact and started new collaborations based on their individual initiative. The individual actors were also the ones to pursue new opportunities after serendipitous encounters that might develop into future projects.

The role as a knowledge resource emerge, because individual experience and expertise transformed actors into important knowledge resources in the first phases of engagement activities, since they could leverage knowledge acquainted from previous jobs or experience in a way which no standardized process could: *"I could not make that heat map for a company that I don't know. But if I know in which sector the company operates then I have a general idea about the risks in that sector." (P1)*. In particular during pre-institutionalized phases individual actors with pre-established relationships and individual expertise about supply chain issues established the organizational sensing capabilities needed to pursue opportunities for collaboration.

Initial Engagement Practices

MNCs pursued various engagement practices, which supported the sensing capabilities of individual actors by providing institutionalized paths towards more supply chain transparency. The outreach engagement practices enabled MNCs to cope with supply

chain complexity and opacity by putting standardized processes in place as a first step. MNCs summarized their practices under their *due diligence process* with a focus on (1) the implementation of a code of conduct and auditing standards for suppliers, (2) risk assessment and prioritization mechanisms, and (3) outreach programmes to initiate collaboration. In a previous research, similar approaches to increase sensing capabilities for sustainability issues in supply chains were categorized as (1) information collection, (2) sustainability performance enhancement, and (3) prioritization of risks (Van der Vliet, 2018).

Code of conduct and auditing standards. When a business relationship with a supplier was established, MNCs required their suppliers to sign a code of conduct which determined the requirements in terms of sustainability performance and set a standard for possible auditing and control actions: *"the suppliers will be required to sign our code of conduct, and then - what we do also is - we audit them." (P7)*.

Audits were used to: *"look at how they [the suppliers] are performing. Performing in relations to the labour and human rights practices, the environmental health and safety programme, how they are doing in terms of business ethics." (P7),* as a director of social responsibility explained. As part of these supplier codes of conducts, the suppliers were expected to impart the requirements to their own suppliers, initiating a cascading effect down the supply chain. One respondent described the main challenges of cascading down the sustainability standards: *"A lot of times, when we go and have a review with our tier one suppliers, we find that's still a key weakness in our suppliers that they have yet to even reach out to their own suppliers. [...] We are still looking within the limits of our tier one suppliers, but whether the programme is actually tripling down to tier two and tier three and beyond - it's still a very big question mark and it's still a big challenge" (P7)*.

Risk assessment and prioritization. The grand challenge of complexity required MNCs to take a risk-based approach and employ various risk prioritization mechanisms in order to cope with the amount of engagement opportunities: *"It's very important to have a strategy to determine what you want to address. [...] You need to have some kind of prioritization mechanism" (P1)*. The criteria to assess and prioritize risks were specific to the country, commodity and industry but could be summarized like: *"The risk assessment consists of three criteria: Country risk, amount spent and the commodity risk." (P7)*. Exemplary tools to visualize and map the prioritization results were heat maps, or websites (e.g. MVONederland (2018) and Maplecroft). One respondent explained the advantages of using prioritization mechanisms: *"Based on that, you can create a risk prioritization and then*

based on that you can identify: Do I need to either mitigate the risk, resolve the risk or whatever approach you like." (P5)

Outreach programmes. Global platforms and alliances provided forums and meeting opportunities for MNCs in many countries which allowed for contact with local governments as well as local businesses: *"We have two days of meetings. The first day is to have a roundtable with the government officials, to talk about the importance of business and human rights and especially in conjunction with the UN guiding principles. And then the second day is the outreach to the local businesses. And we will invite the businesses in the countries that we visit, to come to a forum where the member companies will share and talk about their experiences in implementing the UN guiding principles and on work that they do in areas of implementing labour human rights in our own organization." (P7).* These platforms streamlined the efforts of individual actors to build personal relationships and to get in contact with the right people on the ground. Since the setting also involved other MNCs, mutual peer learning was another benefit repeatedly mentioned: *"Their meetings are called peer-learning meetings, where you learn from others." (P7).*

Across all initial engagement activities, the concentrated ownership of the MNC became apparent. The activities were deployed top-down from the MNCs into their supply chain, advancing the solution and strategy determined by the organization. Nevertheless, involvement and the engagement of stakeholders were important in the thorough due diligence process (OECD, 2018).

Establishing a Network of Valuable Partners

Employing the collaborative approach required MNCs to find valuable network partners with a broad range of expertise. Possible collaboration partners that supported organizations in their outreach to the ground were NGOs and local governments.

NGOs as linking pin. NGOs found themselves at an interface function, connecting MNCs with local government, supplier, workers and other NGOs. For MNCs, NGOs served as experts on the ground and provided knowledge outside of the organizational core competency: *"If I was looking for a strong NGO partner, I would look for a partner that has expertise in the field and I wanted them to help me." (P5).* They not only informed MNCs but also connected them to important stakeholders and involved them in the conversation: *"[NGO work] has been definitely more successful since I incorporated the brand into this discussions." (P3).* On the other side, NGOs kept suppliers involved by maintaining their

engagement: *"We train them, we keep them heavily engaged, we do weekly calls [...] just to keep everybody moving in the same direction" (P3).*

The role of NGOs could be distinguished between a research-based role and an activist-based role: *"there are two ways: The name-and-shame method or true, well respected scientific based research." (P7).* Both ways of working were legitimate in their own ways. The activist NGOs made use of the name-and-shame method, and drew specific attention to a certain topic: *"there are still some NGOs left that are confrontational and they also have a good place in society. It is sometimes good to be confrontational because you get something done." (P4),* whereas the research-based NGOs enacted their role as experts and thereby became valuable collaboration partners: *"That was a very helpful research, that was done by a non-profit organization" (P7).*

New challenging developments within NGOs. Across all interviews, new developments concerning the role of NGOs emerged. The respondents revealed additional issues that arouse from the increasing attention and popularity of collaborations between MNCs and NGOs. NGOs on the ground were starting to enter a competition for resources, projects and regions against each other, thereby installing a dysfunctional structure for cross-collaboration: *"The main tension is actually between the local CSOs and NGOs because they don't want to be interfered by other projects. They don't want to share their stakeholders. They don't want to share budget. It's like building up walls within the risk area" (P5).* This dysfunctional structure led to fierce competition on the ground and impeded the progress of the engagement activities: *"What happens is, those local initiatives spend more time on fighting against each other than improving the local situation" (P5).* Scattered projects that compete rather than collaborate inhibited every chance of scaling up the initiatives: *"So what, what then happens is, they try to protect their project and their objectives in such way that even in some cases the miners get frustrated. At the end you need to scale the region and it's not about scaling a few villages to the next level. You want to make sure that ultimately that whole region benefits and for companies, it's only interesting if a whole region is participating because then you have scale of volume." (P5).* The scarcity of resources at NGO disposal contributed to this challenging development, reinforcing the competition for more resources and distinctively funded projects. By taking on more and more projects to increase resource inflow and funding, NGOs started to get outstretched and operated beyond their capacities: *"[NGOs] need those resources, the financial support, then it ends up that they are getting really outstretched and having a big challenge to be able to support all the business that they get" (P3).*

Role of the government. The role of the local government was merely reduced to national law enforcement responsibility by the respondents of this research: *"The ideal in all of these areas is that you have a functioning government with the means of actions to be able to address social risk within their own country. Where you have the application of the rule of law, where laws are enforced and people build a culture of compliance. That is the ideal."* *(P2).* The respondent explained the challenging relationship with local governments by continuing: *"That ain't going to happen in a number of countries any time soon." (P2).* Local governments appeared to be a possible, valuable partner when it came to legislation and regulation issues, nevertheless, the results showed that the engagement with governmental parties still has a long way ahead: *"You need to work with local government, national government [...] to pay attention to an issue, that they have obviously not paying attention to for years." (P2).*

Role of multi-stakeholder initiatives. Multi-stakeholder initiatives appeared in various forms, depending on the involved actors. Industry alliances, for example, helped with supplier training on the ground. The advantages for joining such multi-stakeholder initiatives for MNCs were manifold. Industry alliances had more reach to cover large and complex supply chains: *"We rely on the industry association, like RBA, to help us in ensuring that we can reach out to a bigger set of suppliers within the supply chain - the Electronic Industry supply chain." (P7)* and they enabled MNCs to reach deeper into the supply chain: *"We are looking at collaborating more with RBA to see how we can more effectively reach out to the supply chain or deeper into the supply chain." (P7).* In addition, multi-stakeholder initiatives had reputational benefits and drew a beneficial public picture of the organization by displaying: *"The clarity of the engagement. I mean you got to think of the recipients of your help as much as the help you want to give the recipients. If this is seen to be a multi-company, local business initiative, that is seen to engage the right stakeholders on the ground and shows that you are looking to make a sustainable solution to problem, not a band aid, that can certainly help." (P2).*

Coalitions between various supply chain actors established trust and enabled members to mutually learn from each other: *"We only have 19 member companies. It's a very intimate setting, where companies can come into the meetings, have a save environment for them to talk about the business and human rights challenges. And then learn from other member companies." (P7).*

Multi-stakeholder initiatives provided platforms for MNCs to establish new ways of contact into the supply chain and find valuable collaboration partners: *"One of the key*

initiatives is the outreach to different partners. So, they have plans to reach out to collaborate with - whether it's NGOs or other industry associations." (P7). As one respondent described, initiatives and engagement activities on the ground emerged out of multi-stakeholder platforms: *"This is an example of how such a multi-stakeholder initiative, where you have these different parties around the table, then translates into a project in Uganda." (P1).*

Collaborative Engagement Strategies on the Ground

As the due diligence process depended on continuous stakeholder engagement as an information source (OECD, 2018), organizations were scrutinizing a more collaborative approach drawing on a network of valuable actors in order to employ engagement strategies and practices on the ground. Three ground-reaching strategies were found across the respondents of this research that involve 1) building capacities on the ground, 2) building a business case for all actors and 3) re-building governmental enforcement power.

Capacity building initiatives. The aim of capacity building initiatives on the ground was to empower various local actors, such as: *"farmers, unions, be there cooperatives, be there community group, particularly women, who are very powerful to these societies." (P2).* Training and support for suppliers were geared to increase their ability to meet audit and sustainability standards which were imposed by MNCs and industry alliances. The example from an NGO member talking about a gold mine in Uganda illustrated how capacity building, such as support for setting up a bank account for the mine, increased the ability of the mine to implement health and safety standards as required: *"So they need personal protective equipment, maybe helmets, boots and things like that. That needs to be bought. But [also] they need supporting materials to prevent those tunnels from collapsing. [...] For that, they need to buy wood or other materials. To be able to buy that, they need money. The one thing that they don't have is a bank account with money [...]. We work with them to get the legal permits, because that's what they often don't have. And if they operate illegally, the bank will never give them a loan." (P1).*

These capacity building initiatives enabled suppliers to become independent economic entities in the future and were therefore considered long-term projects and investments by MNCs. One organization in this research was, for example, building capacities on the ground by supporting local farmers in growing citrus. Changing to citrus required at least five years to bridge with other crops, before the trees yield fruit. As the organization supported the local farmers with knowledge and experts over the course of time, they built long-term economic sustainability of this region: *"We are building a lot of local engagement to help these farmers*

move towards citrus by planting citrus. But also helping them with other crops that they can sell in the meantime, that they can grow between the rows of oranges. [...] To give them the economic sustainability to last through it, until the oranges come on straight. [...] You need to be thoughtful, doing something that is going to be able to stand up, if you do stop. [...] You can never guarantee that you are going to be everywhere and in every supply chain forever. But if you look at the oranges, by creating that orange grow, they can have a guaranteed market for its juice. [...] If you do have to walk away, it is not going to fall over." (P2). The aim behind those initiatives was not only to develop the supply for the MNCs themselves, but to invest in long-term, economically stable communities that will become independent and autonomous: *„And so we play a long day. We are not there for the short-term. We are long-term actors in any of the communities in which we operate. In some of these communities, we have been there for nearly 100 years." (P2).*

Other capacity building initiatives aimed at the development and support of workers on the ground. MNCs and NGOs worked together to inform workers about their rights and permissions, for example in terms of correct payment of overtime: *"They could go to an NGO and they just give the information on: this is how much you should get paid for overtime. If this is the minimum wage, this how much you should get paid for overtime and they help them calculate and it empowers the worker." (P6).*

As migrant workers and foreign workers were common in the industries of this research, NGOs used hiring and training organizations as central *HUBs*, where outgoing workers could be informed and prepared before departure: *"I know that some companies work, for example, with non-profits to provide pre-departure training in sending countries like Nepal.. They work with local non-profits to prepare outgoing workers from Nepal or Myanmar." (P6).* These HUBs centralized workers as resources, similar to other commodities, to train them for working abroad. Workers were then properly educated to identify human right issues and had an institution as a point of contact to report back on any issues and problems.

Other initiatives aimed at further engagement of the workers by involving them in strategic thinking with the ultimate aim to further align supplier businesses and their workers: *"I would rather have a discussion about the workers themselves. I see that we are doing things. I've seen workers are making decisions, I see workers that are getting engaged, I see a lot of things happening." (P3).*

Building the business case. To be worthwhile for all involved actors – MNCs and supplier businesses – engagement practices required a long-term economic argument: *"It's*

not only creating the demand but it's also helping to develop the supply." (P1) On the one hand, developing the supply resulted in secured and more stable resource situations for MNCs. On the other hand, producing with a secured demand also enabled suppliers to work with a long-term, stable situation: *"Because then, as we say to the growers: you grow it, we will buy it. Everything you produce, we will buy. And so, the economic argument can be built up." (P2).* Building the economic argument for long-term engagement practices gave security to the involved actors, while simultaneously benefited the broader local community.

   Lobbying with the local government. When engaging on the ground, organizations and multi-stakeholder initiatives collaborated with the local government for strategic change in local regulation and legislation. As illustrated in the example above about health and safety implementation, a decisive factor for success was the ability to open bank accounts for local suppliers. Lobbying with the local government could lift barriers that restricted suppliers in their economic activities: *"You lobby with the government for a better enforcement [...] that could be a mitigation strategy as well" (P1).* A great issue with the local governments that receives attention by the respondents was the weak local law enforcement: "*So there are hardly any countries that allow child labour. But is it being enforced?" (P1).* Supporting local government in law enforcement was a double-edged sword for multi-stakeholder initiatives. MNCs often felt to step in for weak law enforcement and were the ones to actually enforce laws and ensure compliance: *"You are - at the end of the day - the only regulator. We are the only one who is complying with the law." (P2).* Nevertheless, as global frameworks like UN "Protect, Respect and Remedy" Framework and Guiding Principles clearly defined, this was not their responsibility: *"Ruggie also describes it very clearly - It's not the role of the companies to enforce legislation. That's the role of the government." (P1).* Assuming this responsibility of MNCs could lead to a further withdrawal of governmental actors, leaving the field entirely to the MNCs and stop developing their own forces: *"We are not a replacement for a functioning government."(P2).* Lobbying with the local government for improvement could also involve lobbying with the government of consuming countries, enabling government to government leverage: *"Governments can be helpful in opening doors: If we have some issues in certain countries, you can talk to your government and your government can put a bit of pressure on the other government. " (P4).* A pre-requisite for all engagement practices was an established trust base among the actors. This was achieved by creating an equal level playing field, where all actors were safe to share in a trust-based environment.

Collaboration challenges. While the collaboration approach received positive attention across all respondents, the descriptions of the opportunities were always accompanied by arising challenges between the actors.

Reporting challenges. The standards and ways of reporting information within an organization, NGO or local community were diverse and miscellaneous. Since these different standards constituted the different initiatives and projects, collecting and comparing information across initiatives became unmanageable for MNCs and their due diligence process: *"If you have a region which is then ultimately divided in five different projects and every project has a different approach, a different way of reporting, a different way of tracking, then companies get frustrated that again at the end that they get different data sets."* (P5).

Fragmentation along various categories. Setting out to mitigate risks in the supply chain needed some sort of prioritization mechanisms in the beginning of every engagement practice. The prioritization of risks was, as previously mentioned, an important first step for MNCs to approach the grand challenge of complex, multi-tier supply chains. Resulting from these prioritization mechanisms, actors clustered and organized risks as well as engagement opportunities along various different dimensions, such as geographic criteria, commodities, risk themes: *"[Approaches] can be based on materials [...] therefore we are going to prioritize our supply chain investigations and the collection of information on these types of components [...]. Or maybe you say: we look at suppliers in a certain region [...]. Or you say: we as a company feel strongly about human trafficking, or forced labour or bonded labour."* (P1). The fragmentation of business lines not only accelerated the reporting challenge, but also impeded on possible leverage across the dimensions. One supply chain expert illustrated the situation: *"we have vertical cobalt, the vertical gold, vertical mica is out there."* (P5).

Transparency and trust challenges. The grand challenge of supply chain opacity in terms of business information also impacted the collaboration initiatives: *"Still there's a fear of open book calculation or potential insights in the supply chain, that people are not willing to share"* (P5). The reasons for not sharing valuable information among supply chain partners were manifold. MNCs were often restricted by competition law to maintain a certain amount of independence and were, therefore, not allowed to share every information within multi-stakeholder collaborations: *"But as an industry, you cannot say: okay, tomorrow we're going to [...] pay another price for cocoa beans. [...] Just the idea of making this agreement [...] is not allowed under antitrust competition law."* (P1). MNCs also deliberately deprived information that was too sensitive to be shared with a wider public, since they could

potentially damage the organization's reputation: *"We're talking about very sensitive issues here -human rights violations, environmental issues. So this is sensitive information and it's potentially damaging for a company's reputation." (P1).* Similar argumentation was followed by suppliers as they did not share all issues with MNCs in order to stay within an organization's supply chain. Issues or possible contacts to lower tier suppliers might have led to an elimination of this particular intermediary: *"The first tier asked the second tier: who are the third tier suppliers, the second tier will say: I'm not going to tell you that [...] because then you can overtake me" (P1).*

    Alignment challenges. Collaborations among multiple stakeholders only came to pass if an alignment of goals, vision and strategy for the particular collaboration could be achieved. When reaching out to the ground of the supply chain, one respondent described that: *"You are operating in environments with a multitude of different languages, a multitude of different realities" (P2).* Goals of the different actors were in many instances too divergent, leading to tensions in even finding a basis for collaboration: *"There are tensions on how to approach the solution to certain issues. What the non-profit or community might think is a solution may not be a viable solution for a company." (P6).* Achieving an alignment was often perceived as a challenge of unclear communication about the goals and visions for a project or region: *"So I think it's all about communication, transparency, being able to open their minds to other – to the perspective of others" (P6).* NGO and MNCs worked in a very different working style and culture: *"Sometimes it's a language issue, sometimes it's a whole culture [...]. NGOs understanding of business and business understanding of NGOs." (P6).* The different ways of working led to a culture clash, as one NGO member and former organizational employee expressed: *"You have a real clash of cultures when you have an international company that tries to work with a local NGO" (P3).* Similarly, challenges of different cultures and world views arouse in collaboration with local governments. As one organization member told the story of their engagement in China: *"The word human rights is very sensitive. [...] If you go to China, if you talked about the human rights, maybe about five, six years ago, it did not fit well with the Chinese government. [...] Then you have to be very careful when talking about human rights. [...] You have to use the word harmonious society" (P7).*

    Power challenges – a David vs. Goliath situation. Closely related and often arising from the tensions around goal alignment, power challenges and unequal power dynamics between the actors developed: *"And [the MNCs] were willing to [collaborate], because they thought it's worthwhile with their strategy about living wage. But then, if you ask [us], [we] would never have the discussion about living wage, right? Because it's [our] perspective that*

we are not about wages, we are about empowerment. But if you talk to [them], [...] all they talk about is [us] and how [we] help them to get to living wage with the workers." (P3).

MNCs held the financial power in this relationship and therefore showed the tendency to abuse this power in favour of their strategic direction: *"because the companies again have the money and are giving you the resource. And in this situations, [we] don't have a choice, right? [We] either lose [our] major champion and partner or ... [...]I think it's still easy for NGOs to get pushed over by their partner, because, when you are taking money from somebody you have to, kind of, be beholding to their wishes."* (P3).

In this David versus Goliath situation, goal alignment often advanced to the benefit of MNCs and NGOs struggled to maintain their strategic direction: *"it is easy for the NGO to then lose its mission, if it's not careful"* (P3).

Identity challenge. While all respondents frequently highlighted the importance of goal alignment and the challenges of not losing their mission, it became apparent that not yet all actors unambiguously defined their own strategy and goals to represent. Over the course of the research, I found indications that actors – MNCs as well as NGOs - were still in the search for their own strategic perspective: ***"****the idea that we are just going to find people - we don't know what we are doing here in headquarters, so we are going to find people out there in the world who know what they are doing. Which is great but those people still need training, they still need to be equipped with something. And everybody is out there, [...] they were all running around in the world without anything."* (P3).* With vaguely defined strategic direction, any form of goal alignment for collaborative initiatives was obstructed right from the beginning.

Success factors for collaboration. While sharing success stories of engagement activities, it became apparent in the answers of the respondents, that successful initiatives tended to spread across the industry and made use of scaling effects: *"And the school system is so excited about that [the new school system], so that they took that on themselves and then also it became something that the RBA has adapted and taken up that further and [the MNC] has also considered this focus on vocational education as another programme."* (P3).

In order to make the long-term collaboration projects successful and sustainable, they had to be embedded in the broader societal context of the initiatives. One respondent told the story about how they advocated for girls' ability to go to school: *"So for example in India, we have been doing a lot of work with issues around girls not being able to go to school. One of these issues, that the domestic workers told us, that there was no toilets at schools. And as*

there are no toilets, girls weren't allowed to go. So we spend a lot of time in schools in India, putting in both portable water but also toilets, just so that you can remove that excuse of girls not being able to go to school." (P2). The issue here was embedded in the much larger societal and cultural context and multi-stakeholder initiatives had to find starting points for initiatives that seemed barely related to the supply chain issue in the first place.

Cultural Change towards Mutual Convergence

The external collaboration approach initiated change processes within MNCs as well as NGO actors. The participating organizations indicated a shifting mindset towards the necessity of collaboration: *"businesses now also very much realize that there is an ethical and social responsibility related to doing good business. And that requires a different attitude. [...] And businesses also realize that they don't have the core competence always, to achieve that. And that requires then alignments with other organizations, like NGOs." (P4).* Accompanied by this was a mindset shift in working together with other types of organizations and appreciating the different ways of working. The different world views congregating not only led to collaboration challenges and fatal power dynamics, they also enforced a change in the conversation of MNCs with NGOs: *"business also needs to understand more about, when they come to an NGO what they want from that engagement." (P3).* In collaboration with NGOs, NGO actors actively tried to steer and change the conversation within MNCs, reinforcing this change process: *"we are trying to change the conversation now, to talk about the impact and we are trying to find out how to do that with the brand partners." (P3).*

As the results of the analysis showed, NGOs also benefited from this external collaboration, as various NGO members pointed out that they could learn from the business way of working: *"NGOs need to operate more like businesses" (P3).* NGOs learned from MNCs in terms of managing, organizing and delivering upon agreements. A clear mindset shift also became visible in the position of NGOs as a collaborative partner for MNCs: *"But now, that businesses are more involved and want to work with NGOs directly, that becomes an important source for their income. That means, that they also have to shift their position a little bit and not see businesses anymore as the enemy, which was the case. But they also see it as a source of income. And they are also starting to see now businesses that really want to do something, as an important partner." (P4).* Hence, a mutual convergence of the actors forced by their willingness to collaborate initiated a cultural shift, as one respondent described

his observation: *"I think the conventional roles that you had between business, NGO and government, they are disappearing somewhat." (P4).*

Information Sources on the Ground

In order for MNCs to engage on the ground and establish targeted engagement activities, it was important to use various information channels that could distil back information from the ground. The results highlighted two different kinds of information sources: institutionalized information processes and dynamic sources on the ground.

Institutionalized information sources. Institutionalized information sources were processes put in place by the organization to receive and process standardized and recurring information: *"We have a formal process, if there are potential risks. A lot of it still comes to us - so the formal process works." (P4).* For example, supplier audits were used as formal process to receive and analyse information about the supply chain. Formal grievance processes reached deeper than audits and were put in place for a direct contact of workers on the ground with the organization. They were established through phone hotlines and information on websites: *"When we do worker interviews, we provide the workers with a card with a telephone number to call. The workers can call us and reach out to us anytime, if they encounter any abuse from their management." (P7).* In general, the complete due diligence process of MNCs served as information process to extract information from the supply chain: *"We go to our suppliers and then, when we are at the side of our suppliers, we do an audit or an assessment and we see issues. So that is one way that is an active type of due diligence on your suppliers." (P4).*

Dynamic information sources on the ground. Additionally, MNCs utilized dynamic information sources on the ground. NGOs played an important role in these regards, since they could either reach out to individual organizations and called their attention to particular issues, or published industry reports that MNCs used as information sources: *"[NGO] came up with a very damning report on the whole electronic industry. They are talking about the presence of modern-day slavery, forced and bonded labour in the electronics supply chain in Malaysia." (P7).*

To assess the situation on the ground, interviews with workers on the ground were an informative source. Even though interviews were sometimes part of the standardized audit process or workers reached out via the formal grievance process, constant contact with the community appeared to be a valuable, dynamic information source: *"Sometimes even*

employees of a supplier company on an individual basis come to us and say: look, we have an issues, we have a problem." (P4.)

Providing knowledge about the situation on the ground was also a function of individual experts in various positions within multi-stakeholder initiatives: *"We have local experts, we have local expertise - I am thankful that I have experience as well, because I worked in all of these countries before, I have experience, exposure to most of them." (P3).* They served as experts and provided personal experience as information source for collaboration partners.

The role of the media and public. Media and public reports played a distinctive role in the information network. Public reports were a valuable information source for supply chain actors and directed strategic decision making towards the most pressing topics: *"That research publication was basically a shock to the electronics industry. It got the whole industry to really take real attention and really addressing the labour human rights issues in the electronic industry or in the electronic supply chain in Malaysia. [...] That was a very helpful research." (P7).* Conversely, other NGOs deliberately used the public platform of media to publish harming reports that hurt the MNC's reputation. As such damning reports put pressure on the whole supply chain, MNCs wanted to prevent such publications: *"What we see now is that NGOs [...] come to us and say: look, we have an issues, we have a problem. And, of course, that is important [...]. But, basically, you want to prevent this. You should already know in advance: hey, there are potentially some issues, let's have a closer look." (P4).*

The fear of exposure to the public and accountability for issues also hindered organizations in reporting success stories or issues in general: *"But success stories can also be seen by NGOs or by others as a kind of public relations. So there is a hesitation. So you can say: oh, we were extremely good in resolving some labour issues and then the NGO comes back: yeah, but you still have an environmental issue." (P4).* This consideration contributes to the overall lack of transparency in the supply chain as MNCs are not willing to enter into a public dialogue. A mutual understanding and moderation in reaction to publication on both sides appeared to be a desirable development for the future: *"I think, also the whole society, whole ecosystem also has to learn that they value reporting an issue more than the negative effects of that issues." (P4).*

Boots on the Ground - a Non-trivial Question

The results showed that organizing the boots on the ground and establishing valuable collaboration initiatives, which can have an impact deep down in the supply chain were a non-trivial question. There was no easy solution, as all initiatives and engagements needed to fit to the particular situation on the ground: *„I don't think it's a black-and-white/ either-or thing. I think it really needs an understanding of what the issue is and who best to partner with. It's really like: who are the stakeholders on that issue, who would best be a partner for them and who's willing to work with them on the ground because not all organizations will be willing to work with corporations." (P6)*. Solving the complex challenges in multi-tier supply chains required complex collaboration among diverse actors. MNCs ultimately needed to re-organize the way they recognize risks and connect to stakeholders and supply chain actors to achieve a responsible, organizational design.

Discussion

The literature on multi-tier supply chains and global sourcing already indicated the grand challenges of complex supply chains, such as (1) the lack of transparency of the supply chain, (2) the complexity of its structure, (3) the unstable conditions and (4) a general lack of knowledge and awareness of the risks on the ground, which also result from my research.

The aim of this thesis was to illustrate how MNCs develop sensing capabilities and employ engagement practices in order to reach deeper into their supply chain and approach sustainability risks. The analysis revealed the response of MNCs to complex challenges of global, multi-tier supply chains by 1) developing organizational sensing capabilities from an individual actor perspective towards 2) institutionalized engagement practices in 3) collaboration with valuable network partners based on 4) multiple information sources on the ground.

As an answer to the first sub-question *how organizational sensing capabilities can help to organize boots on the ground*, I indeed found that organizational sensing capabilities were employed by individual actors with outstanding sensing skills and developed towards increasingly institutionalized engagement processes, as conceptualized by Teece (2012). As the first step to initiate collaboration in pre-institutionalized phases, individual actors in this research made use of their professional network and previous relationships, which are comparable to the issue selling strategies directed at establishing an external network for mutual support defined by Lauche (forthcoming). As the results of this research showed, by applying the collaborative approach, actors are connected to a broader societal movement (see

also Blazevic & Lauche, 2019) which initiates a preliminary organizational structure of various actors on the ground and in the supply chains. Further on, the collaborative approach was found to support the participating actors in finding their individual as well as a shared vision and strategy to approach complex supply chain risks, thereby linking back to the conclusions of Seidl and Werle (2018), who found that interorganizational sensemaking supports organizations in solving complex, strategic problems. Following the individual sensing capabilities that established a basis for collaborative networks, MNCs in this research partially employed the engagement strategies as defined by Tachizawa and Yew Wong (2014) to initiate organizational structure on the ground. The direct approach was utilized in order to reach out to the first tier of suppliers, whereas MNCs relied on the indirect and third-party approach to extend outreach to lower tiers of the supply chain.

The results showed that MNCs did not act as the central actor to organize boots on the ground, rather employed a collective effort to achieve sustainable advantage in global, complex, multi-tier supply chains, supporting the concept of collaborative advantage by Huxham (as cited in Lauche, forthcoming). Thus, complex problems require external, interorganizational collaboration (see also Deken, Berends, Gemser, & Lauche, 2018) and issue selling, as well as the amalgamation of industry-wide resources (see also Lauche, forthcoming). Particularly, the long-term focus on multiple value creation that connects the engagement activities to larger societal problems, such as building school toilets to enable girls to attend school, addresses the multiple facets of the triple bottom line of sustainability and therefore the results respond to the claim of Bansal and DesJardine (2014) that true sustainable development can only be successful with a long-term strategic focus.

As an answer to sub-question two, multiple *sensing capabilities and engagement practices supported organizations in identifying valuable network partners*. As the results of my research revealed, contact with potential partners was established through a lack of expertise, previous encounters and a strong stakeholder assessment.

First, since MNCs lacked resources and knowledge for an in-depth understanding of culture, language, and contact persons to successfully engage on the ground, NGOs were selected to enrich the collaborative effort with their expertise in culture and language to bridge the gap between MNCs and actors on the ground. Thereby my results enhance the active information supplier role for NGOs as defined by Busse, Kach, and Bode (2016) by a cultural expert role. Contrasting to Vurro et al. (2010), NGOs were seen as the linking pin between and within multi-actor initiatives instead of the MNCs.

Second, resulting from the analysis, collaboration initiatives almost exclusively emerged from previous contact of individual actors. The individual actors utilized serendipitous encounters to pursue opportunities for collaboration when appropriate, thereby drawing on a concept coined *temporal agency* by Garud, Kumaraswamy, and Karnøe (2010). By highlighting the importance of previous relationships and the individual exploitation of temporal agency, the results of this research connect to a concept called path creation (Aaltonen, Ahola, & Artto, 2017), that adds a dynamic perspective of individual agency to determined paths of organizational development. According to the results, this process supports the strategy creation at the beginning of multi-stakeholder initiatives by enabling so-called boundary spanning activities (see also Aaltonen et al., 2017) that support outreach to new actors.

Third, strong stakeholder assessment conducted through initial engagement activities such as risk prioritization, as suggested by Freeman (2010), supported MNCs in giving precedence to particular issues, regions, and collaboration initiatives, in accordance with their organizational priorities. Institutionalized sensing capabilities, such as risk assessments, heats maps, and other tools were found to be a common way for MNCs to focus their engagement activities and select valuable network partners.

Resulting from the collaborative engagement approach, multiple challenges concerning alignment, power relations, and identity, arouse between the different actors in the network. Nevertheless, the research results disclosed the changing effect of multi-stakeholder initiatives by initiating a mutual convergence of culture in all actors and therefore support the claim by King (2007) that cross-actor collaboration is always a source of positive social change. Drawing on the frame alignment processes by Snow, Rochford, Worden, and Benford (1986) in social movements, the actions of the NGOs in this research can be interpreted as frame transformation, attributing NGOs the role of planting and nurturing new values in their collaboration partners, thereby initiating positive social change.

As an answer to the third sub-question, *how boots on the ground activities can distil information that is usable for organizations*, the results emphasized that leveraging various information sources on the ground called for more institutionalized processes within MNCs. In every actor group, individual actors functioned as valuable information sources, using individual, dynamic, and emerging information flows. As a first step to streamline information collection, MNCs put standardized due diligence (OECD, 2018) and grievance processes in place that institutionalized the communication from the ground. Forums and

industry associations acted as additional information sources, consequently MNCs increased their visibility as much as possible on such platforms. Resultantly, relying on organizational capabilities to leverage information sources becomes an important factor in increasing the institutionalization of sustainable development within MNCs. This result emphasizes the importance of institutionalized practices as highlighted by Bansal (2005), since they contribute to the responsible organization of MNCs in relation to society (see also Achterbergh & Vriens, 2009).

According to the results of this study, NGOs played a distinct role in the flow of information, since they operated from a position external to the actual supply chain, as the definition of Schneider and Wallenburg (2012) classifies. They employed two diverging strategies, similar to the contention versus collaboration strategies defined by Schneider and Wallenburg (2012). Both strategies used research reports as the main information source, but diverging vehicles, such as individuals, grievance processes or multi-stakeholder platforms, to distribute information. Whereas NGOs applying the contention strategy used public attention to provoke external pressure and reputational menace, thereby supporting the results from Bansal (2005), NGOs applying the collaboration strategy in this research relied on their local expertise and provided a valuable network partner and reliable information source.

Scientific Contributions

So far, literature on sustainable supply chain management took the perspective of MNCs and defined broad and generic supply chain strategies (Tachizawa & Yew Wong, 2014; Wilhelm et al., 2016). The results of this research add to the four generic approaches of direct, indirect, third party, and don't bother (Tachizawa & Yew Wong, 2014) with a more extensive analysis of the collaborative approach in multi-stakeholder settings. Based on the analysis, particularly complex supply chains and all-encompassing risks have to be approached in a collaborative way. This research hereby also extends the single perspective of MNCs by including external supply chain actors such as NGOs and workers on the ground, based on the classification of Schneider and Wallenburg (2012). A more integrated picture of the interplay between MNCs and other supply chain actors is added to the literature.

Based on these richer and more comprehensive insights in supply chain relations and the role of MNCs, the results of my research contribute to the current academic debate around responsible organizing. Managing sustainability risks in the supply chain and establishing a network of valuable partners on the ground pose organizational design questions on MNCs, how structure and capabilities can be organized and distributed in a more responsible and

sustainable way that allows MNCs to have a positive impact on society in general (Bansal, 2005).

The third contribution to the multi-tier supply chain literature is the extended explanation of relational conflicts between supply chain partners (Bode et al., 2011) – internal as well as external to the supply chain (Schneider & Wallenburg, 2012). Particularly the power game between the various actors is a noteworthy contingency factor, continuously shaping and reshaping the forming of collaborations (Busse, Kach, & Bode, 2016; Gumbrell-McCormick & Hyman, 2014; Wright, 2000). This results responds to the research recommendation by Busse, Kach, and Bode (2016) to further illuminate the supplier-buyer relationships in supply chains within their individual contexts. My research clarifies the various challenges of supply chain collaborations by accounting for the diverse contexts and culture of the involved actors.

The fourth contribution to the literature on multi-tier supply chains challenges the role of NGOs within the supply chain network often reduced to the role of a merely informing actor (Busse, Kach, & Bode, 2016; Johnston & Linton, 2000). My result indicate that, next to the informing role displayed in the strategies contention versus collaboration (Schneider & Wallenburg, 2012), NGOs developed towards an increasingly valued network partner with the possibility to act as a linking pin between MNCs and the boots on the ground. Attaching more importance to actors external to the supply chain adds to the literature by refraining from MNCs as the central entity (Vurro et al., 2010).

The fifth contribution to the supply chain management literature is highlighted in the importance of individual actors particularly at the beginning of a collaboration (Lauche, forthcoming). Current literature merely discusses the relation of actors from an institutionalized perspective omitting the possibility to leverage individual actors as knowledge resources (Eisenhardt & Martin, 2000). My results connect the findings of issue selling literature (Blazevic & Lauche, 2019) to the initiating process of collaboration activities across multi-tier supply chains.

Boundary Conditions and Future Research

To assess this research in a reflexive manner, boundary conditions determine for which general questions this research counts as a good example and provides insights. Boundary conditions are "boundaries in time, space, and the researcher's values and describe the limits of generalizability of a theory" (Busse, Kach, & Wagner, 2016, p. 575).

First, this research sets contextual boundaries by clearly focusing on risks in supply chains that affect the triple bottom line of sustainability for the MNCs, but at the same time are man-made, which allows for intervention and improvement. Implications of the research are therefore not transferable to situations of immutable, natural disasters.

Second, this research is based on the balanced perspectives between MNCs and NGOs. Restricting the respondents to these two groups omits the perspective of sub-suppliers as well as other social actors on the ground. The perspective of boots on the ground on how to establish relationships is only considered through secondary data and literature research and can therefore not be considered as comprehensive. Future research should also include voices from the ground, such as workers, union leaders or social community groups, in order to increase the multivocality of the results.

Third, the participating MNCs already clearly focussed on the topic of sustainable supply chain management as part of their strategy. Since the respondents interviewed here are all experts and pioneers in the topic of sustainable supply chains, they can deliver valuable insights in this topic. They seem to be normatively motivated as they not only volunteer to approach issues, but also publicly speak about it and pass on knowledge. The majority of MNCs worldwide might not be as involved in this development yet as the MNC is in this research. Therefore, the roles and pictures painted in terms of the MNC are somewhat biased in this regard, and transferability is impeded by the different contextual situations of these MNCs. Further research might take a broader perspective and investigate reasons, why certain organizations are more inclined to advance their sustainability performance in the supply chain, while others are not.

Fourth, this research was conducted within a rather short time frame of five months. The limited research period not only impedes methodological considerations but limits the interpretability of the results to a snapshot of the current situation. Further research could apply a longitudinal design to understand how the roles of the different actors can develop over time. Interesting focal points could be the shift in power dynamics over the time of collaboration or the development of diverging strategies and visions of the various actors towards a shared vision and mission.

Practical Implications

The findings of this study have important implications for future practice. First, MNCs are recommended to increase their visibility on multi-stakeholder platforms and sign up of for various memberships in multi-stakeholder initiatives and business alliances, such as RBA and

GBI. Thereby, they can connect to multiple actors at once, find willing collaboration partners, share experiences and learn from others.

In order to fully exploit the opportunities of these platforms and forums, the participating employees need training on maintenance and usage of personal relationships and professional networks. Highly qualified employees in this regard will benefit the MNC through constant engagement in important networks. To support this, it is recommended to allow employees to dedicate working time to relationship management and maybe even incentivizing good relationship building. In doing so, the practice of sustainable supply chain management will possibly become more pro-active instead of reactive with regards to recognizing and mitigating supply chain risks.

In addition, the results of this research call for a clear set of selection criteria for MNCs to find the collaboration right partners. MNCs are recommended to apply specified criteria for selecting possible collaboration partners that focus on compensating their lack of expertise in certain topics, regions or commodities. Moreover, criteria should cover the field of collaborations practices in terms of what kind of working cultures and strategies of partners potentially fit to the MNC to prevent alignment challenges.

Lastly, the results of this research clearly highlight the benefit of long-term engagement practices with a broader societal contribution. MNCs are therefore recommended to engage in multi-stakeholder initiatives, which set out to improve societal issues on the ground that might seem merely related to the supply chain issues at first sight, nevertheless ensure compliance of low-tier suppliers and lower risks factors in the long run.

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Appendix

1 - Interview Guide

Introduction	

Thank you for agreeing to participate in this interview.

For my Master's thesis in Business Administration at Radboud University Nijmegen, my goal is to learn more about how organizations can deal with sustainability risks in their supply chains. I am especially interested in how companies can organize their "boots on the ground", meaning to have their own or related people on site, collecting information about supply chain partners.

Your experience as a [position or job] will be of great value to my research. The focus in this interview will therefore be to find out more information about:

[adapt to the specific expertise of the interviewee]

-How can MNCs organize the 'boots on the ground' (BOG) activities?

-How can MNCs identify good value network partners for BOG?

-How can the BOG distil information which is usable for MNCs?

For this research, I am conducting multiple interviews with persons from MNCs and NGOs, other organizations and related stakeholders in order to answer these questions.

I am very interested in your ideas to this topic and look forward to our conversation.

Anonymity	The interview will be used for research purposes only. Your name will not be stated on the transcript and your answers will not be traceable to you as a person.
Recording	For the sake of later analysis, I would like to record this interview. Do you give your consent to this recording?
Introductory questions	
Warming up	Before we start, could you just tell me: Could you tell me a bit more about what your particular function / job looks like?

[Adapt topic to the interviewee]

(1) Organizing boots on the ground

Previous research has shown us that a good way to approach sustainability risks in the supply chain is to have people from the MNCs or closely related organizations on site. They would be able to have eyes on possible risk factors and can report back quickly.

Exploring opinion to "boots on the ground" solution	What is your opinion about this idea?
	Can you share a story where information from persons on site could have been useful / not useful? Have you ever encountered a situation where a person on site would have been useful?
How to organize BOG – *at [COMPANY NAME] or with person on the ground*	What kind of information do you expect from the persons on the ground? / *What kind of information do you pass on to your contacts at [COMPANY NAME]?*
	In which time frame?
	How would you like to have this information delivered? / *How do you deliver this information?*

What kind of competences would you require from your contacts on site? / *What competences would you judge most important for your job?*
In your opinion, what would be needed to make the persons on the ground more effective for the organization? / *In your opinion, what could make your job more effective?*

(2) How to identify value network partners	
Reasons to choose network partner	Why did you decide to work with [partner]? What where particular criteria that let you chose [partner] as a partner organisation? How is this working out? Are there sometimes tensions? – Why? Can you share a story where a relationship worked out particularly well?
Relationship with network partner Improvement of relationship – requirements towards partners	How would you describe the information transfer between MNCs and [partner]? How do you share information between [partner]? Do you have ideas for improvement in this relationship? How would you improve this relationship? Why?

(3) How to distil information	
Information process	How do you currently learn about possible sustainability risks in the supply chain? Is the information provisioning working out? What are common barriers or tensions you encountered? Can you share a story that was remarkable in your eyes?
Involvement – Roles	What is your role in this process? What is your opinion about this?
Improvement – requirements towards process	Where do you see room for improvement? Why would this be an improvement?

Closing	
Closing questions	Do you have any further questions? Can you think of anything else that might be important? Do you want to add anything further? Is there anyone you can think of, who might be another interesting interview partner for this topic?

This is the end of the interview. Thank you for your participation. I will make a transcript of this interview as basis for my research. If you like, I will send you a copy of the final transcript to check and adjust if necessary. Should you have any further questions, please feel free to contact me any time.
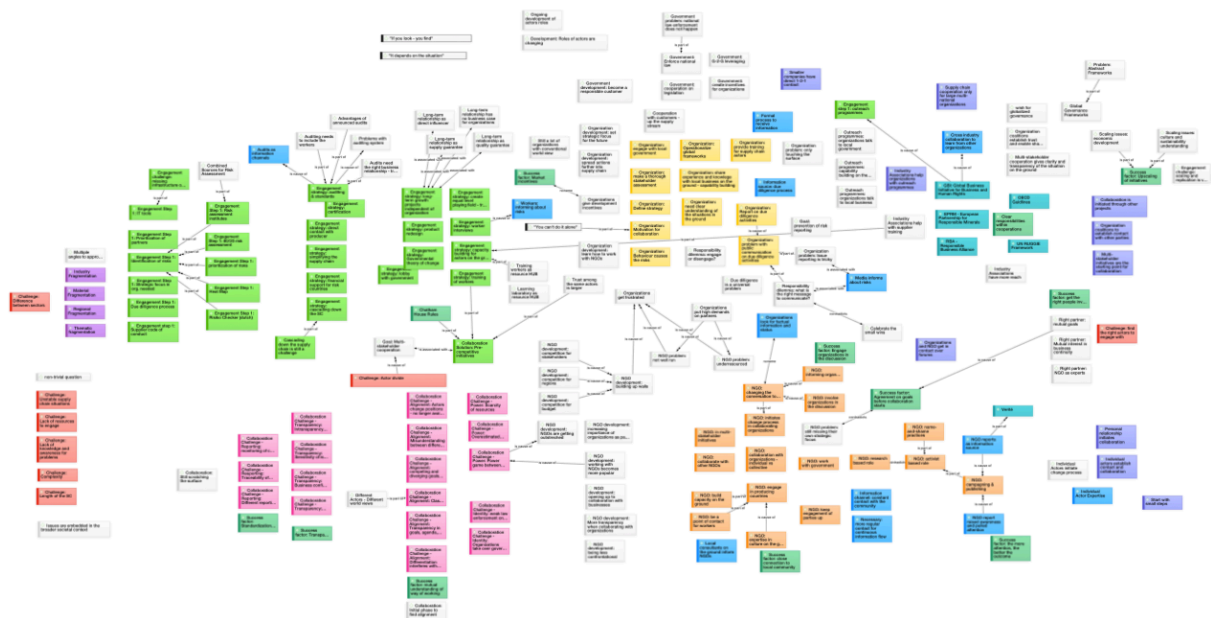
2 - Template Analysis Card

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paraphrase

Paraphrase

quote

Space for notes during session

3 - Code Network

4 - Code Book

Aggregated dimension	Definition aggregated dimension	Second order concept	Definition Second order concept	First order code	*Exemplary Citation*	Respondent ID
Collaboration Challenges	Describes the challenges arising when MNCs engage in multi-stakeholder collaborations in relation to other parties	Alignment Challenges	When actors collaborate, they encounter conflicts about their diverging goals and strategies - it is hard to find an alignment to start collaborating	Collaboration Challenge - Alignment: Actors change positions - no longer available	*And a lot of times, this local NGOs hire researchers on a part-time basis, right? And typically, they are the interns and they will be there for the summer or during the school holidays and then they get back to school and they are not full-time attached to the NGO. So, it's very difficult to reach out, I mean, they come with their research and you are trying to clarify certain things and the person is no longer in the organizations, so, it makes it difficult to do your verification and things like that, yeah.*	P7
				Collaboration Challenge - Alignment: Clash of cultures	*Your operating environments with a multitude of different languages, a multitude of different realities. If you look at India, for example, the North and the South and the East and the West, they are different, they are not the same.*	P2
				Collaboration Challenge - Alignment: competing and diverging goals of parties	*So there is a misalignment in, in expectations and there is a misalignment - because of the misalignment in expectations,*	P3
				Collaboration Challenge - Alignment: Differentiation interferes with greater goals	*The opposite of tension is differentiation. So, some companies they want to show that are really proactive and that they are differentiating and that they take this very serious, that are actually the ones who are polluting. Because they initiate all those individual new projects which are interfering with the overall ambition.*	P5
				Collaboration Challenge - Alignment: Misunderstanding between different actors	*But they are actually on the same page but they are looking at things differently, they think that they disagree*	P6
				Collaboration Challenge - Alignment: Transparency in goals, agenda, communicatio	*But we basically had a philosophy in keeping the brand away, because they didn't want them to know all the problems we were having.*	P3
		Fragmentation challenge	Sub-code to monitoring challenges: it is hard to find overlapping cluster or angles because actors approach the supply chains differently	Collaboration Challenge: Industry Fragmentation	*Either risks on a company level, so that you look at the - how, for instance, the semiconductor industry in China - there you have certain industry ratings for.*	P4
				Collaboration Challenge: Material Fragmentation	*So it can be based on materials that you say: Okay, we know gold mining and mining of cobalt comes at a high risk.*	P1
				Collaboration Challenge: Regional Fragmentation	*Or, maybe you say, we look at suppliers in a certain region. So we say if, the company is in Europe, we consider that relatively low risk, but if it's from - I don't know - China or Africa, that's different.*	P1

			Collaboration Challenge: Thematic fragmentation	*We, as a company, feel so strongly about human trafficking, or forced labor, or bonded labor - certain themes, we're going to look at we're probably in our supply chain those issues could be. So we're going to pay specific attention to labor agencies, for example.*	P1
			Multiple angles to approach SC	*So at each time it has a different angle which takes part.*	P5
	Identity Challenges	Supply chain actors themselves struggle with their identy and what role to play in collaboration initiatives	Collaboration Challenge - Identity: Organizations take over government role	*But it can be very difficult in some of these jurisdictions, you are - at the end of the day - the only regulator. We are the only one who is complying with the law. It's challenging!*	P2
			Collaboration Challenge - Identity: weak law enforcement on the ground	*in certain countries, like in textile in Bangladesh, for example. Bangladesh has weak governance structures. Weak enforcement. Lots of poverty and child labor is often driven by poverty. As well as by the lack of education, lack of affordable schooling, etc. And, and poverty. So if you need the income for the family. Now, is H&M responsible for solving it? No, I think nobody will say: yeah, H&M failed to, to structurally end child labor in Bangladesh. Nobody will hold them accountable for that. But, you know that Bangladesh has an issue with child labor. H&M has been in the country for a long time and trying to address these type of issues. Where, where does that end? It should have come a moment where you say? Okay, you have worked now on this topic, trying to address it for 30 years, apparently, it's still an issue should you disengage?*	P1
	Power Challenges	The unequal power dependencies and relations between supply chain actors lead to collaboration challenges	Collaboration Challenge - Power: Overestimated promises	*So what happened is that the auditing industry said to everybody that they would be able to do site assessments between one and four days depending on the size of the company. But how can an one individual make an assessment of so many topics.*	P5
			Collaboration Challenge - Power: Power game between actors	*So you have a kind of power play game.*	P5
			Collaboration Challenge - Power: Scarcity of resources	*it's always a challenge of resources, about capacity and priority that always comes back.*	P5
	Reporting Challenges	Different actors use different monitoring systems that makes it hard to trace material, commodities and information across supply chains	Collaboration Challenge - Reporting: Different reporting standards	*So you already addressed this issue also that then the reporting is very difficult when you're working together with so multiple different organizations. And then you get different reporting standards different kind of data.*	P5
			Collaboration Challenge - Reporting: monitoring of compliance	*So how do you ensure then, that they actually comply? How do you monitor compliance? P2: Well once again, this has been a challenge and this is where we are trying to find out how to do it. We can't guarantee it and, of course, the compliance.*	P2

				Collaboration Challenge - Reporting: Traceability of materials	*Also the lack of traceability in the supply chain. So what I described for the gold that gets mixed -by gold smelters and refiners - makes it impossible to distinguish. So you can't say – fairphone can't say: oh my gold comes from this mine – because everything is completely mixed.*	P1
		Transparency Challenges	Collaboration requires transparency of information from all actors - not all are willing to share	Collaboration Challenge - Transparency: Business confidentiality	*Still there's a fear of open book calculation or potential insights in the supply chain, that people are not willing to share.*	P5
				Collaboration Challenge - Transparency: Intransparency of SC	*Another challenge is the intransparency of Supply chains. So the lack of transparency. If you don't know where it's coming from, how can you address challenges. So the lack of transparency, even - you know - how does the supply chain look like - who are the actors in the supply chain? Where are they? What do they do? And this is related to the previous point. It's often considered business confidentiality.*	P1
				Collaboration Challenge - Transparency: Price agreements	*When you enter in conversations about price, you get into a grey or very quickly a Red Zone, due to Anti-trust legislation. So as an industry, you cannot make price agreements because that's collusion. Yeah, so there's all kinds of legislation on country level and internationally- UN level, etc. About, about this to ensure that there's a free market, that works based on supply and demand, etc. But as an industry, you cannot say: okay tomorrow we're going to pay – Jointly we agree that we're going to pay another price for cocoa beans. Whether it's higher or lower doesn't matter. Yeah, just did the, the idea of making this agreement is not allowed under competition law - antitrust competition law. So entering into any discussion about price quickly becomes very difficult. And a lot of it is related to price.*	P1
				Collaboration Challenge - Transparency: Sensitivity of issues	*we're talking about very sensitive issues here - human rights violations, environmental violations or environmental issues. So this is sensitive information and it's potentially damaging for a company's reputation. So, it is not always easy to talk about it or to put those issues on the table or to even recognize*	P1
Engagement practices	Describes various organizational practices that MNCs utilize, alone or in collaboration with other parties, to reach out to lower tiers of the supply chain	Auditing process	Part of the auditing engagement strategy: The auditing process is an important due diligence tool	Advantages of announced audits	*Rather than an unannounced one. I want to have everybody that I need to talk to there because for me it's important that I interview management as well as workers. It's just that we had - before you go in you need to understand the profile of the company how big it is, what type of workers it has, - how big it - What's the workforce profile. Just to understand whether you need people who speak certain languages because I would want to speak with all the types of workers in the factory if they're foreign workers and they speak a different language that I can speak. Then I would want to have someone in my team coming in, that can speak with them.*	P6

				Auditing needs to include the workers	*I think it's a quality standard. I mean, I don't think it's a good audit if workers - It's not a very balanced audit if workers have not been interviewed because here there are a lot of standards where there's a - we're the only possible credible source of information is the worker. For example, discrimination, harassment, abuse. I think worker interviews are key to that process.*	P6
				Audits need the right business relationship - trust	*At the moment we don't have the right business relationship with the tier two suppliers. One of the solutions we can look at is, we can do a joint audit together with the tier one suppliers. We can have a collaboration with tier one and say: why don't we look at auditing these tier two suppliers. We can go in as a joint audit, because they are the ones who have the right business relationship with their suppliers.*	P7
				Problems with auditing system	*The different industries created an issue. So they said we, we develop a code of conduct, we make an order protocol and then we show to the outside world that we have everything under control. And, and that doesn't work because it's a spot check, the spot check is never 100 percent complete and the moment you, you close the door as an auditor, everything goes back to normal. Because the manufacturer will make sure that they will do whatever is needed to be securing their business continuity. And just give you an example: They hire fire extinguishers, they hire personal protective equipment, they hire, äh, operating procedures with the company logo on, whatever is needed to pass an audit, they will hire that. So there is a spin-off of that is that there is a new industry that has been built up in Asia Pacific but also in Latin America, to support companies in just complying with the audit protocol.*	P5
		Engagement Challenge	Engaging with supply chain actors in the ground implicates problems for MNCs	Cascading down the supply chain is still a challenge	*So, but I think a lot of times, when we go, and, and have a review with our tier one suppliers, we find, that's still a key weakness, in our suppliers that they have yet to even reach out to their own suppliers. So, so the question is, we are still looking within the limits of our tier one suppliers, but whether the actual programme is actually tripling down to tier two and tier three and beyond - it's still a very big question mark and it's still a big challenge, right?*	P7
				Engagement challenge: missing infrastructure on the ground	*But in many instances, where we are sourcing from technology is not available because people can't afford it. Or there isn't internet coverage you need to make the technology usable. So that's a particular challenge. So we've been doing some work recently and supporting progress to put lower satellites in place that will extend into coverage globally so that we are actually able to get a signal in to parts where there currently is no signal. This is a fundamental requirement for technology to do anything else at the time.*	P2
				Engagement challenge: scaling and replication is very context depending	*One that has worked in one country will not necessarily be completely transferable to another. So in a region, you might be able to build some scale out of it, in terms of replicability but it takes an understanding of the differences that you need to address before you can start to bring it into a particular environment.*	P2

				Scaling issues: culture and sustainability understanding	*Sustainability understanding: how to - a lot of the people who are farmers, are not farmers as you and I may know them in the countries where we comes from. They tend to be under resourced, it is about their existence rather than an economic activity.*	P2
				Scaling issues: economic development	*Economic development.*	P2
			Engagement Step 1	Before starting to engage on the ground, MNCs apply insitutionalized practices as a step 1 to prepare for engagement activities	Combined Sources for Risk Assessment	*knowledge Institute - institute's, academics, consultancy groups, the UN, the OECD, etc. So yeah, let's say the research knowledge combined with knowledge of a company supply chain.*	P1
					Engagement Step 1: 80/20 risk assessment	*But within procurement if you look to risk management, you always look to the 80/20 rule. So if you have 80% of the spend, then they are in general satisfied.*	P5
					Engagement Step 1: Due dilligence process	*so what is important is that people need to understand how they can tackle and identify risk in the supply chain. So, currently, together with somebody else, I'm developing a tool box and a approach to help government procurement professionals to implement a due diligence process.*	P5
					Engagement Step 1: Heat Map	*So one of the ways is to basically - it's often done, they call it a heat map. To make a heat map of your supply chain.*	P1
					Engagement Step 1: Identification of risks	*We do a risk assessment of our suppliers on an annual basis. So, we work closely with our procurement department. Typically, towards the end of the year, we will start doing the risk assessment exercise. So, the risk assessment is based on three criteria: One would be using country risk. So, we subscribe to this service called: Maplecroft. So, it's a subscription service. They will provide us with a profile of various countries that we are interested in. For example, we purchase a lot of material from suppliers based in China, Taiwan, Malaysia, Singapore, Thailand, Philippines. So, it's mainly in Asian countries. So, we get this risk profile from maplecroft, we look at which country has a lot of issues with regards to labor, human rights, business ethics, and environmental violations and health and safety issues.*	P7
					Engagement Step 1: IT tools	*They want to co-develop with a small group of stakeholders whether you talk about blockchain solutions, whether you talk about tracking solutions,*	P5
					Engagement step 1: outreach programmes	*We have done a lot of outreach programmes where [COMPANY NAME] participates in presenting to the audience. They are consisting of suppliers from different countries in the supply chain, right? So, we have participated in outreach programmes in Korea, I have done an outreach in Malaysia, and we are looking at collaborating more with RBA to see how we can more effectively reach out to the supply chain or deeper into the supply chain, right? So, so, that's using the platform of the RBA or the industry associations.*	P7

				Engagement Step 1: Prioritization of partners	*So, we have to be very, very picky on who do we ensure that we work with. So, we need to prioritize who would be our major suppliers, that we need to really work with and collaborate with, to ensure that our programme implemented in the organizations.*	P7
				Engagement Step 1: prioritization of risks	*What I do agree with is, once you have got some findings then you have to prioritize those risks that are most salient, that pose the biggest risk to people, there the UN Guiding principles might work, to start to focus on what remediation you are going to do. That is why, again, the work we have been doing with Solidaridad, Verité and in Mexico with PetStar, has been so important, because the prioritization was the realization that there were children scavenging. Now there are also adults scavenging, it's not just a young person's occupation, but the biggest risk is for the kids. So that is where we have focused - we have to.*	P2
				Engagement Step 1: Risiko Checker (dutch)	*Now this there is a, a risico checker. Where - based on a KPMG report – for ten different categories, you can identify the risks in the supply chain. A: YeahM: It's an non-workable tool. A: Okay M: It's, it's nice for people who want to get a glimpse or first flavor. Äh, but as soon as you start asking and digging a bit further, then the tool doesn't work anymore, so it doesn't provide you the right level of information.*	P5
				Engagement Step 1: Risk assessment institutes	*So, we subscribe to this service called: Maplecroft. So, it's a subscription service. They will provide us with a profile of various countries that we are interested in.*	P7
				Engagement Step 1: Strategic focus in org. needed	*So, so then it's it's very important to have a strategy to determine what you want to address.*	P1
				Engagement step 1: Supplier code of conduct	*Yeah, these are the suppliers that we will be required to sign our code of conduct, and then what we do also, is we audit them. Again, we have a very small team here in [COMPANY NAME]. And we can't possibly be auditing 150 suppliers in a year. Typically, we can, on an average, we can audit about 25 suppliers in a year.*	P7
		Engagement strategies	Activities employed by MNCs to reach out to the lower tiers of their supply chain	Collaboration: Initial phase to find alignment	*Because not everybody's issues are exactly the same and not everybody wants to follow the exact way that you think is necessary to address the challenge. So, it's not always heavily efficient at the early stages. You have to build that understanding of give and take.*	P2
				Collaboration: Still scratching the surface	*I think, scratching the surface, because, - I mean, if you look at it in our [COMPANY NAME] supply chain, we purchase from about 10.000 suppliers.*	P7
				Engagement strategy: auditing & standards	*So do you team up with the industry - you do factory auditing programs - that you put standards in place.*	P1

					Engagement strategy: capacity building for actors on the ground	*For that, they need to buy wood, for example, or other materials to be able to buy that, they need money. Now the one thing that they don't have is a bank account with money [laughter]. So if through this project that we're doing - together with those different organizations - if we can help them to get access to money or we can lend them money or they get a loan at the local bank. We work with them to, for example, to get, to get the legal permits, because that's what they often don't have. And if they, if they operate illegally, bank will never give them a loan. For example. So there's all kind of capacity building initiatives needed for those miners to be able to meet those criteria.*	P1
					Engagement strategy: cascading down the SC	*It's to see if they have contacts with the gold smelters and refiners. So we what we did is, we had a business unit where we use [COMPANY NAME] components then [COMPANY NAME] as the component provider and they would have had contacts to the smelter and refiner and they would then agree to source from a specific region in Uganda.*	P5
					Engagement strategy: certification	*We didn't talk about certification at all yet. But certification is in the category of - what we call - voluntary sustainability standards.*	P1
					Engagement strategy: create equal level playing field - trust	*But from our studies we created the elements of trust that is necessary, and all the to take the studies.*	P2
					Engagement strategy: direct contact with producer	*If you look to Cobalt, there we went directly to the battery supplier. And we said to the battery supplier: We want you to collaborate with the Cobalt refiner, but actually the Cobalt refiner also approached us, so actually we could bring in different battery suppliers to the table.*	P5
					Engagement strategy: financial support for risk countries	*Sometimes, we have to think about what sort of financial support is necessary in order to be able to break the chain or some of the challenges that we face.*	P2
					Engagement strategy: Governmental theory of change	*So using for example, theory of change is one of the things that's often promoted by the Dutch government and what you do is identifying the root cause, try to mitigate and ultimately you hope that you redesign your supply chain.*	P5
					Engagement strategy: lobby with government	*But do you also lobby with the government? You lobby with the government for better enforcement. For example, that could be a mitigation strategy as well.*	P1

					Engagement strategy: long-term growth projects independent of organization	*But we are doing a lot of work in Zimbabwe about improving the citrus production. Which means that the oranges that are now produces at the South African border in Zimbabwe are of export quality, so a lot more is going to Europe. That means there is a lot less left for juicing. So what we are having to do down there is working with local communities and helping to establish local farms from communities, turning them into citrus growers. And that is a big commitments, because it takes five years from planting to get a crop of an orange tree. And so we are building a lot of local engagement to help these farmers move towards citrus by planting citrus. But also helping them with other crops that they can sell in the meantime, that they can grow between the rows of oranges. So snap peas and all sorts of other products - To give them the economic sustainability to last through it, until the oranges come on straight.*	P2
					Engagement strategy: product redesign	*That can go in product redesign - because sometimes you need to redesign your product and you choose other materials.*	P5
					Engagement strategy: simplifying the supply chain	*At least what we saw within Philips, what really worked. If you look to the multi-stakeholder initiatives that I mentioned earlier to you the different examples, if you simplify, if you are able to simplify the supply chain. You tackle the problems where they are occur, then it's in the mutual interest of all partners in the supply chain.*	P5
					Engagement strategy: training of workers	*So for example investment in the mine, so in training. Training the miners on health and safety.*	P1
					Engagement strategy: worker interviews	*I think the most important part is, we interview the workers as well, yeah.*	P7
					Goal: Multi-stakeholder cooperation	*I think the system works best, if you have all these different stakeholders collaborate. If you have a civil society organizations, including unions and, and NGOs work with [emphasis] industry and governments of producing countries and may be consuming countries as well.*	P1
					Goal: prevention of risk reporting	*But, basically, you want to prevent this. You should already know in advance: hey, there are potentially some issues, let's have a closer look - see if that is correct.*	P4
					Learning laboratory as resource HUB	*We operated an actual recruitment company that deployed workers - Filipino workers abroad as a learning laboratory for the work that we're doing*	P6
					Training workers as resource HUB	*I know that some companies work, for example, with nonprofits to provide pre-departure training in sending countries like Nepal or so. They work with local nonprofits to provide outgoing workers from Nepal or Myanmar. So that they have - they understand their rights, etc. What they are -understand their rights and their job responsibilities when they get to the other country.*	P6

				wish for globalized governance	*PPT Slide on Responsible Minerals*	2018_03_13_MT_image_MJ.png
		Outreach programmes	Part of an egagement strategy: Collaborative effort initiated by multi-stakeholder initiatives to establish contact on the ground	Outreach programmes: capability building on the ground	*To the supply chain of these countries. So, what is labor rights? I mean, we never knew, we thought that the workers come in, we pay them, without knowing whether they are paying them the right wage, and things like that. They are not aware that these are issues that a company is responsible for, right? So, building up that awareness and that understanding, extending the - you need to understand, there are laws, they govern how you hire, you recruit, hire and you manage your workers. And these are the things that is foreign to a lot of companies in the supply chain when you do a lot of these outreach programmes, yeah.*	P7
				Outreach programmes: organizations talk to local business	*And then the second day is the outreach to the local businesses. And we will invite the businesses in the countries that we visit, to come to a forum where the member companies will share and talk about their experiences in implementing the UN guiding principles and on work that they do in areas of implementing labor human rights in our own organization, right?*	P7
				Outreach programmes: organizations talk to local government	*The first day is to have a roundtable with the government officials, to talk about the importance of business and human rights and especially in conjunction with the UN guiding principles.*	P7
Information sources	Describes various sources, persons and processes how MNCs distill information from their supply chain	Role of individual actors	Describes the influence of individual persons that are involved in establishing multi-stakeholder collaborations	Individual Actor Expertise	*That already requires a certain level of information. I could not make that heat map for a company that I don't know.*	P1
		Role of media & public	Media and public play an important role for informing and putting pressure on MNCs	Media informs about risks	*It could be, it could be the media or something else, you know.*	P6
				NGO report raised awareness and pulled attention	*And Verité came up with a very damning report on the whole electronic industry. They are talking about the presence of modern-day slavery, forced and bonded labor in the electronics supply chain in Malaysia. And that research publication was basically a shock to the electronics industry. And, it got the whole industry to really take real attention and really addressing the human rights issues, or labor human rights issues in the electronic industry, or in the electronic supply chain in Malaysia, right? That was a very helpful research, that was done by non-profit organization, like Verité.*	P7

			NGO reports as information source	*And Verité came up with a very damning report on the whole electronic industry. They are talking about the presence of modern-day slavery, forced and bonded labor in the electronics supply chain in Malaysia. And that research publication was basically a shock to the electronics industry. And, it got the whole industry to really take real attention and really addressing the human rights issues, or labor human rights issues in the electronic industry, or in the electronic supply chain in Malaysia, right? That was a very helpful research, that was done by non-profit organization, like Verité.*	P7
			Audits as information channels	*And then the other things we do is - earlier in our conversation I talked about, when we do supplier audits, right? So, one of the key areas in the supplier audit is, we do worker interviews. So, when we do worker interviews, we provide the workers with a card with a telephone number to call. So, the workers can call us and reach out to us anytime, if they encounter any abuse from their management, right? As a result of some of the interviews by [COMPANY NAME] or if it is any labor rights abuse of the company that they work with. And we have, so far, received a few from our suppliers, some of the workers we interviewed, they actually called the number to let us know. One case that we received was - a lot of these foreign workers, they come to work in the factory, they live in dormitories, right? So, the complaints that we received from the workers was, they were being overcharged for various things in the dormitory. For example, they were overcharged for electricity usage and they were forced to pay a lot of money for staying in the dormitory.*	P7
			Cross industry collaboration to learn from other organizations	*Their meetings are called peer-learning meetings, right? Where you learn from others, right? So, and there you can also share your challenges. I find the setting, very, very valuable*	P7
			Formal process to receive information	*How do you receive information about risks in the supply chain? P4: We have a formal process, if there are potential risks. A lot of it still comes to us - so the formal process works. And we go out and we go to our suppliers and then when we are at the side of our suppliers then we do an audit or an assessment and we see issues. So that is one way that is an active type of due diligence on your suppliers.*	P4
			Information channel: constant contact with the community	*Our business units, they help those bottlers, are in constant contact and they are based in the same larger community - so they know where the issues are.*	P2
			Information source: due diligence process	*Therefore, due diligence is a very important tool to use. The more information you get through due diligence as a tool, the better.*	P2
			Local consultants on the ground inform NGOs	*We work with local consultants and we contract with them. And a lot of these people were found - actually it's my understanding it happend before I got to, to the organization - but my understanding is: a lot of these people came through LinkedIn or reference, we just have like one person actually out in the field, most of them are part-time consultants. We pay them like a monthly slice and then they work for us but they do other work as well.*	P3

				Necessary: more regular contact for continuous information flow	So, in terms of communication flow, I would say, look for more regular contact with some of these groups, more regular contact with NGO and that they can already say: look, this and this is going to happen in the country, or we see these trends, or we had a number of cases in this area where we found a certain issue. That kind of information could already help. Because then you can start anticipating, that you have to do something.	P4
				Organizations look for factual information and status	Our programme is based on a, on a standard, so the audit results is very interested in remediation, is very interested in the status, right? Because - you know - is a factory certified? When will it be certified? What happening, uhm, what is happening there? So they are very quite interested in that, and then - you know - and also: how are we addressing issues that we find? Like, what is going to happen and how we are going to help the factory to solve the issues. So they are quite interested in the, in the audit and the compliance piece. Because, the compliance piece is - without the compliance piece if you don't have that, then you are not going to be certified, and if you are not certified you can lable the goods, the whole marketing story is gone.	P3
				Workers: informing about risks	Yeah, those would be NGOs on the ground for example or workers themselves or a union, for example, or workers that are worried about underaged, underaged co-workers, for example.	P6
Role of NGOs	NGOs' role within multi-stakeholder collaborations and as a valuable collaboration partner for MNCs	NGO Development	The role of NGOs is subject to developments, leading to new problems and opportunities	NGO development: being less confrontational	And I think it is similar with the NGOs. Let's say, they also in the past were a bit confrontational and there are still some NGOs left that are confrontational and they also have a good place in society. It is sometimes good to be confrontational because you get something done. But others that are more in the improvement - trying to improve working conditions, social conditions for people - they also see that they have to cooperate now with businesses.	P4
				NGO development: building up walls	It's like building up walls within the risk area.	P5
				NGO development: competition for budget	It is all about the money. Because let's be honest, all those Civil Society organizations and NGOs, they get funding.	P5
				NGO development: competition for regions	The, the challenge actually is taking place is that because a lot of Industries and a lot of NGOs CSOs see this as their bread and butter. So if, it doesn't matter whether you talk about Solidaridad or Oxfam chordate, however, they are called, UNISA, they all have a budget and with a budget they want to do good work. So that's of course okay, but what is happening is that if you take a region whether its Uganda or the Kings lakes in DRC or the mica region in India. Every group of multi-stakeholders, they try to claim a set of villages or a certain area within the region where the issue occurs and then they are fighting with each other, ähm, to make sure that there is no cross-contamination of projects.	P5

				NGO development: competition for stakeholders	*The main tensions is actually between the local CSOs and NGOs, because they don't want to be interfered by other projects. They don't want to share their their stakeholders. They don't want to share budget.*	P5
				NGO development: increasing importance of organizations as partners	*But they also see it as a source of income. And they are also starting to see now businesses that really want to do something, as an important partner.*	P4
				NGO development: More transparency when collaborating with organizations	*When I came into the organization, we actually had a very different philosophy. But we basically had a philosophy in keeping the brand away, because they didn't want them to know all the problems we were having. The reality is that a lot of the problems which we are facing will being caused from the brand side. So like, it's doesn't make any sense to me - and I come from the brand background myself, right? - But we don't think that anymore. We are going to involve the fact - I'm gonna involve the brand - so, for example, like, right now, we are onboarding 45 factory support programmes and I am making sure that the brand is part of all the introduction conversations*	P3
				NGO development: NGOs are getting outstreched	*So then it ends up, that they are getting really outstretched. And having a big challenge to be able to support all the business that they get.*	P3
				NGO development: opening up to collaboration with businesses	*But the good thing I find there is, that you also see that NGOs are more open to work with businesses. In the past, a lot of their funding's were based on either government sponsoring or private donations or foundations, all kinds systems. But now, that businesses are more involved and want to work with NGOs directly, that becomes and important source for their income. That means that they also have to shift their position a little bit and not see businesses anymore as the enemy [laughing], which was the case.*	P4
				NGO development: working with NGOs becomes more popular	*And sometimes what happens is that the local NGO becomes very popular. Because they have some certain niche, right? Let's say, they do something and everybody wants them - all the brands are jumping on these local NGOs.*	P3
		NGO Problem	Common challenges that NGOs are facing	NGO problem: not well run	*Local NGOs are very, very under resourced – you know -they don't have necessarily - and, and - they are not necessarily particularly well run - you know - they have, they have a lot of challenges themselves, right?*	P3
				NGO problem: still missing their own strategic focus	*I set up a lot of infrastructure around that and we scoped how they work and are much more clear about how they work because, I mean, the programme was founded philosophically - the idea that we are just gonna find people, we don't know what we are doing here in headquarters, so we are going to find people out there in the world who know what they are doing. Which is great but like those people still need training, they still need to be equipped with something. And everybody is out there, running around - when I started the job - it's just over a year ago - they were all running around in the world without anything.*	P3

			NGO problem: underresourced	*The local NGOs are very, very under resourced*	P3
			NGO: activist based role	*But some NGOs do play a role in putting the pressure on the supply chain, on the electronics supply chain.*	P7
			NGO: be a point of contact for workers	*But, but yeah, it's possible for them to go to an NGO or an NGO to just find out.*	P6
			NGO: build capacity on the ground	*So they could go to the - if they're not getting - if they don't feel comfortable or safe talking to their supervisors or someone else. They could be - they could go to an NGO that's it - and they just give the information on whether: this is how much you should get paid for overtime. If this is the minimum wage, this how much you should get paid for overtime and they help them calculate and stuff like that and it empowers the worker to go back and, and say I don't think I can get – and, and check whether they're getting paid for overtime or not. So that's one thing - it's just advice.*	P6
			NGO: campagning & publishing	*Yeah there are quite some campaigning NGOs out there. So they publish reports about all kinds of scandals. In Nestlés supply chain, now, why would Nestlé open up about the challenges in their child labor remediation program if, if Human Rights Watch the next day we'll publish this on the front page of a newspaper, for example.*	P1
			NGO: changing the conversation topics	*That's, that's, I mean - to be honest with you - what I said is that - you know - its very difficult, when you are talking about worker empowerment - that worker empowerment is getting kind of folded into the compliance discussion and my hope is that when we change - when we start making these changes, we are able to - you know - stop talking about compliance and start talking about - you know - I would rather have discussion about the workers themselves. And I think that we are making - I see that we are doing things. I've seen workers are making decisions, I see workers that are getting engaged, I see a lot of things happening, but I don't think we yet have things burried in the compliance discussion. So, I think, you know - it's an interesting conversation. I mean you are asking the right questions, I appreciate it, and I think, um, we are trying to change the conversation now, to talk about the impact and we are trying to find how to do that with the brand partners.*	P3
			NGO: collaborate with other NGOs	*But also with a lot of partner organizations - local NGOs or other International NGOs,*	P1
			NGO: engage in producing countries	*We work quite broadly actually. So, we have many people working in the producing countries.*	P1
			NGO: expertise in culture on the ground	*It's that [emphasis] you know, they understand the local situation better. They understand in a lot of cases the local culture the, the laws even of the country are better understood.*	P6

				NGO: initiates change process in collaborating organizations	I think the interesting thing is, specifically about Fairtrade, is that we bring the marketing team, the sourcing team, and the, uhm, corporate social responsibility team together. And in some companies, they are not set up for that. Like, when you are forced to have that situation they are like: oohhh, that is not really comfortable, they are not really ready for that.	P3
				NGO: name-and-shame practices	I do see that certain NGOs, like the activists that I talked about - do have some influence, or some leverage although their leverage is more, like name-and-shame kind of leverage. They do research on a particular supplier, and this supplier has very bad track records on various issues, like, they are not treating their workers right, workers are not being paid correctly, things like that. And their research and the publications they come up with or the research publication that they come up with, in a way, those put pressure on the industry, on the supply chain - more of the name-and-shame kind of strategy, right?	P7
				NGO: research based role	You have activists NGOs and they you also have someone, like Verité, who's work is well respected in the industry, and it's an organization that is trusted by governments, right? And, they publish really well scientific based research on the industry. So, there are two ways, right? So, the name-and-shame method or true, well respected scientific based research.	P7
				NGO: work with government	But they also work with the government locally, to influence or to advise the government for more sustainable practices.	P1
Role of the organization	Describes the various facets of the role of MNCs, when engaging in multi-stakeholder collaborations	Organization Development	The role of MNCs is subject to developments, leading to new problems and opportunities	Organization development: learn how to work with NGOs	I think also we have to learn as businesses how to cooperate with NGOs. If you go back in history, that - a lot of times that was rather confrontational between businesses and NGOs. And the priorities were also different. Businesses - then I take it to an extreme - businesses were making money and that was the first priority and how that was achieved didn't matter so much. I think, businesses now also very much realize that there is an ethical and social responsibility related to doing good business. And that requires a different attitude. Not only making money but also the way how you make your money is becoming important. And businesses also realize that they don't have the core competence always, to achieve that. And that requires then alignments with other organizations, like NGOs.	P4
				Organization development: set strategic focus for the future	Yeah, I think I have a responsibility within the company to be aware of these developments - to look at what impact it have for our company. And not only direct impact but also the impact in the sense of way of working - the future way of working. Yeah, be aware of them, understand them and then also think about the proper strategy to use them and advise our management team here in the company on what the right way forward is. And then in discussions with the management team, we define the final strategy.	P4

				Organization development: spread actions further into supply chain	*Yeah, that's only first tier, I mean, we have not even begun looking at - going into tier two. Although, this year, one of the key priorities for me would be to start doing some training for tier two suppliers.*	P7
		Organization Problem	Common challenges that MNCs are facing	Due dilligence is a universal problem	*I had with the RBA and also the GBI, GBI was last - not so much on due diligence - we did have a session on due diligence with the GBI and a couple of companies presented there. Let's see who did the work: I think Total did a presentation, Hilton did a presentation. Basically what you see is that they are struggling with the same things as we are [laughing]. So that's good, that is a confirmation.*	P4
				Organization problem: Issue reporting is tricky	*No, I think we are still a bit weak in mentioning issues, we keep it as a too general level. We are also still a bit weak in mentioning resolutions of issues. That is also something you have to learn as a business. First of all, as a business, if you say you have an issue and people will read your report and say: hey, that business has an issues, yeah? So you will end up very low in the benchmark because there is a clear issues. [laughing]. So you lose points there. An NGO may look at you and may come back or government may come back, so you are a bit hesitant as a business to declare that you have an issues. I think that businesses have to learn that. Those people that are experts in reporting, they only give your praise for the fact that you report an issue but it can also come back to you. So, businesses have to learn to deal with it. And, I think, also the whole society, whole ecosystem also has to learn with that. That they value reporting an issue more than the negative effects of that issues. Then, it's a bit similar in reporting success stories. Somethings you can do. You can do it very factual, that sometimes work. So as a business - you had issues in your labor with all kinds of fees that have been paid by workers in your supply chain, then you can say: well, we found this and last year one million dollars being paid back to workers in our supply chain. So the fees that shouldn't be there... So these things you can report. They are rather neutral, they are factual. But success stories can also be seen by NGOs or by others as a kind of public relations. So also there is a hesitation.*	P4
				Organization problem: only touching the surface	*But I think the challenge is: we are only currently touching the surface, when we talk about really extending our, our social responsibility and our work in our supply chain, because we are still struggling with working with tier one suppliers. And we have yet to even go down to tier two or tier three. Although it is within our contractual agreement with our tier one suppliers, we have a supplier code of conduct that clearly has a provision in there, that states that our tier one suppliers are responsible then to cascade down the [COMPANY NAME] social responsibility and sustainability requirements to their suppliers, right?*	P7

	Responsibility Dilemma	Trade-off question that MNCs have to face with every decision about their supply chain	Responsibility dilemma: engage or disengage?	*If you want to really address child labor in Bangladesh and you pull out of the country, you don't buy anything - you have everything made in India, for example. I don't know - is that really gonna help the child labor issue? Or should you maybe... - probably not, huh – [laughter]. But so can you stay engaged then? Can you continue to do that and under which circumstances and what is your mitigation strategy. So what do you do about it?*	P1
			Responsibility dilemma: what is the right message to communicate?	*And sometimes it's frustrating just how small the contribution is. In India, I think we have 1.200 schools now, with toilets and water, but the demand is colossal. And the more companies do in this regard, they also send a message to government: so what, we don't need to bother. Somebody else will do it - And that is not the right message either. We are not a replacement for a functioning government. We are a bit in a difficult position*	P2
	Role of the organization	Describes the various facets of the role of MNCs, when engaging in multi-stakeholder collaborations	Organization coalitions establish trust and enable sharing	*We only have 19 member companies. And, it's a very intimate setting, where companies can come into the meetings - have a save environment for them to talk about the business and human rights challenges. And then learn from other member companies.*	P7
			Organization: Behaviour causes the risks	*we place a rush order because our demand forecasting was so lousy. We completely underestimated it and now within one month we need four times as much products shipped to our distribution centers than usual. Then you can almost be certain that the people in the supplier factory that assemble the products that they will be working overtime. And not just a little bit but big time, so, maybe they worked then 80 hours per week or hundred hours per week or something now, then we're not directly causing it but we're contributing to it.*	P1
			Organization: Define strategy	*It's like the theoretical framework of what, what is the concept of cause, contribute and and link and, and what should be a company's strategy to deal with those risks or how or should they take responsibility and how could that look like*	P1
			Organization: engage with local government	*And so, the best you can do is to try and work with the local actors, the brands that are also sourcing their particular product, trying to have conversations with local governments, if not national governments - to try and get them to understand what the risks to their economy is, that maintaining these sorts of practices within the country given how disadvantageous that is for major brands to source from there.*	P2
			Organization: make a thorough stakeholder assessment	*No, I think it's important that companies understand: there's the spectrum of their stakeholders. And very few companies actually conduct stakeholder assessment. Or a stakeholder analysis and I think it's important for companies to do that just so they know who, who can support their efforts and. Who will actually not support their effort, so they understand how to move within an environment.*	P6
			Organization: Motivation for collaboration	*And it might come from a risk-based approach, it can be from a differentiating approach,*	P5

				Organization: need clear understanding of the situations in the ground	And I think they need to work with people on the ground, but they need to understand how to work with them.	P6
				Organization: Operationalize global frameworks	So a company always needs to really make that operational or translate that	P1
				Organization: problem with public communication on due diligence activities	We have a lot of information in our report but it's a bit scattered and there are also some gaps in it.	P4
				Organization: provide training for supply chain actors	One of the things we do in terms of the stuff we do is training with our supply chain, for example. This is our undertaking with the Consumer Goods Forum to send people from Coca Cola to each and every supplier and do training.	P2
				Organization: Report on due diligence activities	What I learned from a number of other companies is the way how they report on their due diligence activities. Some of them have a very comprehensive story on how they do that.	P4
				Organization: share experience and knowlege with local business on the ground - capability building	It depends on where they are as a cooperative or as a group. Sometimes, it is merely providing them with supportive information and tools to help them	P2
				Organizations get frustrated	And that pulls then away the companies again because they get frustrated that things are not moving forward.	P5
				Organizations give development incentives	And once they are up to a certain standard, they meet certain criteria, then we will [emphasis] start sourcing. Then we will include it in our supply chain.	P1
				Organizations put high demands on partners	With a brand being very frustrated because we are not able to deliver a lot of things that they want.	P3
				Still a lot of organizations with conventional world view	I cannot say that this is the case yet for all businesses. There are still many businesses out there that look at the world in a conventional way. If you take the top 1.000 companies in the world, all of them talk a little bit about social and ethical - and perhaps only 100 are really doing something and perhaps only 10 are making a real impact. So we are not yet there.	P4
				Celebrate the small wins	Anytime something positive happens, you take sustenance from that because sometime the challenges seem so big. That's why, we you go on a journey's webpage, you see a number of stories and information that we have, what Coca Cola works on, what we have been doing.	P2

Ways of establishing contact	Describes ways of establishing contact with possible collaboration partners - how to get in contact, what vehicles or platforms to utilize	Role of individual actors	Describes the influence of individual persons that are involved in establishing multi-stakeholder collaborations	Individual actors establish contact and collaboration	*Because, the people in the organization move around a lot and sometimes you lose contact with them. I used to know a lady with a local NGO in Malaysia who is very active in supporting human trafficking victims in Malaysia, as well as, foreign, foreign migrant workers. Unfortunately, she passed away and I am still trying to find out who has taken over her organization. So, it's always a big challenge, because a lot of them are very small organizations or NGOs - it's usually run by one or two persons, who then -people do leave or people, whether they pass away or they no longer have the resources to run their organization. So, it's always a challenge to keep up to date with who is still active on the ground.*	P7
				Individual Actors initiate change process	*I'm right now just in the process of, with Vietnam, I'm going to start, uhm, trying to lobby for premium not being taxed in Vietnam. I'm going to try it there, if I'm successful I think Fairtrade may try to go bigger, but right now - I mean, personally, I think, Fairtrade should be ahead of this conversation. Fairtrade at this point doesn't believe it should be doing any government engagement. But, I personally completely disagree with it.*	P3
				Personal relationship initiates collaboration	*Yeah, it's not such a big world [laughter]. That's what makes all the difference. Yeah, because even in these big multinationals - people make the difference. And, so also when somebody leaves and somebody new comes in. It's just one person out of the maybe 100,000 that work there, but can make a lot of difference here.*	P1
		Role of media & public	Describes how public attention can influence MNCs and their collaborative efforts	Verité	*But this is an organization we work very closely with - have you heard from the organization by the name of Verité? So, Verité is more like a non-profit organization. We work closely with them because, they support us in doing our audits. Verité is very well respected in the industry and a lot of government organizations have actually engaged the work of Verité.*	P7
		Role of NGOs	Describes how NGOs can function as a linking pin to establish contact between various supply chain actors	NGO: collaboration with organizations - individual vs collective	*We also work with companies throughout the supply chain. individual companies like the chocolate brands. Or those unknown traders or processors. That you don't know as a consumer, but the big ones in the middle part of the supply chain, we work with those companies on the individual basis.*	P1
				NGO: in multi-stakeholder initiatives	*Also often on a collective basis, so we work in for example, multi-stakeholder initiatives. To give you an example for Cocoa: There's an initiative: ICI - International cocoa initiative - and the goal of this initiative is to address child labor. And you have companies and NGOs participating in this ICI organization and we are in the board. So we contribute to strategic direction and decision-making for this initiative.*	P1
				NGO: informing organizations	*They get the information through us. So you are kind of the mitigator and linking pin.*	P1

				NGO: involve organizations in the discussion	It has been definitely more successful since I incorporated the brand into this discussions. Before that, I visited factories and I asked them - have them engaged in conversations, just sitting there in the room. They do lots of local partnerships, they do lots of charity, they do lots of different things with local NGOs.	P3
				NGO: keep engagement of parties up	We, I mean, we train them, we keep them heavily engaged, we do weekly calls, I mean with the - we have quite a lot of engagement, to keep everybody moving in the same direction.	P3
				Collaboration is initiated through other projects	The collaboration came from another initiative - multi-stakeholder initiative that we are all involved in.	P1
				Industry Associations help organizations with outreach programmes	We have done a lot of outreach programmes where [COMPANY NAME] participates in presenting to the audience. They are consisting of suppliers from different countries in the supply chain, right? So, we have participated in outreach programmes in Korea, I have done an outreach in Malaysia, and we are looking at collaborating more with RBA to see how we can more effectively reach out to the supply chain or deeper into the supply chain, right? So, so, that's using the platform of the RBA or the industry associations.	P7
				Multi-stakeholder initiatives are the starting point for collaboration	So this is an example of how such a multi-stakeholder initiative, where you have these different parties around the table, then translates into a project in Uganda, so for example.	P1
				Organization coalitions to establish contact with other parties	GBI, then also is a good platform to find other collaboration partners, outside of the platform? P7: Oh yeah, of course. One of the key initiatives is the outreach to different partners. So, they have plans to reach out to collaborate with - whether it's NGOs or other industry associations.	P7
				Organizations and NGO get in contact over forums	I used to be able to meet some of these NGOs and civil society organizations in forums	P7
				Smaller companies have direct 1-2-1 contact	You also have the smaller companies that want to put something really special on the market and they enter into a direct relationship with the producers.	P1
				Supply chain cooperation only for large multi-national organizations	But it also only works for let's say multinationals. So small medium business, they will never do this. They don't have the resources, capacity, knowledge, so we can keep them out of the equation. There are only a few, but it depends on the product type that they have in the materials that they source. So for example, if you look to fairphone, which is a social enterprise, yet they make people, äh, available within their organization in doing that because that's the reason of their existence. There are not many others, let's say small medium businesses who do that. If you look the multinationals like Phillips, [COMPANY NAME], HP, Dell, Apple or even BMW, Audi, they have people in the organization, who are set up to be the expert on responsible sourcing sustainable Supply Chain management.	P5

		Right partner: mutual goals	*I think the partnership has to be a joined partnership and I think the, the companies and the NGOs have to really work together to be successful - you can't have an NGO just do everything by themselves and you can't have brand just want something different from what the NGO actually can deliver.*	P3
Criteria for finding the right people	Describes possible selection criteria that can be applied to find valuable collaboration partners	Right partner: Mutual interest in business continuity	*So there is a mutual interest to secure business continuity. So, the companies that are more strategically linked to each other, they see this as an opportunity to strengthen the business relationship.*	P5
		Right partner: NGO as experts	*If I was looking for a strong NGO partner, I would look for a partner that has expertise, in the field and I wanted them to help me to achieve.*	P3
General challenges in Supply Chains	Describes the challenges of complex, multi-tier supply chains that MNCs face when establishing supply chain management	Challenge: Actor divide	*NGOs understanding of business and business understanding of NGOs.*	P6
		Challenge: Complexity	*Supply chain complexity.*	P1
		Challenge: Difference between sectors	*Very different depending on the sector.*	P1
		Challenge: find the right actors to engage with	*Well, this has been one of the challenges. I mean, if you have a look at the sugar studies that we have done with about twenty of them, eighteen or twenty of them, part of the process of being author of the study requires the authors working with my workplace accountability team and their local business unit to try and identify who these parties were.*	P2
		Challenge: Lack of knowledge and awareness for problems	*Because that's still a lot of lack of knowledge and awareness.*	P5
		Challenge: Lack of resources to engage	*An individual company or a group of companies, to go to a mine and to engage with them is very difficult. You not always have the resources.*	P5
		Challenge: Length of the SC	*The length of the supply chain. So basically how many steps are there between the producers either miners or cocoa farmers and the end users.*	P1
		Challenge: Unstable supply chain situations	*Yeah, the other, the other challenge you have in these supply chains to is, they are not very stable. So you can have a farmer produce sugar one year and, uhm, wheat next year. They come into our supply chain and they go out of our supply chain, based on what prices they can achieve for the commodities that are available for them to grow. So that's the reality also, that is, that is challenging.*	P2
General mindset	Describes the attituted and feeling of the respondents towards sustainable	"If you look - you find"	*Because, you will find challenges, on CSR, on, social, environmental, governance challenges in in many of those millions of companies.*	P1
		"It depends on the situation"	*And in some cases that's possible - some cases it's not possible. But that depends how you scope the whole of the way of thinking.*	P5

		supply chain governance	"You can't do it alone"	*There's no single actor that can resolve child labor in Ghana, so the chocolate industry can do a lot - not the individual companies.*	P1
			non-trivial question	*Not so easy to answer*	P1
Multi-stakeholder initiative	Example for possible multi-stakeholder initiatives to join		EPRM - European Partnership for Responsible Minerals	*But we also do here in Europe, is to work with, for example, industry associations - the responsible minerals initiative.*	P1
			GBI: Global Business Initiative for Business and Human Rights	*[COMPANY NAME] recently became a member of the GBI, but I've had a long history in the GBI, because prior to joining [COMPANY NAME], I was with another company called Flextronics. And Flextronics was one of the original members of the GBI, and I used to attend GBI meetings and the GBI is a, again a coalition of companies, but again, this is not like the RBA. Whereas the RBA is a coalition of more of the electronic industry member companies, the GBI is made up of more of a multi-industry, a multi-stakeholder membership. So, you got electronics companies in there, you also have companies like Coca-Cola, you also have companies in the hospitality industry, like Hilton. You also have companies from the oil and gas, like, Total and Chevron and then you also have mining industry. The big one, like BHB Willington, Barley, you also have the big drug companies, like NovoNordisk. It's a very useful business association to join, which I told Eric-paul. When I came to [COMPANY NAME], I lobbied for Eric-paul to - or [COMPANY NAME] to be part of this group.*	P7
			Global Governance Frameworks	*And there are also quite some different frameworks and guidelines that have been developed by the UN by the OECS, etc. and the describe how you can do this.*	P1
			OECD Guidlines	*The concept of due diligence is in all cases the same that's also how its defined by the OECD guidelines.*	P5
			RBA - Responsible Business Alliance	*A set of standards which are the EACC or they're now called RBA - responsible business Alliance.*	P6
			UN RUGGIE Framework	*Cause, contribute or are linked - those are the three. I don't know if you've heard about it. It's the Ruggie framework.*	P1
Role of Government	Local government plays an important role as possible collaboration partner		Government development: become a responsible customer	*I mean, on the other hand, also governments are becoming more and more responsible. That means, in public procurement, they are also setting standards. So if governments have to by computers, they want to know that the company that they buy the computers from is also being responsible. We don't make a lot of end equipment, but once in a while - I mean, we do 70 % of the passport business in the world. So all these small chips in passports, they come from [COMPANY NAME]. So there we work directly with governments. And then you also have to show... So there are good relationships.*	P4

		Government problem: national law enforcement does not happen	*The ideal in all of these areas that you have a functioning government with the means of actions to be able to address social risk within their own country. Where you have the application of the rule of law, where laws are enforced and people build a culture of compliance. That is the ideal. That ain't going to happen in a number of countries any time soon.*	P2
		Government: cooperation on legislation	*You can work with governments on legislation and regulation, what will work, what will not work. Sometimes, legislation is too prescriptive, and then you say: yeah I spend so much time on reporting, I can not actually do the work anymore to improve, then all the things that are reported are not relevant for our business. So that works*	P4
		Government: create incentives for organizations	*So the public site, government authorities, they can create much more mass in the market and much more need in the market.*	P5
		Government: Enforce national law	*So I believe that a lot of the challenges that large companies have in their International complex supply chains are linked to weak governance and, and the absence of laws to protect citizens or the lack of enforcement. So there are hardly any, any countries that or I don't think there are any countries that allow child labor.*	P1
		Government: G-2-G leveraging	*Governments can be helpful in opening doors: If we have some issues in certain countries, you can talk to your government and your government can put a bit of pressure on the other government. Or at least put it on the table. So that is possible.*	P4
Role of Multi-stakeholder initiatives	The advantages and implications of collaborating on multi-stakeholder initiatives	Industry Associations have more reach	*Now, we use the RBA platform to look at how we can better reach out deeper into the supply chain. Because collaboratively, and on a larger scale - I think, as a business association, we can reach out to more suppliers rather than relying on individual companies, like [COMPANY NAME] with limited resources, to be able to do that effectively.*	P7
		Industry Associations help with supplier training	*So, we have done a lot of joint training with the RBA.*	P7
		Multi-stakeholder cooperation gives clarity and transparency of the situation on the ground	*The clarity of the engagement. I mean you got to think of the recipients of your help as much as the help you want to give the recipients. If this is seen to be a multi-company, local business initiative, that is seen to engage the right stakeholders on the ground and shows that you are looking to make a sustainable solution to problem, not a band aid, that can certainly help.*	P2
		Problem: Abstract Frameworks	*So the guidance is quite abstract*	P1

Roles	Describes the different roles of actors on the ground	Actors on the ground	*Would they be individuals? Would they be organizations? Would they be Community groups? Would they be organizations of workers? What, what, what or would they be like, you know a company having their own team on the ground that's working on these issues. That's, that's more corporate and employed directly by them.*	P6
		Development: Roles of actors are changing	*Some of the NGOs are also talking about this. Yeah, I think the conventional roles that you had between business, NGO and government, that they are disappearing somewhat.*	P4
		Different Actors - Different world views	*The Civil Society doesn't understand that, because they, they don't understand first of all the complexity of companies. They don't understand the complexity of data gathering.*	P5
		Ongoing development of actors roles	*So we are not yet there.*	P4
Success factors for risk mitigation	They describe the criteria and factors that support collaboration initiatives to successfully engage on the ground	Chatham House Rules	*There are certain agreements made about you know, the information can be used but it can't be - like I said in the beginning of this interview - you can use the information but - don't put if - but don't quote - don't put my name to it, for example. So that's one of the - one of the methods that is offering used. It's called Chatham House Rules. Hey, you can talk about it share their learnings etc. But make sure that - but not say who said it. It's non-traceable information, but it's for the collective learning.*	P1
		Clear responsibilities within cooperations	*Ruggie also describes it very clearly - It's not the role of the companies to enforce legislation. That's the role of the government. To protect our citizens and to enforce those laws for the entities operating in their country. It is the role of the companies to respect that law.*	P1
		Issues are embedded in the broader societal context	*And Stanford has a programme called Rural Education Access Programme, REAP, and that programme focuses on education in China. We set up, we set up the programme with them, to research vocational schools at a, at a particular province in China, where we have lots of workers, in that, in that province. And we partnered - they gave the money, but I hope that the most of the money that we put into this. And we did - you know - various tests, research and building up the vocational schools in this particular province and could - we knew that, they were providing a lot of workers into our supply chain so we wanted to make sure that they were equipped. They were also saying that there were problems with forced labor in the vocational system in China. Countries familiar with - so, we find if that, and we do then - and then we ended up being able to work very collaboratively with the school system and publish, an actual tool that parents, students, even the school system itself could use to rate the quality of education and the different vocational schools.*	P3

			Long-term relationship as direct influencer	*But if you look at the fairphone with their iPhone and maybe in [COMPANY NAME] or a few of [COMPANY NAME]s components in there and maybe there is, well fairphone will probably have an interest in having a long-term relationship and a good one with their assembly supplier in China that assembles all the components into the iPhone. That's important for them directly for fairphone. Having a long-term direct relationship with the gold mine is not*	P1
			Long-term relationship as quality guarantee	*As a company that puts it, that sells it in a market here in Europe, that special flavor is important because that's your trademark basically. So that long-term relationship with that unique cocoa farmer, with that special cocoa beans very important to you.*	P1
			Long-term relationship as supply guarantee	*So, there were investments done in more long-term relationships with cocoa farms. To be able to have enough volume to deliver to those growing markets.*	P1
			Long-term relationship has no business case for organizations	*There's not necessarily a driver to - a business reason, commercial reason to have long-term stable relation - or the sources of supply contracts, for all these different materials. Also often, they don't know at all, where it comes from.*	P1
			Start with small steps	*We can't create huge economic development which is able to address the challenges that many of these communities face. You can't be perfect, first time up. You are going to try and create environments where it is possible to alleviate before you can actually eliminate.*	P2
			Success factor: Agreement on goals before collaboration starts	*Before they start working together, they need to understand that - they need to agree on, on what their - you know - what their objectives are. What, what are the expected outcomes, who will - ways of working, who's responsible for what. So, I think those things have to be agreed on before they even start working together. Otherwise everything can fall apart.*	P6
			Success factor: close connection to local community	*We hire of the community. So you can't just leave. We don't trade and ship much of our product around the world. It's all produced and consumed locally. And so we have that local context, which is important as well, because we have social license, to also work with regards to some of that stuff.*	P2
			Success factor: Engage organizations in the discussion	*It has been definitely more successful since I incorporated the brand into this discussions.*	P3
			Success factor: get the right people involved	*In fact, in many instances we couldn't start the study until we made sure we got the right people on the ground involved.*	P2
			Success factor: Market incentives	*Like I said, one is more standardization of efforts. Second is the need and the willingness to be transparent. And the third one that needs to be a push - a pull from the market. So for example government if they define it right in their new projects or products that they want to source, then you create a market pull.*	P5

			Success factor: mutual understanding of way of working	*NGOs - you know - need to, they need to operate more like businesses and business also need to understand more about, when they come to an NGO, what they, what they want, from that engagement.*	P3
			Success factor: Standardizations of efforts	*And what I said is that you need a kind of structure of stakeholders where you have a common practice, which means you agree on the standards how you're going to track, what you are going to track, äh, how you're going to mitigate the issues on the ground, what are the requirements for multi-stakeholder initiatives, what kind of the standards – the references you refer to and then you might have materialized working groups and they tackle only specific issues for that group.*	P5
			Success factor: the more attention, the better the outcome	*And it is always interesting, because the more that you hear about others that are trying to achieve outcomes in their own reality which posts challenges to me, the more people are working on it, the result will only be a better outcome.*	P2
			Success factor: Transparency	*Like I said, one is more standardization of efforts. Second is the need and the willingness to be transparent.*	P5
			Success factor: Upscaling of initiatives	*Create a kind of working framework that is applicable to all those other initiatives. Because now what is happening is lot of money wasted and burned in bringing a small set of villages to the next level, but you need different levels. So you have, you have the workers then you have often some middleman. You have a city, you have policy, police, you have, and each time you go one level up and the multi stakeholder needs to go not only at mine level but also at city level at regional level and country level and then at the same time the whole commercial things need to come in, which makes it all stakeholder dialogue much more complex, but the framework needs to be much more clarified.*	P5
			Collaboration Solution: Pre-competitive initiatives	*Is pre-competitive initiatives. So, learning by sharing experiences in a setting that doesn't – yeah - where it's basically safe to share this.*	P1
			Trust among the same actors is larger	*I think what helps a lot is industry initiatives or multi-stakeholder initiatives - not only industry, but sometimes it's also helpful to have just an industry initiative because the trust among industry players sometimes is bigger than the trust between an industry player and a non-governmental organization.*	P1