

MSc Thesis

Milk it for all it's worth: An exploration of business-NGO engagement for a sustainable dairy sector in North-Western Europe



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Executive summary

To address the increasing call for sustainability, businesses are looking for new forms of stakeholder engagement to improve sustainability performance. Engaging with NGOs is perceived as a valuable tool for dealing with stakeholder pressure, yet the potential of business-NGO engagement for advancing towards a more sustainable EU agrifood sector is under-researched. This indicates a knowledge gap on how business-NGO engagement could contribute to a more sustainable EU agrifood sector. To address this knowledge gap, this study aimed to provide a comprehensive understanding of the steps within business-NGO engagement for sustainability in the EU agrifood sector. This study focused on the dairy sector in North-Western Europe because of its significant influence on the sustainability levels of the EU agrifood sector. Using an abductive approach, this study used existing frameworks and theoretical concepts on business-NGO engagement as a basis for further exploration. This exploration was done by gathering empirical information through thirteen semi-structured interviews, seven with dairy business employees and six with NGO employees. During these interviews, employees of dairy businesses and NGOs shared their knowledge and experiences on the different steps of engagement for improving sustainability. These interviewees were analyzed to get a clear understanding of how engagement between these two parties was put into practice.

This study shows that dairy businesses and NGOs engage to access resources and respond to institutional pressure. Dairy businesses aim to enhance legitimacy, gain sustainability expertise, and, in cases of small dairy initiatives with limited financial means, access funding. NGOs opt for engagement to align with their sustainability orientation by engaging with major dairy businesses to realize large-scale impact or support small dairy initiatives to evoke competitive pressure on dominant dairy businesses. The most chosen engagement form was transactional engagement, which emphasized the exchange of core competencies. Even though goal differences were present, transactional engagement yielded mutual benefits and was of strategic value for both dairy businesses and NGOs. Other engagement forms involved philanthropic engagement, focused on monetary donations and co-organizing social activities, as well as integrative engagement, consisting of multi-stakeholder platforms for realizing value for the whole dairy sector. Collective KPI formulation and NGO-led farm monitoring were the most undertaken activities, followed by developing sustainability projects and instruments, as well as educating farmers on sustainable dairy farming. Collective lobbying efforts were directed towards influencing regulations and bridging gaps between dairy farmers and policymakers. Collective reporting was not applied, yet this study discusses the potential of using engagement to establish universal sustainability standards to address differing sustainability norms across countries. This study shows a potential for engagement between NW-EU dairy businesses and NGOs to improve sustainability. Despite potential differences among the organizations, their combined efforts could improve the sustainability performance of dairy farming. Their engagement could not only lead to benefits for NW-EU dairy business, NGOs, and their employees but also for society as a whole.

The outcomes of this study provide a comprehensive understanding of how business-NGO engagement is put into practice for sustainability in the NW-EU dairy sector. Further research is needed to investigate if the findings of this study apply to other NW-EU countries than the Netherlands, as well as to other agrifood sectors. Additionally, future studies should research the relationship between used sustainability approaches within business-NGO engagement and the lasting impact on sustainability over time. Such studies would not only enhance the understanding of business-NGO engagement in the EU agrifood sector but also provide businesses and NGOs with valuable insights for customizing their engagement strategies to address specific sustainability issues more effectively.

This study provides the following recommendations for dairy businesses and NGOs to consider regarding engagement efforts for sustainability:

Dairy businesses

- Regularly assess resource deficiencies that hinder the improvement of sustainability performance on supplier farms.
- Actively scan for sustainability-focused NGOs that can provide these lacking resources and aid in dealing with stakeholder pressure.
- Align engagement forms with available organizational capacity and desired strategic importance.
- Identify the challenges of improving sustainability performance on dairy farms through internal assessments or by seeking critical perspectives from NGOs.
- Align sustainability approaches with these challenges and ensure that farmer benefits are prioritized to stimulate farmer participation in collaborative activities with NGOs.

NGOs

- Define an engagement strategy aimed at targeting major dairy businesses for realizing large-scale impact or supporting small dairy initiatives to evoke competitive pressure.
- Assess potential dairy businesses for engagement based on factors such as their farmer base size, current sustainability performance, sustainability goals, and potential reputational risks.
- Mitigate reputational risks by establishing clear engagement agreements that allow flexibility for short-term termination when necessary.
- Ensure that sustainability initiatives offer financial incentives to farmers and develop practical sustainability interventions through farmer involvement.
- Establish clear expectations for sustainability indicators, including defining threshold values for dairy businesses' KPIs to align with NGOs' sustainability standards.
- Formulate clear farm management arrangements to ensure that farmers comply with requirements necessary to receive financial incentives or rewards.
- Develop clear and unambiguous agreements for collective reporting, outlining conditions for using the NGO's logo on product packaging.

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1. Introduction

Section 1.1 will provide background information on the topics of this study. This is followed by the problem statement (1.2), research objectives (1.3), scope (1.4), research questions (1.5) and key concepts and definitions (1.6).

1.1 Background information

With the formulation of the UN SDGs, sustainable development has become a central theme for policy, society and businesses (Fiore et al., 2020). As a result, increasing numbers of businesses have adopted sustainable practices in their business activities (Stubbs & Cocklin, 2008). This adoption is to reduce businesses' negative effects on the environment and society while maintaining economically viable and ensuring stakeholder satisfaction (Stubbs & Cocklin, 2008). Within the EU, particularly the agrifood sector faces increasing pressure for sustainability (Sarkis et al., 2011). The agrifood sector has a substantial negative effect on sustainability on social, economic, and environmental dimensions (Sarkis et al., 2011). Increasing awareness of these issues has caught the attention of policymakers, consumers, environmental groups, and other stakeholders (Sarkis et al., 2011). This awareness mainly results from the expected increase in food production to meet the needs of a growing global population (United Nations, 2018) This increased awareness on the need for sustainable food production leads to pressure on businesses in the agrifood sector to deal with social and environmental issues related to their activities (Bocken & Geradts, 2020). Within the agrifood sector, the dairy industry faces increasing demand from governments and society to become more sustainable (Berre et al., 2014). This is mainly due to its significant amount of produced greenhouse gas emissions, and its effect on biodiversity and water quality (FAO, 2010). Demand for dairy products is expected to rise (OECD, n.d.), which makes a sustainability transition of the dairy sector important for realizing a sustainable EU agrifood sector (Chen & Holden, 2018).

The dairy sector has a key role in the agrifood sector of many countries (Steinfeld et al., 2006) and is particularly of substantial size in North-Western Europa (NW-EU) (Reijs et al., 2013). As a result, dairy production covers a substantial percentage of the land surface in NW-EU countries (De Vries et al., 2013). For instance, it is estimated that more than a quarter of the land surface in the Netherlands is covered with grassland for dairy production (CBS Statline, 2023). With over 12 million dairy cows the NW-EU dairy sector is responsible for more than 70% of total EU dairy production in terms of volume (Ihle et al., 2017). Increased awareness of the dairy sector's contribution to environmental issues leads to a greater call from governments and society for sustainable dairy production (De Heer et al., 2017; Vermunt et al., 2022; Kok et al., 2020). As a result, many countries are working to address sustainability issues in the dairy industry to comply with EU regulations and societal concerns (De Vries et al., 2013; De Heer et al., 2017). An example of this is the Dutch government's adoption of the integrated nitrogen approach in 2015. This decision was urged by a growing awareness of the Dutch dairy sector's impact on nitrogen deposition and other greenhouse gas emissions, which in turn led to social unrest (De Heer et al., 2022). According to De Heer et al. (2017), it is anticipated that other countries in NW-EU will implement similar regulations or policies in the coming years to tackle sustainability issues, ultimately leading to a sustainability transition in the dairy industry.

Multiple studies have researched the sustainability transition of the NW-EU dairy sector, addressing a range of themes such as sustainability indicators, energy efficiency, transition pathways, and stakeholder management (Van Calker et al., 2005; Moerkerken et al., 2021; Runhaar et al., 2020; Vermunt et al., 2020; Mathis, 2007). This study will emphasize stakeholder management, as the importance of involving stakeholders in efforts for sustainability is widely addressed in literature (Leonidou et al., 2020; Stubbs & Cocklin, 2008; Fiore et al., 2020; Schneider & Buser, 2017). The NW-EU dairy industry has seen several

initiatives on stakeholder management and led to a series of multi-stakeholder networks in several countries (Klerkx & Nettle, 2013; Van Mierlo et al., 2020; Mathis, 2007). These networks aim to cope with issues in the dairy sector, including economic, social and environmental issues (Klerkx & Nettle, 2013). These networks consist of actors from both the private and the non-private sectors (public and non-profit organizations). Private actors encompass for instance farmer representatives and processing firms that are concerned with profit, productivity and maintaining their competitive advantage (Klerkx & Nettle, 2013). Non-private actors involve for instance governments and NGOs who are concerned with sustainability issues, such as environmental protection and animal welfare (Klerkx & Nettle, 2013). Each actor in these networks has a role and responsibility to enhance the sustainability levels of the dairy sector (Duurzame Zuivelketen, 2019; Kok et al., 2020; MIV, 2023; DEX Network, 2021)

Past studies on these multi-stakeholder networks have provided limited insights into engagement with specific actors to promote sustainability within the dairy sector (Klerkx & Nettle, 2013; Van Mierlo et al., 2020). This limitation arises from merely analysing the networks as a whole, without considering the potential for engagement between individual actors. The involvement of external stakeholders by dairy businesses, such as consumer groups and non-governmental organizations (NGOs), has grown for dealing with societal and political pressure for sustainability (Fiore et al., 2020). As a result, dairy businesses expanded their engagement beyond merely primary stakeholders, such as their supplier farms (Fiore et al., 2020). In particular, the role of non-profit organizations in the sustainability transition of the dairy sector is under-researched (Vermunt et al., 2022). It is argued that engagement with non-state actors offers advantages and is viewed as a useful tool for enhancing sustainability performance (Rodriguez et al., 2016; Poret et al., 2019a). One type of engagement that is anticipated to grow in the future is the collaboration between businesses and NGOs (Poret et al. 2019a, Leonidou et al., 2020; Stekelorum et al., 2020). This trend is resembled in the NW-EU dairy sector as well, where recent initiatives have seen dairy businesses engaging with NGOs to improve the sustainability of their dairy production (Vermunt et al., 2022; Runhaar et al., 2018).

Engagement between businesses and NGOs has increased over the last 30 years (Mousavi & Bossink, 2020; Harangozó & Zilahy, 2015). However, businesses and NGOs have contradicting values related to economic versus environmental sustainability (Rodriguez et al., 2016). Their specific value orientation makes NGOs sceptical towards the narrow economic focus of businesses as these contribute to sustainability issues, which contradicts the NGOs' mission statements (Harangozó & Zilahy, 2015). To pursue their missions, NGOs adopted strategies of confronting businesses with their negative impact and evoking pressure from governments and society. They call upon businesses to adopt more sustainable business practices and mitigate their negative effect on society and the environment. However, more and more NGOs have switched from confronting strategies to cooperation strategies with businesses for sustainability (Harangozó & Zilahy, 2015; Rodriguez et al., 2016; Mirońska & Zaborek, 2018; Stekelorum et al., 2020). As a result, businesses see NGOs more and more as partners, rather than as opponents (Stekelorum et al., 2020). This led to increased academic interest in business-NGO engagement's potential to address sustainability issues (Stekelorum et al., 2020; Hond et al., 2012; Harangozó & Zilahy, 2015). This provided insights into various forms of engagement, ranging from philanthropic, transactional and integrative forms of engagement (Overbeek & Harms, 2011; Austin, 2000).

Literature mentions several reasons why businesses engage with NGOs (Mirońska & Zaborek, 2018; Harangozó & Zilahy, 2015; Jamali & Keshishian, 2008; Rodriguez et al., 2016). First, NGOs could complement businesses with the resources required for developing sustainability initiatives (Harangozó & Zilahy, 2015; Imparato, 2011; Jamali & Keshishian, 2008). For instance, NGOs can offer valuable insights into environmental and social issues, assisting businesses in addressing sustainability challenges within their operations and, consequently, meeting stakeholder demands for more sustainable business practices (Austin & Seitanidi,

2012a). Second, businesses can benefit from the high levels of legitimacy that NGOs have in the eyes of society (Doh & Teegen, 2002; Stekelorum et al., 2020). Third, businesses can also engage with NGOs to build social capital and enhance their networks (Den Hond et al., 2015). From the NGO perspective, engaging with businesses is seen as a tool to access funding and address environmental and social issues within business value chains (Shumate et al., 2018; Mousavi & Bossink, 2020).

Engaging with NGOs can aid businesses in dealing with sustainability issues through a variety of approaches. First, NGOs could be involved in the development of products or measurement tools (Dahan et al., 2010; Austin & Seitanidi, 2012b). Such co-development can provide businesses with valuable knowledge and expertise of NGOs for potentially enhancing the sustainability levels of their products and activities (Juntunen et al., 2019; Moosmayer et al., 2019). Second, NGOs could for instance aid businesses in overcoming challenges regarding the measurement of sustainability performance through developing sustainability indicators and performance management systems (Morioka & De Carvalho, 2016). Third, NGOs could assist businesses in sustainability reporting by offering reporting guidelines and enhance report credibility through external validation for meeting stakeholder expectations (Morioka & De Carvalho, 2016; Al-Shaer & Zaman, 2018; Amran et al., 2013). Fourth, businesses and NGOs can collaborate on lobbying efforts to address regulations or policies that hinder the transition to more sustainable business practices (Seitanidi, 2010; Mousavi & Bossink, 2020).

Although business-NGO engagement is increasingly chosen for, it encounters various tensions arising from differences in values, norms, organizational cultures, decision-making styles, and employee expertise (Austin, 2000; Moshtari & Vanpoucke, 2020). This can lead to several tensions that hinder effective business-NGO engagement with the most crucial one being perceived as the misalignment of strategic goals (Austin, 2000; Austin & Seitanidi, 2012b). Other possible tensions arise from reputational risks, clashing working cultures and information asymmetry (Moshtari & Vanpoucke, 2020; Jamali & Keshishian, 2008; Parker et al., 2018).

1.2 Problem statement

As dealing with stakeholder pressure is increasingly important for businesses, engagement with NGOs is expected to increase in the future as it is perceived as a valuable tool for dealing with this pressure (Poret et al., 2019; Leonidou et al., 2020; Stekelorum et al., 2020). In addition, NGOs have shifted their partnering strategies over the last 25 years by actively engaging with businesses instead of merely with governments (Kourula & Laasonen, 2009). Taking in mind this expected growth, research on examining the potentials and pitfalls of engagement between businesses and NGOs could support the transition towards a more sustainable EU agrifood sector.

Current literature on business-NGO engagement to improve sustainability levels of the agrifood sector has primarily focused on developing countries (Schouten & Vellema, 2019; Dahan et al., 2010). These studies provided insights into the potential and process of business-NGO engagement for smallholder farmer inclusion and local market development (Schouten & Vellema, 2019; Dahan et al., 2010). However, no research has yet been conducted on the steps of business-NGO engagement for improving the sustainability performance of the EU agrifood sector. This leads to a knowledge gap on how business-NGO engagement could contribute to a more sustainable EU agrifood sector. To address this knowledge gap, this study provided a comprehensive understanding of the steps of business-NGO engagement for sustainability in the EU agrifood sector. This understanding provided valuable insights into the potential and limitations of business-NGO engagement for improving sustainability. These insights resulted in practical recommendations on how businesses can effectively engage with NGOs to improve sustainability.

1.3 Research objectives

This research aimed to provide a comprehensive understanding of the steps in business-NGO engagement. At first, an overview is given of these steps and their relevant concepts based on literature. These concepts were explored with empirical information to investigate their practical application within the EU agrifood sector. The results of this exploration would lead to insights on different forms of engagement, motives of both businesses and NGOs for engagement, how improving sustainability performance can be approached through these engagements, and the outcomes of these engagements. These insights would result in practical recommendations on how businesses and NGOs can effectively engage to improve sustainability to contribute to a more sustainable EU agrifood sector.

1.4 Scope

This study specifically focused on engagement between dairy businesses and NGOs as the dairy sector faces significant pressure for a sustainability transition (Berre et al., 2014). The scope of this study was centred on the NW-EU dairy sector due to increasing governmental and societal pressure on NW-EU dairy businesses for sustainability (De Heer et al., 2017). Several engagements between dairy businesses and NGOs to improve sustainability have already occurred in NW-EU, which made it a suitable case for further investigation (Vermunt et al., 2022). This study can offer meaningful insights into the possibilities of engagement between NW-EU dairy businesses and NGOs, which can contribute to achieving a sustainability transition of the dairy industry within the EU agrifood sector.

1.5 Central research question and sub-research questions

Central research question: *What is the potential of engagement between North-Western European dairy businesses and NGOs for improving sustainability?*

To answer this research question, the following sub-research questions were proposed in this study:

1. What are the different forms of engagement between North-Western European dairy businesses and NGOs?
2. What are the motives for North-Western European dairy businesses and NGOs to engage for sustainability?
3. For which sustainability approaches can North-Western European dairy businesses and NGOs engage?
4. What are the outcomes of engagement between North-Western European dairy businesses and NGOs?

1.6 Key concepts and definitions

This section defines the key concepts of the general research question. These consist of potential, engagement, dairy businesses, NGOs and sustainability.

Potential

Potential is "someone's or something's ability to develop, achieve or succeed" (Cambridge Dictionary, n.d.). This study focused on NW-EU dairy businesses and examined how engagement with NGOs could support them in becoming more sustainable.

Engagement

The definition of engagement was adapted from the definition of stakeholder engagement provided by Pucheta-Martínez et al. (2020). Engagement is the process by which businesses involve and interact with stakeholders in their strategy and business decisions to work towards shared goals and outcomes (Pucheta-Martínez et al., 2020).

Dairy businesses

This study focused on dairy businesses active in the NW-EU dairy sector. These dairy businesses act in the following countries: The Netherlands, Germany, Belgium, Denmark, Luxembourg, France, The United Kingdom and Ireland. Dairy businesses will be defined as the processors of the milk they purchase from farmers.

NGOs

Non-governmental organizations (NGOs) are organizational actors that do not belong to either the public sector or the for-profit sector (Lambell et al., 2008). These organizations represent communities, social and political movements (Lambell et al., 2008). They are considered organizational representatives of civil society.

Sustainability

This study focused on environmental sustainability as the majority of political and societal pressures for the NW-EU dairy sector relates to loss of biodiversity, greenhouse gas emissions, water quality and soil health (Runhaar & Polman, 2018). Sustainability was defined as sustainability on the farm level as this is the place in the dairy supply chain where the majority of environmental impact originates from (Runhaar & Polman, 2018).

2. Literature review

2.1 Introduction

Chapter 2 will provide an overview of what is already known in literature on the proposed sub-research questions (SRQs). At first, the process of how the literature review took place is discussed. Following, the importance of stakeholder engagement for sustainability is addressed. Next, a brief description of the Collaborative Value Creation (CVC) framework by Austin & Seitanidi (2012a) is addressed. Using this CVC framework, the four SRQs are addressed in the following sections. Section 2.6 answers SRQ1 and discusses the different forms of engagement between businesses and NGOs derived from literature. Section 2.7 answers SRQ2 and discusses the literature findings on the motives of businesses and NGOs to engage for improving sustainability. Section 2.8 answers SRQ3 and discusses for which specific sustainability approaches businesses and NGOs can engage to enhance sustainability performance. Section 2.9 answers SRQ4 and discusses possible outcomes of business-NGO engagement. Section 2.10 discusses how the findings of the literature review were used for building the conceptual framework of this study.

2.2 Literature review process

The literature review discusses relevant concepts and factors of engagement between businesses and NGOs. This was done to answer each SRQ based on current literature. Undertaken steps in the literature review were in line with the literature review steps proposed by McCombes (2023). This process was conducted for each SRQ separately.

1. Search for relevant literature

The search for relevant literature started by making a list of the keywords for the SRQ being addressed. These keywords consisted of synonyms, related concepts or broader or narrower terms. The list was complemented with additional keywords when other relevant keywords were identified during the search process. This eventually led to a series of search queries for each SRQ, which can be found in Table 11 (See Appendix 1). Used databases comprised Scopus and Web of Science as these adhere to the peer-reviewed criteria and therefore can be perceived as high-quality sources for finding literature.

2. Evaluate and select sources

For evaluating and selecting sources, the title of each article was read. This was followed by scanning the abstract and headers to acquire a general perspective on the structure of the text. When the title, abstract and structure met the relevance of this study, the introduction was read to evaluate if the source would discuss concepts and factors related to business-NGO engagement. Snowballing was used by scanning and consulting the references of selected sources (Wohlin, 2014). This was done to find more relevant sources for answering the SRQs.

3. Identifying themes, debates and gaps

Themes on business-NGO engagement were identified by reading the sections that discussed relevant concepts or factors for answering the SRQ. These sections were chosen when they matched the keywords of the search queries. Sections that discussed similar concepts were compared and contrasted, allowing the researcher to see whether the concepts matched and where complementarities among the concepts could be found.

4. Outlining literature review structure

The comparing and contrasting of step 3 allowed the researcher to make an overview of recurring themes and patterns for each concept related to the SRQs. These themes were outlined in the literature review using the following structure. At first, a general explanation was given of the key concept, e.g., engagement form. This was followed by a sum up of the characteristics, underlying mechanisms and categories in which these concepts could occur, for instance, the classification into philanthropic, transactional and integrative engagement.

5. Writing the literature review

Writing the literature review started with an introduction to express its focus and purpose. This was followed by addressing and answering the SRQs. It was concluded by summarizing the key findings and incorporating these into a conceptual framework.

2.3 Shared value creation

Businesses are increasingly being viewed as a main contributor to social, environmental and economic problems due to their narrow focus on short-term financial performance (Porter & Kramer, 2011). Increasing pressure by governments and society led to a realization in the business environment that taking no action would endanger their longer-term success. The result was the view that businesses should take the lead in bringing the business environment and society together. To do so, businesses need to look beyond value-creation for short-term financial performance and consider customer needs and societal concerns (Porter & Kramer, 2011). The goal is to create shared value by aligning business operations with the sustainability concerns of stakeholders, thereby achieving both economic success for businesses and meeting stakeholders' sustainability expectations. Creating this shared value would be a main contributor to the long-term survival and success of a business (Porter & Kramer, 2011).

Engaging with stakeholders is seen as an important factor in the creation of this shared value as it may benefit businesses with new insights, skills and resources (Porter & Kramer, 2011). Stakeholder theory adopts a classification into primary and secondary stakeholders (Freeman et al., 2010). Primary stakeholders consist of customers, suppliers, financiers, employees, shareholders, etc. Secondary stakeholders comprise governments, media, consumer groups, NGOs, etc. Clarkson (1995) argues that primary stakeholders have a direct influence on the continuing success and survival of a business. Secondary stakeholders can influence a business' success but they are not essential for survival. In the context of sustainability, it is argued that secondary stakeholders are seen as important actors in exerting pressure on businesses to implement sustainable practices (Shafiq et al., 2017). This could for instance entail advocating for policy changes, lobbying the government for stricter regulations, media campaigns and organizing boycotts. However, next to exerting pressure there is increased awareness of the potential of engaging with secondary stakeholders collaboratively (Murphy et al., 2014). As stakeholders provide businesses with resources (Vachon and Klassen, 2008), secondary stakeholders could be engaged for combining unique resources to create shared value (Murphy et al., 2014). Within such collaborations especially engagement with NGOs has gained academic interest over the last years (Leonidou et al., 2020; Stekelorum et al., 2020).

2.4 Confrontation and cooperation strategies of NGOs

Non-governmental organisations, generally referred to as NGOs, comprise actors committed to addressing a variety of concerns (Lambell et al., 2008). These could for instance entail concerns about environmental issues (loss of biodiversity, greenhouse gas emissions) or social inequalities (child labour or women's rights). The key characteristic of NGOs is that they do not consist of either profit-oriented organisations or public authorities

(Shumate et al., 2010). The main orientation of NGOs is on their mission statement, which in general focuses on the creation of value for society and reducing undesirable side effects of business activities (Rodriguez et al., 2016). In contrast, businesses are mainly profit-oriented and have less of a social focus. Literature indicates that NGOs can adopt confronting or cooperative strategies for dealing with businesses (Harangozó & Zilahy, 2015). Confrontation strategies focus on counterweighing the power of the profit-maximising behaviour of firms. This approach assumes that globalization led to significant power of businesses, allowing them to shape legislation according to their own interests. These interests are assumed to merely serve profit maximization objectives. The key characteristic of confrontational strategies by NGOs is that they view businesses as opponents whose actions must be addressed and tackled. To do so, NGOs should establish and enforce fair rules through both direct and indirect actions on businesses. This could include demonstrations, influencing legislation (commenting on regulations, proposing new laws, lobbying), and influencing other actors to act (boycotts, consumer campaigns, etc.). Even though confrontational strategies by NGOs acquired successes in the past, cooperation strategies are increasingly adopted by NGOs (Harangozó & Zilahy, 2015; Rodriguez et al., 2016; Mirońska & Zaborek, 2018; Stekelorum et al., 2020). This increase results from the acknowledgement by NGOs that such cooperation strategies can provide them with several benefits, such as access to funding or improved brand awareness through joint campaigns (Shumate et al., 2018). In addition, NGOs recognize that such cooperation strategies offer opportunities to share and leverage unique resources and capabilities to solve environmental and social issues in business value chains (Imparato, 2010; Dahan, 2010; Mousavi & Bossink, 2020).

2.5 Collaborative value creation framework

The process of engagement between business and NGOs will be analyzed using the Collaborative Value Creation (CVC) framework of Austin and Seitanidi (2012a). The CVC framework is a tool for understanding and enhancing business-NGO engagement. Austin and Seitanidi (2012a) argue that cross-sector engagement, which includes business-NGO engagement, can be analyzed through four components. These address the value creation spectrum, collaboration form, partnering processes and collaboration outcomes. For answering SRQ1, collaboration forms will be discussed to address the different forms in which business-NGO engagement can occur. SRQ2 will address the value creation spectrum component, which highlights the significance of co-creating value instead of businesses and NGOs independently generating value. This component will be discussed by addressing the motives of businesses and NGOs to engage for sustainability. SRQ3 is addressed using the partnering processes component, which encompasses the activities through which businesses and NGOs can engage to enhance sustainability. This aspect will be examined to understand how businesses and NGOs implement their engagement, leading to a set of approaches for improving sustainability. SRQ4 will address the evaluation of business-NGO engagement through the concept of collaboration outcomes, which entails the evaluation of the engagement's outcomes.

2.6 Forms of engagement

There are several ways in which engagement between businesses and NGOs can take place. These could for instance entail sponsorships, employee training, volunteerism or certification of business practices (Kourula & Halme, 2008). Several studies take the work of Austin (2000) as a basis for categorizing the different forms of engagement (Arenas et al., 2013; Overbeek & Harms, 2011). Austin (2000) classifies business-NGO engagement into three different forms: philanthropic, transactional, and integrative engagement (Figure 1; stage = form). These forms are based on the intensity of the relationship between businesses and NGOs (Austin, 2000; Seitanidi, 2010). Furthermore, Austin (2000) emphasizes the distribution of benefits as a key factor in determining the forms, which can be categorized as one-sided, two-sided, or collective

benefit distribution. Austin (2000) perceived these different forms as a continuum, meaning that the forms could evolve over time. For instance, a transactional engagement could evolve into an integrative form when the intensity of the relationship increases and leads to collective benefit distribution. Vice versa, a transactional engagement could also evolve into a philanthropic form when intensity decreases and benefits become one-sided.

<i>Nature of Relationship</i>	<i>Stage I (Philanthropic)</i>		<i>Stage II (Transactional)</i>		<i>Stage III (Integrative)</i>
Level of engagement	Low	⇒	⇒	⇒	High
Importance to mission	Peripheral	⇒	⇒	⇒	Central
Magnitude of resources	Small	⇒	⇒	⇒	Big
Scope of activities	Narrow	⇒	⇒	⇒	Broad
Interaction level	Infrequent	⇒	⇒	⇒	Intensive
Managerial complexity	Simple	⇒	⇒	⇒	Complex
Strategic value	Minor	⇒	⇒	⇒	Major

Figure 1: The collaboration continuum of business-NGO engagement (Austin, 2000).

The philanthropic form is characterized as a one-sided benefit distribution where the relationship primarily relies on the goodwill of businesses. It involves monetary donations or other forms of sponsorships, such as donating goods. The main objective of this form is to support fund-raising of NGOs by giving them access to financial resources. This engagement form has minimalistic importance to the business mission and is low strategic value. Both the magnitude of the resources and scope of activities are low in the philanthropic form. Managers at lower levels of authority are involved in philanthropic management. This indicates that top-level managers do not participate in philanthropic engagement with NGOs. Interaction between these low-level managers and NGO staff is minimal. As a result, there are no structural arrangements or contracts on how the engagement should take place or how relationships between both organizations should be sustained. The contracts that are present in philanthropic engagement will most likely entail sponsorship contracts that mention a payment obligation of businesses to NGOs. In return, the NGO will execute the task of delivering a social service. An example of philanthropic engagement could be the donation of a dairy business to an environmental conservation organization. The NGO could use this donation to fund its activities related to for instance forest conservation. This represents a one-sided benefit distribution based on the goodwill of the dairy business to support environmental initiatives.

The next form involves transactional engagement, which is based on a two-sided benefit distribution for businesses and NGOs. In this form, both organizations exchange their core competencies to contribute to a shared vision. This exchange could involve the sharing of assets and employees to meet the needs of both organizations. Consequently, the magnitude of resources is bigger than in the philanthropic form. The transactional form involves more importance for the business mission and makes it more important in terms of strategic value. Involved activities in transactional engagement go beyond solely business donations to NGOs and could entail for instance the sharing of knowledge and other resources between organizations. Due to its strategic value, business employees involved in transactional engagement comprise higher level managers compared to philanthropic engagement. Interaction levels between employees of both organizations are higher than in philanthropic engagement. As a result, the managerial complexity of transactional engagement is higher than in philanthropic engagement. Dealing with this managerial complexity requires structural arrangements on how the engagement should occur. These structural arrangements outline how the engagement will take place, specifying particular projects with clear objectives, assigned responsibilities, scheduled activities, and predetermined timetables (Austin & Seitanidi, 2012a). An example of transactional engagement could entail the co-development

of animal welfare standards for the dairy industry by dairy businesses and NGOs. This demonstrates an approach to pursuing shared goals that meet the needs of both organizations.

The final form entails integrative engagement. This form is characterized by a shared perspective and the pursuit of mutual value creation. It implies recognizing and effectively addressing each other's priorities. Both businesses and NGOs intend to combine their resources, knowledge, and capabilities to collectively set goals and coordinate activities for the highest collective benefits. This process is led by the top-level managers of businesses and NGOs. Guiding integrative engagement requires effective communication between the top levels of both organizations, which leads to more interaction moments among staff. In addition, where transactional engagement tends to be clearly specified for a certain time period, integrative engagement aims to foster a long-term collaboration focused on the sustained commitment of both organizations to make sustainability an integral part of their strategy. Structural arrangements for facilitating long-term effective collaboration are set up to guide the integrative engagement. This could for instance occur in the form of organisational integration that results in projects at all levels in the organization with managerial support. While this might lead to high managerial complexity, the possible outcomes of integrative engagement could be of major strategic value for improving sustainability performance. An example of integrative engagement could be the forming of a joint venture by a business and an environmental NGO to work on sustainability projects together, combining resources and capabilities to achieve their shared goals for collective benefits. Even though Austin (2000) argues that integrative engagement can occur between businesses and NGOs, it's important to note that this form rarely takes place in practice (Kolk et al., 2008; Seitanidi, 2010).

2.7 Motives for engagement

Current literature mentions three theoretical approaches for analysing motives for business-NGO engagement. These comprise resource dependency theory, institutional theory, and social capital theory (Mirońska & Zaborek, 2018; Harangozó & Zilahy, 2015; Jamali & Keshishian, 2008; Rodriguez et al., 2016; Den Hond et al., 2015).

2.7.1 Resource dependency theory

Resource dependency theory proposes that firms will establish relationships, through formal or informal collaboration, to obtain resources they lack (Pfeffer & Salancik, 1978). Resources comprise the assets, organizational processes, technical expertise, management skills, human capital, and immaterial reputations that enable organizations to conceive and implement their strategies (Barney, 1991). Hillman et al. (2009) argue that resource dependency theory acknowledges the influence of external factors on organizational behaviour. To respond to a continuously changing environment, organizations need to take action to address external threats (Hillman et al., 2009).

Den Hond et al. (2015) argue that resource dependency is a key motive for businesses to engage with NGOs. To respond to a continuously changing environment, businesses need to take action to address external threats (Hillman et al., 2009). Engaging with NGOs could aid in addressing these threats as it may provide businesses with the necessary resources (Den Hond et al., 2012). This reasoning is also reflected in other research where resource dependency is perceived as a main motive for engagement between businesses and NGOs (Shumate & O'Connor, 2010, Harangozó & Zilahy, 2015, Jamali & Keshishian, 2008). In line with Porter and Kramer's (2011) view on stakeholder engagement, NGOs could benefit businesses with resources, capabilities, or other assets that cannot be easily developed on their own (Barney, 1991). This combination of resources may enable a business to foster innovative responses in a rapidly changing environment (Kogut & Zander, 1992).

Engaging with NGOs could thus aid businesses in overcoming resource deficiencies by combining the unique assets of both organizations (Porter & Kramer, 2011; Imparato, 2011, Jamali and Keshishian, 2008). As sustainability issues are very complex, collaboration is required between actors from the private and the non-private sectors (Maak & Pless, 2009). Especially as dealing with sustainability issues is seen as a wicked problem and requires the involvement of multiple disciplines and stakeholders (Zijp et al., 2016). This is in line with the view that sustainability issues cannot be solved by a business on its own (Mousavi & Bossink, 2020). NGOs can be an external source of specialized skills and knowledge on sustainability issues for business (Dahan et al., 2010). This knowledge is often not available internally in the business. In addition, internal development of such expertise is often costly, inefficient, and time-consuming (Peloza & Falkenberg, 2009). Engaging with NGOs could therefore provide businesses with insights on how to tackle their negative impact, which is beneficial for dealing with stakeholders' concerns (Dahan et al., 2010). This could for instance entail insights on local community perspectives and ethical sourcing but also for new business opportunities based on gained local market knowledge (Austin, 2007; Rodriguez et al., 2016). Acquiring these insights can aid businesses with the implementation of sustainability into their business practices while still aligning with economic objectives (Seitanidi & Crane, 2008).

From the perspective of NGOs, engaging with businesses can provide valuable opportunities for overcoming resource deficiencies as well (Harangozó & Zilahy, 2015; Austin & Seitanidi, 2012a). Taking in mind their non-profit nature, NGOs often rely on external funding, such as sponsorships, donations or member contributions. However, NGOs are facing increasing challenges in securing traditional government funding, primarily due to increased competition from other NGOs (Herlin, 2015). As a result, NGOs often face financial constraints in pursuing their activities (Jamali & Keshishian, 2008). At the same time, growing awareness of social and environmental issues caused a higher demand for the services that NGOs provide (Herlin, 2015). Engaging with businesses can serve as a successful strategy for dealing with these financial constraints (Harangozó & Zilahy, 2015), thereby guaranteeing survival (Lambell et al., 2008).

Next to funding, engaging with businesses can provide NGOs access to expertise and technologies that are not internally available in the organization (Austin & Seitanidi, 2012a; Harangozó & Zilahy, 2015). This can, for instance, entail technical know-how and financially intensive technologies for addressing sustainability issues. Taking in mind the financial challenges of NGOs described above, funding the development or acquisition of such expertise or technologies is often impossible for NGOs. However, through engaging with businesses, NGOs can address resource deficiencies and gain access to the essential knowledge and technologies required to advance their mission of enhancing sustainability.

2.7.2 Institutional theory

Institutional theory argues that organizations need to adhere to external institutional pressure, for instance from governments and society (Mousavi & Bossink, 2020). By doing so, organizations can acquire high levels of legitimacy, which refers to adherence to socially accepted values and behaviours (Shumate & O'Connor, 2010). Adhering to these values, and so on ensuring high levels of legitimacy, is crucial for organizations as it can determine their survival. To do so, an organization needs to align its activities with socially accepted values and behaviour of the institutional environment (Mousavi & Bossink, 2020). In today's context, sustainability issues have a growing role in shaping socially accepted values and behaviour of businesses. This results in a view that a legitimate organization should take in mind sustainability into its activities to prevent harm to the environment and society (Mousavi & Bossink, 2020).

A key motive for businesses to engage with NGOs is gaining legitimacy (Dahan et al., 2010; Shumate & O'Connor, 2010; Mousavi & Bossink, 2020). NGOs are perceived as the voice of

society, aiming to communicate their concerns to the business world (Doh & Teegen, 2002). Furthermore, they are acknowledged for their expertise in sustainability issues and are seen as legitimate actors by society to address these issues (Dahan et al., 2010). This gives them high levels of legitimacy in the eyes of society (Doh & Teegen, 2002). Collaborating with an NGO may provide a business with reputational benefits. (Austin, 2007). This is with the reasoning that business activities receive support from societal representatives. Austin and Seitanidi (2012b) support this view through their concept of associational value. Associational value entails the benefits an organization acquires simply by having a collaborative relationship with another organization (Austin & Seitanidi, 2012a). In the context of business-NGO engagement, associational value comprises benefits such as enhanced legitimacy, credibility, and reputation, which may lead to competitive advantage and positive media exposure (Austin & Seitanidi, 2012b).

Enhanced legitimacy levels can aid businesses in dealing with pressure from governments and customers/consumers (Mousavi & Bossink, 2020; Dahan et al., 2010; Marano & Tashman, 2012). Governments can exert pressure on businesses in various ways. For instance, by implementing regulations that require businesses to act sustainably or imposing sanctions on businesses that fail to comply with these regulations. This results in pressure for businesses to take action for sustainability. Collaborating with NGOs can help businesses gain legitimacy and demonstrate to governments that they are committed to taking action for sustainability. An example of a business that dealt with governmental pressure through engagement with an NGO is the forestry business Stora Enso (Marano & Tashman, 2012). Stora Enso encountered pressure from the Russian government to adhere to sustainable timber harvesting to prevent illegal timber trade. This pressure consisted of multiple sustainability requirements that forestry businesses had to adhere to. In response, Stora Enso engaged with NGOs on forest stewardship and wildlife preservation to certify its timber harvesting. These NGOs had high levels of credibility in tackling illegal timber harvesting. Ultimately, these engagements enabled Stora Enso to enhance the reputation of its harvesting activities regarding social and environmental requirements and improved its relationship with the Russian Forest Service (Marano & Tashman, 2012).

Next to governments, businesses face pressure from the market as well. This could for instance entail demands of consumers for more sustainable products. Showing commitment and alignment to the sustainability standards of consumers could provide businesses with a competitive advantage. Engaging with NGOs can aid businesses through for instance labelling or certifying their products regarding sustainability standards (Tachizawa & Wong, 2014). Co-developing such initiatives with NGOs may bring credibility to business sustainability claims concerning its activities or product offerings (Dahan et al., 2010). This credibility can aid in removing scepticism among consumers that businesses make false claims about their sustainability performance and result in a competitive advantage. Therefore, businesses frequently engage with NGOs as intermediaries towards society to enhance their trust and credibility levels (Shumate & O'Connor, 2010). The Fairtrade certification is a key example of such labelling/certifying as it resembles that products with the certification align with the principle of fair pricing for producers. In addition to consumer pressure, businesses can also feel pressure from their competitors. This can occur when a competitor engages with an NGO to develop a labelling or certification system to gain a competitive advantage. This competitive advantage can be perceived as a threat by other businesses. To address this threat, businesses can imitate the strategies employed by their competitors to counter it effectively (Hunt, 2010). This imitation can for instance take the form of engaging with an NGO as well to develop a similar labeling or certification system.

Institutional theory is mostly used for explaining businesses' motives for opting for business-NGO engagement. However, Herlin (2015) argues that institutional theory can also be applied to the motives of NGOs for engaging with businesses. This mainly relates to the improvement of NGOs' legitimacy through this engagement. For instance, stakeholders of NGOs may

perceive the engagement as a strategic approach for addressing sustainability issues by influencing the behaviour of businesses. This engagement can demonstrate a commitment to work together with businesses in facilitating a sustainability transition, rather than solely demanding such transitions through a confrontational approach (Harangozó & Zilahy, 2015; Stekelorum et al., 2020). Through strategies such as advocacy, influencing businesses to incorporate sustainability targets into their goals, and creating markets for sustainable products, NGOs can actively contribute to their mission of addressing sustainability challenges (Herlin, 2015; Van Huijstee & Glasbergen, 2010). However, it should also be noted that engaging with businesses could potentially harm the legitimacy levels of NGOs as well (Herlin, 2015). This is due to power imbalances in the engagement and the dependence of NGOs on business funding (Herlin, 2015; Rueede & Kreutzer, 2015). This can cause scepticism among stakeholders regarding the NGOs' ability to maintain their independence and autonomy in executing their activities. This autonomy is crucial for NGOs, as it is an indicator that their activities remain genuine and aligned with their mission, rather than being influenced by reliance on financial support from businesses (Rueede & Kreutzer, 2014).

2.7.3 Social capital theory

Another theoretical lens for analysing motives for business–NGO engagement is social capital theory. Hayami (2009) refers to social capital as the structure of informal social relationships that aids in developing cooperation between economic actors to increase aggregate benefits. Austin and Seitanidi (2012b) discuss this social capital through the concept of interaction value. Interaction value refers to the intangible benefits that result from the collaborative processes when partners work together (Austin & Seitanidi, 2012b). These benefits highlight the outcomes of interactions between diverse organizational cultures and primarily entail the benefits for business employees on an individual level and are the result of increased social capital and access to networks (Seitanidi & Lindgreen, 2010; Den Hond et al., 2015). These benefits are classified into instrumental and psychological benefits (Austin & Seitanidi, 2012b).

Instrumental benefits are those associated with achieving specific goals or meeting needs (Casciaro et al., 2014). From a business perspective, engagement with NGOs can enhance social and interpersonal ties for business employees, which may aid them in establishing, maintaining, or strengthening these relationships (Casciaro et al., 2014). Austin and Seitanidi (2012b) argue that this enhanced social capital can aid employees in building valuable professional relationships with colleagues from the NGO. These relationships can aid business employees in developing new skills, getting access to technical and sector-specific knowledge and acquiring a broad perspective on sustainability issues. From the NGO perspective, having relationships with business employees may give NGO staff access to technical expertise, market intelligence and opportunities for learning (Austin & Seitanidi, 2012b). For example, learning how to approach farmers to stimulate them to adopt more sustainable farming practices.

Psychological benefits are related to the psychological and sociological well-being of the individual (Bhattacharya et al., 2008). From a business perspective, Bhattacharya et al. (2008) argue that having social ties with NGO staff can increase the satisfaction of business employees by knowing that their employer contributes to tackling sustainability issues through engagement with NGOs. This could lead to the fulfilment of business employees in addressing sustainability issues next to their regular work. The involvement of sustainability initiatives could further strengthen the bond between business employees and their employers, leading to commitment (Austin & Seitanidi, 2012b). This organizational commitment could increase job satisfaction, morale, and motivation for embracing sustainability initiatives among business employees (Austin & Seitanidi, 2012b). Psychological benefits could also occur from the viewpoint of NGOs. These benefits could for instance include a sense of purpose and fulfillment among employees by knowing that their organization acts in mitigating sustainability issues by actively engaging with businesses. As a result, morale and job satisfaction among

NGO staff could be boosted. However, it should also be noted that engaging with businesses can lead to internal scepticism of NGO staff (Austin & Seitanidi, 2012b; Yaziji & Doh, 2009). This could be the case when NGO staff disapprove of their organisation when it engages with businesses that are in contrast to their mission statement by having unsustainable business practices. Such internal scepticism could result in employee dissatisfaction and resignation (Yaziji & Doh, 2009).

2.8 Sustainability approaches

As mentioned, business-NGO engagement can serve as a valuable tool for improving sustainability performance (Stekelorum et al., 2020). Morioka and De Carvalho (2016) propose that businesses need to look beyond financial gain and adhere to sustainability objectives. To achieve such sustainability objectives, businesses need to consider their responsibilities to society and the institutional environment. To improve their sustainability performance and contribute to achieving sustainability objectives, businesses need to develop initiatives and collect and analyze data about the sustainability performance of their business practices (Maas et al., 2016). Often, businesses require an outsider's perspective to analyze relevant issues in sustainability (Zijp et al., 2016). Getting this outsider perspective can aid businesses to shift their focus beyond financial indicators and consider environmental and social impacts when addressing sustainability challenges (Zijp et al., 2016). Having this broader focus than just making profit can aid in the effective implementation of a strategy for improving sustainability performance (Maas et al., 2016). Involving external stakeholders, such as NGOs, can aid businesses in acquiring this outsider's perspective since NGOs look beyond performance indicators solely based on financial gain (Agudo-Valiente et al., 2015).

This section will discuss four approaches through which businesses and NGOs can engage for improving sustainability performance: collective development of sustainability practices, collective measurement of sustainability performance, collective sustainability reporting, and collective lobbying (Morioka & De Carvalho, 2016; Mousavi & Bossink, 2020; Overbeek & Harms, 2011).

2.8.1 Collective development of sustainability practices

Collective development of sustainability practices addresses the development, adoption and continuous improvement of business practices to improve sustainability levels (Morioka & De Carvalho, 2016). It involves the promotion and development of practices and initiatives to prevent, mitigate, or control negative environmental impact to comply with regulation and deal with institutional pressure (Morioka & De Carvalho, 2016). Literature on sustainability performance management argues that having knowledge of sustainability issues contributes to the success of developing such initiatives (Morioka & De Carvalho, 2016; Juntunen et al., 2019; Moosmayer et al., 2017). Co-developing such initiatives with NGOs could aid businesses in improving their sustainability performance. According to Ber and Branzei (2010), the collective action of businesses and NGOs has the potential to generate and capture social value through the sharing of unique strengths of both organizations. The sharing of these strengths can facilitate the development of innovation (Ber & Branzei, 2010; Mousavi & Bossink, 2020). Research by Juntunen et al. (2019) has shown that engaging with NGOs can contribute to developing innovations for improving sustainability performance. These innovations can lead to new efficient and effective solutions for sustainability issues that can benefit both a business (e.g., competitive advantage, lowering production costs) and society as a whole (environmental preservation, fair pricing) (Ber & Branzei, 2010; Mousavi & Bossink, 2020). Developing such initiatives is crucial for businesses, taking in mind that the business sector is expected by society to generate more value than just financial gains for themselves (Porter & Kramer, 2011). An example of co-development of sustainability practices is the biodiversity monitor developed by WNF, Rabobank and FrieslandCampina. This comprises an

instrument for measuring the biodiversity of farms and incentivizing farmers to take action to ensure sufficient biodiversity levels (Van Laarhoven et al., 2018). As a result, FrieslandCampina can offer farmers a price premium for increased levels of biodiversity, which provides benefits for the members of the farmer cooperative. In addition, increased levels of biodiversity mitigate the environmental impact of the dairy farming of FrieslandCampina.

2.8.2 Collective measurement of sustainability performance

Sustainability performance measurement refers to establishing sustainability indicators, organizing these indicators into categories, designing a performance management system and assessing the performance itself on indicators relevant to key stakeholders (Morioka & De Carvalho, 2016). Sustainability performance measurement is increasingly viewed as an important tool for facilitating sustainable business practices (Maas et al., 2016). It is viewed as important since the basis of sustainability improvement for any organization is to gain insights into actual social and environmental impact (Maas et al., 2016). These insights can show whether changes in business practices contributed to sustainable development and where further improvements should occur. Before any decision for improvements is made, businesses need to be confident about the quality of the information that they gather for assessing business practices (Maas et al., 2016). However, measuring sustainability performance involves several challenges for businesses. These could for instance include selecting relevant metrics and KPIs or misalignment of profit-oriented objectives with sustainability measures (Morioka & De Carvalho, 2016). Overbeek and Harms (2011) argue that NGOs can aid businesses in overcoming these challenges. Their knowledge and involvement in environmental and social issues can aid businesses in setting up strategies for sustainability measurement. This deeper understanding enables NGOs to aid businesses in setting up ambitious, attainable, and measurable goals (Kramer & Kania, 2006). Furthermore, Cousins et al. (2019) found that engaging with NGOs can result in lower operational costs for businesses in measuring sustainability performance. The biodiversity monitor can be seen as an example of business-NGO engagement for sustainability performance measurement as well. WNF, Rabobank and FrieslandCampina engaged in formulating a set of measurement metrics, indicators and KPIs for aligning both biodiversity levels and the economic sustainability of dairy farms.

2.8.3 Collective sustainability reporting

Sustainability reporting addresses how a business communicates its sustainability performance on economic, social and environmental dimensions in the form of an official report (Morioka & De Carvalho, 2016). Sustainability reporting has experienced a large growth over the last two decades (Hahn & Kühnen, 2013), because stakeholders, encompassing governments, employees, investors, media and civil society expect businesses to report on the social and environmental impact of their activities (Maas et al., 2016). This led to multiple regulations, guidelines and initiatives that direct and support businesses in reporting about both financial results and sustainability impact. As a result, increasing numbers of businesses publish annual sustainability reports. Next to legal obligations, businesses publish sustainability reports to address the increasing demand for transparency, enhance their brand reputation, react to negative media attention, and influence customer decisions (Morioka & De Carvalho, 2016). However, Maas et al. (2016) argue that transparency of sustainability performance in the form of corporate environmental and social reports have often little to do with legitimacy and may lead to greenwashing (Parguel et al., 2011). To tackle such accusations, businesses could improve the transparency, legitimacy, and credibility of their sustainability reporting through external validation (Maas et al., 2016). Vurro and Perrini (2011) argue that involving a variety of stakeholder groups in reporting can serve as a strong tool for external validation. In line with resource dependency theory and institutional theory, businesses could acquire resources and reputational benefits when they engage with NGOs.

Amran et al. (2013) argue that accessing resources through NGO engagement could aid businesses in the process of reporting their sustainability performance (Amran et al., 2013). Within their study, Amran et al. (2013) prove that engaging with NGOs has a significant positive relationship with the quality of sustainability reporting by businesses. This positive effect resulted, for instance, from providing insights into guidelines for reporting that link business strategy and sustainability issues and practices (Maas et al., 2016; Lozano, 2013). In addition, the legitimacy of sustainability reports can be increased when NGOs act for instance as auditing committees (Al-Shaer & Zaman, 2018). Such audits can serve as proof to society that the transparency of a sustainability report is verified by a trustworthy external stakeholder. This external validation can offer credibility to the sustainability performances of businesses and aid in aligning business activities with stakeholder's expectations (Al-Shaer & Zaman, 2018; Amran et al., 2013).

2.8.4 Collective lobbying

Lobbying aims to shape regulations and policies in such a way that it considers the interests of specific individuals, groups, or industries (Seitanidi, 2010). This influence can potentially lead to regulatory changes for aligning these interests. Businesses often aim to influence policymakers to change regulations to meet the interests of the private sector. However, achieving this alignment between public interests and private interests is not always successful. Seitanidi (2010) argues that occasionally public interests are mainly determined by the non-profit sector, including NGOs that advocate for sustainability. Despite successful lobbying efforts of NGOs for enforcing sustainability measures on businesses in the past (Harangozó & Zilahy, 2015), there is increased awareness of joint lobbying between businesses and NGOs for enhancing sustainability in certain situations (Mousavi & Bossink, 2020; Overbeek & Harms, 2011). This collective lobbying effort becomes particularly relevant when existing regulations or policies hinder businesses from transitioning to more sustainable practices (Mousavi & Bossink, 2020; Seitanidi, 2010; Van Huijstee & Glasbergen, 2010). For NGOs, joint lobbying can be seen as a strategy to improve their influence on policymakers by establishing connections with the private sector. These connections can enhance their capacity to shape legislation more effectively than if they were acting alone (Seitanidi, 2010; Overbeek & Harms, 2011). The study of Mousavi and Bossink (2020) illustrates that efforts for collective lobbying have been undertaken in business-NGO. Within their study, they investigate the partnership between Royal Dutch Airlines KLM and the World Wildlife Fund (WWF) for creating a market for aviation biofuels. In this partnership, KLM and WWF succeeded in facilitating institutional dialogue between governments, suppliers, and consumers. This dialogue aimed to stimulate market demand and supply capacity for aviation biofuels (Mousavi & Bossink, 2020). Within this initiative, KLM represented the KLM-WWF partnership in their lobbying activities to persuade the Dutch government to adopt new policies and regulations. The goal was to facilitate legislation that would attract private investors to contribute to the growth of a market for aviation biofuels, which could contribute to a more sustainable aviation industry.

2.9 Evaluation of the engagement

Austin (2000) argues that business-NGO engagement is a suitable tool for improving sustainability performance and responding to societal problems. However, a main point of criticism of these engagements is the traditional evaluation of their outcomes (Seitanidi, 2010; Austin & Seitanidi, 2012b). Even though business-NGO engagement can serve as a tool for improving sustainability performance, the evaluation of the outcomes remains limited to the benefits for merely the involved organizations (Dahan, 2010; Austin & Seitanidi, 2012b). These benefits were already discussed in previous sections, for instance, access to funding for NGOs and enhanced legitimacy for businesses. To understand how sustainability can be improved,

Austin and Seitanidi (2012b) argue that the evaluation of business-NGO outcomes must go beyond focusing solely on organizational benefits such as financial gains. It is essential to consider the broader outcomes for both the environment and society as well. Only then can a judgment be made if business-NGO engagement truly leads to the creation of shared value (Porter & Kramer, 2011).

In assessing whether business-NGO engagement genuinely results in shared value, Austin and Seitanidi (2012b) argue that the evaluation of outcomes should have a distinction between internal and external value creation. Internal value creation entails benefits at the meso level for the partnering organizations and the micro level for individuals within these organizations. This section will only discuss the value creation on the meso level since benefits for individual employees of businesses and NGOs were already discussed in Section 2.7.3. External value creation includes benefits at the micro level for individuals outside the partnering organizations and at the meso level for other organizations. Additionally, it includes outcomes at the macro level, contributing to social, environmental, and economic value for the broader external community or society.

2.9.1 Internal value creation

Literature on business-NGO engagement is mainly focused on the value created for the organizational (meso) level, which entails the benefits for the performance of businesses or NGOs (Austin & Seitanidi, 2012b). In their CVC framework, Austin & Seitanidi use the following typologies of values for analysing benefits on the meso level of business-NGO engagement. First, associational value, which was already briefly mentioned in Section 2.7.2. Associational value entails the benefits an organization acquires simply by having a collaborative relationship with another organization (Austin & Seitanidi, 2012a). For businesses, this could entail for instance enhanced legitimacy through NGO sustainability certification on business' activities. NGOs gain associational value by aligning with businesses to facilitate sustainability transitions, signalling a commitment to collaboration over confrontation. Second, transferred value entails the benefits for organizations through the access to missing resources from the other partner (Austin & Seitanidi, 2012a). For businesses, this could entail expertise on sustainability issues and external funding for NGOs. Third, interaction value encompasses the intangible benefits resulting from the collaborative processes (Austin & Seitanidi, 2012a). On the meso level, this interaction value could be the access to networks for collective lobbying, as discussed in Section 2.8.4. Finally, synergistic value emerges when organizations collaborate, combining their distinct resources to achieve more collectively than they could independently (Austin & Seitanidi, 2012a). This could lead to opportunities for innovation by combining the knowledge and resources of both organizations and enhancing their collective strength for political influence.

2.9.2 External value creation

Next to benefits for the partnering organizations, business-NGO engagement can also generate social, environmental, and economic value for the broader external community or society (Austin & Seitanidi, 2012b; Mousavi & Bossink, 2020). These benefits are perceived as external value creation that leads to societal improvement that benefit others beyond the partnering organizations but only can occur through their joint actions (Austin & Seitanidi, 2012b). This external value can involve benefits for individuals outside partnering organisations (micro), other organisations (meso), and society and the environment (macro) (Austin & Seitanidi, 2012b; Kolk et al., 2010; Seitanidi & Crane). Individuals can experience benefits, for instance, increased income for farmers, through partnerships between an agribusiness and an NGO (Austin & Seitanidi, 2012b) In this example, the business-NGO engagement could lead to the implementation of sustainable farming practices, resulting in bonuses for farmers for selling products produced sustainably.

At the meso level, one example of benefits for other organizations involves open access to technologies resulting from co-creation between businesses and NGOs (Stafford et al., 2000). This could for instance result from the development of technologies for decreasing environmental degradation on farms and making these technologies available to other agribusinesses to facilitate the creation of new industry standards (Stafford et al., 2000).

At the macro level, benefits could involve the decreased environmental impact of business practices and systematic change in institutional arrangements (Austin & Seitanidi, 2012b; Van Huijstee & Glasbergen, 2010). For the sustainability impact, this could for instance involve increased levels of biodiversity as the result of the development and implementation of a biodiversity monitor in business-NGO engagement. On an institutional level, collective lobbying could for instance lead to increased relations between the for-profit and non-profit sectors for tackling sustainability issues, leading to collective efforts for facilitating a sustainability transition. (Seitanidi, 2010; Overbeek & Harms, 2011)

2.9.3 Evaluation challenges

While literature discusses several benefits for both businesses and NGOs, Rasche et al. (2013) argue that performance measures are often unclear in business-NGO engagement. Within business-NGO engagement, all involved parties should have a clear idea of how the engagement will create value (Rasche et al., 2013). However, Austin and Seitanidi (2012b) argue that different measures are applied by both organizations to best measure their own interests. The main reason for this is the difference in the strategic goals of businesses and NGOs (Moshtari & Vanpoucke, 2020). Businesses typically prioritize profit while NGOs prioritize their mission for reducing environmental issues and realizing societal impact (Dahan et al., 2010). As a result, both organizations have different perceptions of value (Rodriguez et al., 2016; Mousavi & Bossink, 2020). NGOs might perceive value as a set of business activities positively impacting society and the environment, while businesses regard value as generating financial returns on investment.

Section 2.6 indicated that structural arrangements could be set up to align expectations on what the engagement between businesses and NGOs should deliver. These arrangements could consist of clear objectives, assigned responsibilities, scheduled activities, and predetermined timetables (Austin & Seitanidi, 2012a). As a result, these arrangements offer a set of rules on how each organization should contribute to the engagement. Clear rules are seen as crucial in inter-organizational collaboration. However, in case the rules are not held to, other parties can choose for sanctions (Rasche et al., 2013). Within business-NGO engagement, these engagements often take the form of terminating the engagement or changing the engagement into another less intense form (Rasche et al., 2013).

2.10 Conceptual Framework

Based on the literature review, a conceptual framework can be drawn on the process of business-NGO engagement, consisting of four sequential steps. The first step comprises the motives of businesses and NGOs for engagement (SRQ2). Businesses aim to overcome resource deficiencies for solving sustainability issues while NGOs seek financial support and access to technologies. Moreover, NGOs realize that they should support businesses to make changes for sustainability. Furthermore, engaging offers possibilities for both businesses and NGOs to enhance their legitimacy in dealing with institutional pressure and stakeholder concerns. In addition, enhanced social capital can result in valuable relationships, job satisfaction and commitment among employees of both organizations. The motive phase is followed by the design step, which entails the form of the engagement (SRQ1). Engagement can take three forms, which are determined by the intensity of the relationship and the distribution of benefits between a business and an NGO. These three forms are philanthropic, transactional, and integrative engagement. These forms can evolve into each other when the intensity of the relationship changes over time but also return to its initial form. Followed by the

design step is the implementation step, which addresses how the improvement of sustainability performance will be approached (SRQ3). These approaches encompass the collective development of sustainability practices, collective measurement of sustainability performance, collective sustainability reporting, and collective lobbying. The final step consists of evaluating the outcomes of the business-NGO engagement for involved parties and society as a whole.

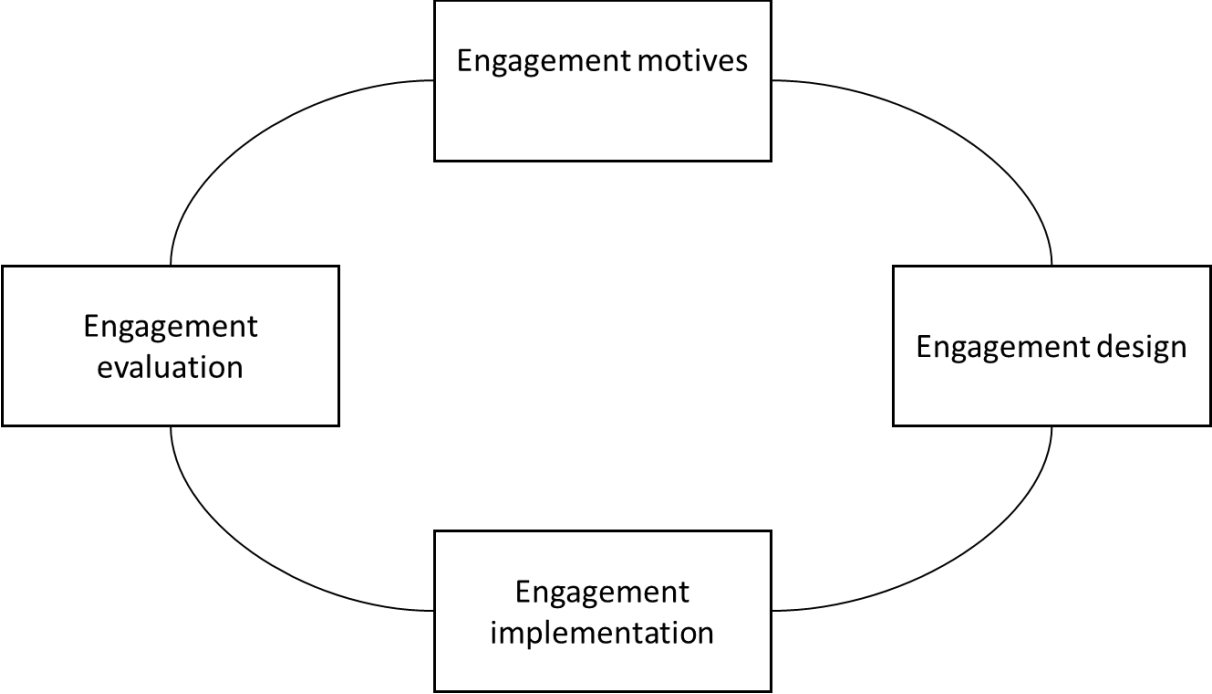


Figure 2: Conceptual framework on the steps of business-NGO engagement for sustainability.

3. Methods

This chapter addresses the methods used during this study. First, the rationale for an exploratory approach and the use of qualitative research is discussed. Second, the operationalization of key concepts is presented to explain how the key concepts of the SRQs were identified during the data analysis. Third, used data collection and data analysis methods are discussed.

3.1 Exploratory approach

This research aimed to provide a comprehensive understanding of the steps in business-NGO engagement for improving sustainability in the EU agrifood sector. Such an understanding aimed to provide valuable insights into the potential and limitations of business-NGO engagement for improving sustainability. This understanding was achieved using an explorative approach. An exploratory approach is a valuable method when the precise nature of a phenomenon is not well-defined (Saunders et al., 2019). The scope of this study lay on engagement between NW-EU dairy businesses and NGOs for sustainable dairy production. Since limited research on engagement between NW-EU dairy businesses and NGOs for sustainability has been published, an exploratory approach could help discover relevant concepts and influencing factors in this engagement that may not be apparent in the current literature. This study adopted abductive reasoning for answering the SRQs, which in the end answered the general research question. Abductive reasoning has the objective to explain underlying mechanisms and structures for explaining a phenomenon by moving back and forward with induction and deduction (Saunders et al., 2019). This enables a researcher to contextualize a phenomenon within a conceptual framework or set of theories (Saunders et al., 2019). Abductive reasoning was suited for this study since limited studies had been conducted on engagement between NW-EU dairy businesses and NGOs to improve sustainability. However, multiple concepts could be derived from literature on the process of engagement between businesses and NGOs in other settings, such as smallholder farmer inclusion or local market development in developing countries. Using abductive reasoning would further elaborate or modify these pre-existing concepts (Saunders et al., 2019).

This study started with a deductive approach in the form of a literature review. The literature review resulted in key concepts and factors relevant to the steps of business-NGO engagement. The literature review was followed by gathering empirical information using interviews. These interviews were analyzed using both deductive and inductive coding, which is elaborated on in Section 3.4.2. The conceptual framework of Section 2.10 served as a basis for designing the interview guides (See Appendix 2). During the interviews, several propositions drawn from the literature were discussed regarding the different steps in business-NGO engagement and the related concepts and factors. The goal of these interviews was to gain insights into the practical application of these concepts and discover additional concepts or factors that were not identified during the literature review. These unidentified concepts resulted in other motives for engagement, forms of engagement, sustainability approaches and engagement outcomes. As exploratory research has the advantage of flexibility (Saunders et al., 2019), the researcher could change its research direction when necessary if unexpected insights were acquired during the data collection.

3.2 Qualitative approach

Qualitative research is a multimethod research technique using an interpretative and naturalistic approach to its subject matter (Saunders et al., 2019). It serves to explore and understand the meaning of a phenomenon. Exploring a phenomenon enables a researcher to explore a complex social topic and its underlying mechanisms. Since engagement between businesses and NGOs is perceived as complex (Shumate et al., 2010), using qualitative

research contributed to deeper insights into this phenomenon. These insights aided in formulating recommendations for reducing the complexity of business-NGO engagement and enhancing its effectiveness, which is beneficial for addressing sustainability issues (Kolk & Lenfant, 2012). The findings of the literature review were used for building a conceptual framework for the steps of business-NGO engagement. This framework served as a basis for the interview guide. The interview guide was used to conduct semi-structured interviews with employees of NW-EU dairy businesses and NGOs. A qualitative approach is suited for acquiring a more holistic understanding of a phenomenon that is already present in the current literature (Saunders et al., 2019). The holistic understanding of these steps and related concepts was the result of complementing the findings of the literature review with findings from empirical research. Having this holistic understanding revealed practical insights into the steps of engagement between NW-EU dairy businesses and NGOs for sustainability. In addition, it led to a richer theoretical perspective of the steps of business-NGO engagement for sustainability in the context of the NW-EU dairy sector. Such insights aided in evaluating the potential and limitations of business-NGO engagement for the NW-EU dairy sector. This, in turn, contributed to answering the general research question of this study.

3.3 Operationalization of key concepts

Section 3.3 provides the operationalization of the key concepts of the research questions. These operationalizations contributed to designing the interview guide and identifying key concepts derived from literature during the data analysis.

Forms of engagement

Forms of engagement related to SRQ 1. Section 2.6 addressed three forms of engagement between businesses and NGOs based on the work of Austin (2000). These were philanthropic, transactional, and integrative engagement. It should be noted that these three forms are not distant and isolated forms but should be seen as a continuum (Austin, 2000; Seitanidi, 2010). Questions on SRQ1 during the empirical research provided a more nuanced image of engagement forms between dairy businesses and NGOs in practice. The operationalization of these engagement forms was based on the work of Austin (2000) and Seitanidi (2010) (See Table 1).

Table 1: Characteristics of philanthropic and transactional engagement between, businesses and NGOs, adapted from Austin (2000) and Seitanidi (2010).

Philanthropic engagement	Transactional engagement	Integrative engagement
<ul style="list-style-type: none"> ● One-sided benefit distribution ● Monetary donations ● No importance to organizational mission ● Minimised interaction and communication ● No involvement of top-level managers ● No arrangement on the form of engagement 	<ul style="list-style-type: none"> ● Two-sided benefit distribution ● Knowledge and asset sharing ● Importance to organizational mission ● Frequent interaction and communication ● Involvement of top-level managers ● Clear arrangement on form of engagement 	<ul style="list-style-type: none"> ● Collective benefit distribution ● Knowledge, assets and capabilities exchange ● High importance to organizational mission ● High intensity of interaction and communication ● Leadership by top-level managers ● Clear arrangement for long-term engagement

Motives

The literature review indicated that the main motives for businesses and NGOs to engage relate to resource dependency, dealing with institutional pressure and increasing social capital. It was borne in mind that motives for engagement could differ per business, NGO or industry. Questions on SRQ2 therefore provided insights into the specific motives of NW-EU dairy businesses and NGOs for engagement. The operationalization of these motives is shown in Table 2.

Table 2: Operationalization of business' motives to engage with NGOs for sustainability, based on Den Hond et al. (2015), Mousavi and Bossink (2020) and Austin and Seitanidi (2012b).

Resource dependency motives	Institutional motives	Social capital motives
<ul style="list-style-type: none"> • Access to resources • Resource exchange/complementarity • Specialized skills and knowledge • Avoiding costly internal development of knowledge 	<ul style="list-style-type: none"> • Alignment with societal values • Sustainability expectations from governments/consumers/customers • Sustainability labelling/certification • Credibility of sustainability claims • Competitive pressure • Commitment to sustainability 	<ul style="list-style-type: none"> • Building social and interpersonal ties • Professional relationships • Employee satisfaction • Generating psychological benefits • Employee commitment to sustainability

Sustainability approaches

SRQ3 was answered by identifying through which approaches NW-EU dairy businesses and NGOs engaged for improving sustainability performance. The literature review mentioned four approaches: collective development of sustainability practices, collective measurement of sustainability performance, collective sustainability reporting, and collective lobbying. The operationalization of these approaches is shown in Table 3.

Table 3: Characteristics of sustainability approaches, based on Morioka and De Carvalho (2016), Ber and Branzei (2010), Maas et al. (2016), Seitanidi (2010), Mousavi and Bossink (2020).

Collective development of sustainability practices	Collective measurement of sustainability performance	Collective sustainability reporting	Collective lobbying
<ul style="list-style-type: none"> • Developing practices for sustainability performance • Improvement of current practices for sustainability • Promotion of adopting practices for sustainability 	<ul style="list-style-type: none"> • Setting up sustainability indicators/metrics • Categorizing indicators into a systemic framework • Designing and implementing performance measurement systems • Evaluating sustainability performance 	<ul style="list-style-type: none"> • External validation • External communication of sustainability performance • Auditing by NGOs • Guidelines for sustainability reporting 	<ul style="list-style-type: none"> • Connections between profit- and non-profit sector • Influencing policymakers • Changing regulations • Facilitating institutional dialogue

Evaluation of the engagement

SRQ4 was answered by identifying the outcomes of engagement between NW-EU dairy businesses and NGOs for sustainability. These outcomes were identified using the distinction between internal and external value creation. Internal value creation involved employee benefits and the four typologies of value by Austin and Seitanidi (2012a). These typologies were analyzed on the micro- and mesolevel. External value creation was analyzed on the micro, meso, and macro level. The operationalization of these outcomes can be seen in Table 4. The internal/external distinction was briefly explained in the interview. Consequently, interviewees were asked what the outcomes of the engagement were on both internal and external levels.

Table 4: Outcomes of evaluation based on Austin and Seitanidi (2012b).

Internal value creation	External value creation
Micro-level <ul style="list-style-type: none"> ● Instrumental benefits ● Psychological benefits Meso-level <ul style="list-style-type: none"> ● Associational value ● Transferred value ● Interaction value ● Synergistic value 	Micro-level <ul style="list-style-type: none"> ● Individuals outside organizations ● Farmer benefits Meso-level <ul style="list-style-type: none"> ● Organizations outside business-NGO engagement Macro-level <ul style="list-style-type: none"> ● Reduced environmental impact ● Institutional change

3.4. Data collection and analysis

Section 3.4 will describe the process of data collection and data analysis employed in this study. First, the criteria for the interviewee selection and sampling strategy are discussed, together with the process of preparing and conducting the interviews. Second, the process of the data analysis is addressed.

3.4.1 Interviews

The second phase of this research involved empirical research in the form of semi-structured interviews. These interviews were held with employees of NW-EU dairy businesses and NGOs. To meet the scope and purpose of this study, interviewees should have met the following criteria. First, interviewees should have had experience in ongoing or past cases of engagement between NW-EU dairy businesses and NGOs. Second, the interviewees should have engaged collaboratively with NGOs, meaning that employees must have participated in activities aimed at working together for sustainability. Engagement limited to dealing with NGOs' confrontational approaches, such as interacting with NGO staff or NGO members during a demonstration calling for dairy businesses to produce more sustainably, does not meet the criteria of this study. Such cases are excluded as this study is limited to collaborative engagement for sustainability between dairy businesses and NGOs. The criteria of this study also included joint organizations established collectively by NW-EU dairy businesses and NGOs or organizations that have a board composition consisting of both NGOs and dairy businesses. These joint organizations included, for instance, a foundation dedicated to the protection of outdoor grazing on dairy farms.

To ensure that interviewees met the criteria addressed above, purpose sampling was used. Purposive sampling entails that a researcher uses his judgment to select cases most suited for answering the formulated research questions and meeting the objectives of the study (Saunders et al., 2019). The researcher used his judgment to see whether potential interviewees met the necessary criteria for this study. This was done by contacting NGO and dairy business employees via email, LinkedIn, phone calls and career days. The researcher discussed the objective and criteria of this study with these employees to check if they met

those. When these criteria were met, the employee was asked to participate in an interview. When not met, the interviewer asked this employee if he/she had any colleagues or other contact persons who met those criteria and would be willing to participate in an interview. Furthermore, snowballing was used by asking interviewees for suggestions for other contact persons at the end of the interview. Purposive sampling allowed the researcher to select a variety of interviewees, based on themes such as company size or legal form. This variety of interviewees led to a wide range of perspectives of dairy businesses and NGOs, which resulted in detailed insights into the practicalities of engagement for sustainability in the dairy industry. Interviewed dairy business and NGO employees involved sustainability managers, functions related to external relation management, dairy supply managers, project managers and board members.

The researcher prepared the interviews by designing the interview guides, one for the interviews with dairy businesses and one for the interviews with NGOs. These interview guides comprised of questions related to the steps of business-NGO engagement discussed in Section 2.10. Using these steps, related concepts and factors, and the SRQs, a list of key themes and questions was formulated to provide structure to the interview guide, and so on the interview. Several propositions on the steps of business-NGO engagement were discussed with the interviewees. For instance, a proposition suggesting that businesses engage with NGOs to acquire resources for solving complex sustainability issues. During the interview, the interviewees were asked whether this motive was relevant to their employer. Subsequently, the practical aspects of this motive were discussed, such as the specific resources that dairy businesses aimed to acquire through such engagements. Taking in mind the semi-structured character, the researcher also had the freedom to explore new themes of engagement between NW-EU dairy businesses and NGOs when brought up by the interviewees. This was done by asking open questions related to the SRQs that could potentially result in new themes or concepts not derived from literature. For example, next to discussing the four approaches for improving sustainability performance found in literature, the interviewees were asked what other approach was used during the engagement he/she participated in. This flexibility during the interviewing process was particularly valuable for the exploratory nature of the study as it allowed for the emergence of new themes from the collected data (Saunders et al., 2019).

Anonymity of respondents

The interviewees were guaranteed anonymity for ethical reasons and the preference of the respondents. Therefore, no personal information of the interviewees and their employers is mentioned. In addition, the Results chapter does not mention which respondents correspond to specific quotes or responses. Interviewees who wished to review the usage of their quotes were provided with the sections containing their quotes. This was done to seek their permission in accordance with ethical guidelines. By sending both the quote and its corresponding section, any potential ambiguity regarding the intended meaning of the quote was mitigated. Thirteen interviews were carried out in total. Out of these interviews, twelve involved organizations that were based in the Netherlands, and the other interview involved an organization from France. General information of the interviewees is mentioned in Table 5.

Table 5: Interviewee characteristics

Interviewee	Category	Legal form	Duration (H: M:S)	Date
1	Dairy business	Cooperative	46:12	21-11-2023
2	Dairy business	Private limited company	53:30	22-11-2023
3	NGO	Foundation	59:05	6-12-2023
4	Dairy business	Cooperative	56:50	8-12-2023
5	NGO	Association	52:02	18-12-2023
6	NGO	Foundation	40:39	19-12-2023
7	NGO	Foundation	52:46	19-12-2023
8	Dairy business	Public limited company	41:03	21-12-2023
9	Dairy business	Private limited company	57:41	21-12-2023
10	NGO	Association	1:02:05	3-1-2024
11	Dairy business	Cooperative	45:36	5-1-2024
12	NGO	Foundation	58:13	10-1-2024
13	Dairy business	Cooperative	59:45	12-1-2024

3.4.2 Data analysis

The analysis of the interviews contributed to answering the sub-research questions based on empirical information. The interviews were recorded and transcribed to prevent the loss of data. Transcribing the interviews was conducted using the transcription tool The Good Tape. The researcher manually improved this transcription when necessary to ensure accuracy and eliminate any transcription errors. The transcribed interviews were analysed through coding. Atlas.ti was used in this coding process to enable the researcher to provide structure to the interviews and compare interviewee responses. Before the coding started, the researcher familiarized himself with the data by reading the transcripts or listening to the interview recordings. Doing so would allow the researcher to get an initial understanding of the content of the interviewee's answers (Saunders et al., 2019). Consequently, open coding was applied, which involved a line-by-line examination of the data to identify and label themes and concepts (Saunders et al., 2019). This was followed by axial coding where the data was structured and organized based on the concepts derived from the literature review. Lastly, selective coding identified the core concepts and categories of the data based on the sub-research questions.

The researcher used both deductive coding and inductive coding. Deductive coding consists of examining which data conformed with predetermined codes that are derived from existing literature (Saunders et al., 2019). These predetermined codes can be found in Section 3.3. Deductive coding was done to examine which interviewee responses aligned with these predetermined codes. Doing so enabled the research to start with concepts found in the literature review and extend or narrow these based on the interviews. Moreover, through deductive coding, the researcher was able to gain a clear understanding of the concepts that were most frequently mentioned and utilized in practice. This complemented the results section

by for instance addressing the most used activities for improving sustainability or mentioning dominant motives for business-NGO engagement among the interviewees. Appendix 3 provides an overview of how many times interviewee responses aligned with the predetermined codes of the operationalization. Appendix 3 also shows an overview of the most occurring codes of the inductive coding process. Inductive coding was done by labelling data that did not align with the predetermined codes of Section 3.3. This was done to identify additional concepts and factors related to business-NGO engagement between NW-EU dairy businesses and NGOs for sustainability. However, the majority of the data that did not align with the predetermined codes primarily extended the concepts from the literature or provided underlying factors influencing how these concepts were put into practice, rather than uncovering new concepts. Therefore, the overview of the most frequent inductive codes of this study is not organized into specific code groups because they encompass a wide range of nuanced factors that influence the engagement between businesses and NGOs for sustainability.

The interview results are categorized per SRQ in the Results chapter. Per SRQ, an overview is given of the most occurring concepts, such as dominant forms of engagement or most adopted sustainability approaches. The concepts brought up during the interviews are elaborated on thoroughly by discussing how these were put into practice. Furthermore, considerations of interviewees regarding how these concepts were implemented are discussed as well. This approach allowed the researcher to offer a comprehensive understanding of the steps involved in engagement between dairy businesses and NGOs for sustainability.

4. Results

4.1 Introduction

Chapter 4 contains the results of the empirical research, which consisted of interviews with representatives of NW-EU dairy businesses and NGOs. The structure of the chapter aligns with the sequential steps of business-NGO engagement discussed in Section 2.10. Each SRQ will be answered based on deductive and inductive coding. The deductive coding is used to make a connection to the literature found in the literature review. Tables will be used to offer a comprehensive overview of the concepts discussed in the literature review that were referred to in the interviews. These concepts will be further elaborated on to illustrate how these concepts were applied in practice. Quotations will be used to illustrate these practical aspects. Inductive coding aimed to explore new concepts and underlying factors influencing the engagement that were not identified in the literature. Section 4.2 discusses the results of SRQ2: What are the motives for North-Western European dairy businesses and NGOs to engage for sustainability? Section 4.3 discusses the results related to SRQ1: What are the different forms of engagement between North-Western European dairy businesses and NGOs? Section 4.4 provides answers to SRQ3: For which sustainability approaches can North-Western European dairy businesses and NGOs engage? Section 4.5 discusses the results of SRQ4: What are the outcomes of engagement between North-Western European dairy businesses and NGOs?

4.2 Motives for engagement

Section 4.2 discusses the motives of business-NGO engagement, which applies to the first step of the conceptual framework. The literature review presented three categories of motives for business-NGO engagement. These comprise resource dependency motives, institutional motives, and social capital motives. Table 6 provides an overview of which of these categories explains the answers of the interviewees. This section provides a more nuanced image of the interviewees' motives for business-NGO engagement.

Table 6: Motives for business-NGO engagement

Interviewee	Category	Motives
1	Dairy business	<ul style="list-style-type: none"> • Resource dependency motives • Institutional motives
2	Dairy business	<ul style="list-style-type: none"> • Institutional motives
3	NGO	<ul style="list-style-type: none"> • Resource motives • Institutional motives
4	Dairy business	<ul style="list-style-type: none"> • Resource motives • Institutional motives
5	NGO	<ul style="list-style-type: none"> • Institutional motives
6	NGO	<ul style="list-style-type: none"> • Resource dependency motives • Institutional motives
7	NGO	<ul style="list-style-type: none"> • Resource dependency motives • Institutional motives
8	Dairy business	<ul style="list-style-type: none"> • Resource dependency motives • Institutional motives
9	Dairy business	<ul style="list-style-type: none"> • Resource dependency motives • Institutional motives • Social capital motives
10	NGO	<ul style="list-style-type: none"> • Institutional motives • Social capital motives
11	Dairy business	<ul style="list-style-type: none"> • Resource dependency motives • Institutional motives • Social capital motives
12	NGO	<ul style="list-style-type: none"> • Institutional motives • Social capital motives
13	Dairy business	<ul style="list-style-type: none"> • Resource dependency motives • Institutional motives

4.2.1 Resource dependency motives

Motives regarding resource dependency will be explained in a distinction between the dairy business's motives and the NGO's motives for engagement.

4.2.1.1 Business resource dependency motives

Dairy businesses mentioned several resources they aimed to acquire through engaging with NGOs. A distinction is made for these resources based on their perceived importance for improving sustainability. Resources that serve as a basis for improving sustainability performance or founding sustainability initiatives are categorized into essential resources. Resources that lead to resource complementarity are categorized as exchange benefits. Resources for providing a critical perspective are categorized as critical querying.

Essential resources

Access to expertise in sustainability topics.

Four dairy businesses indicated that a motive for engaging with NGOs comprised access to expertise in sustainability topics. This expertise comprised knowledge of specific sustainability topics and know-how of how these sustainability topics could fit within the context of dairy farming. Getting access to this expertise was seen as a basis for further improving their sustainability performance or setting up sustainability projects. The interviewees indicated that they did not have this expertise themselves, especially as their main focus lies on dairy production and not on specific sustainability topics. Therefore, they aimed to access this expertise by engaging with NGOs that specialized in these topics.

None of us are experts in meadow birds. It's also a bit like the saying "Let the cobbler stick to his last" (don't judge things you don't know about). I find it wonderful to see what those farmers are doing for meadow birds, but it's not an area within my expertise... So NGO X has said, "Well for meadow bird preservation, then you need to have so many hectares of herb-rich grassland, and you need to have so much wetland habitat. You shouldn't mow between this and that period." Look, that's not our expertise.

Access to instruments for sustainability performance measurement

Next to expertise in sustainability topics, one interviewee mentioned that access to instruments was also perceived as essential for improving the sustainability performance of its dairy business. The interviewee mentioned that he is always on the lookout for instruments that can further improve the sustainability programme of his company

In addition, I'm involved in various projects aimed at improving our program. We explore alternative methods of measurement, such as engaging with NGO X, as you may have already discussed. They have their own greenhouse gas calculator for peat, whereas we currently use the nutrient cycle indicator. If we identify better tools for measurement, we are open to exploring them. These are some of the reasons why we collaborate with NGO X

Funding

Next to gaining access to expertise and resources, obtaining funding was also considered an essential resource that could be accessed through engagement with NGOs. This applied to small dairy businesses that operated on a regional level. These aimed to contribute to biodiversity within the region in which their supplying farmers operate. The key focus lay on the preservation of meadow birds. During the start-up phase, these dairy businesses engaged with two NGOs. These two NGOs comprised an association focused on bird preservation and an NGO aimed at landscape preservation in a similar region where the dairy business farmers operate. These two NGOs provided funding in the form of a bank guarantee to ensure that the dairy business could be launched.

NGO X together with NGO Y played a crucial role in the founding of our dairy business. Both NGOs provided a bank guarantee at that time to make the financing of the company's establishment possible.

Next to a bank guarantee, the interviewee mentioned that the NGOs provided funding for marketing activities. These activities were seen as essential during the start-up phase of the dairy business.

And NGO X also made a significant contribution to the initial marketing. They paid for the design of our packaging, hired a videographer to create videos about our farmers and our work.... So, during the startup phase, NGO X invested a lot in the successful launch of our business.

The interviewee mentioned that access to funding was essential for its business as its small-scale character led to an insufficient budget for funding the organization's launch and initial marketing activities.

Exchange benefits

Exchange benefits are the result of combining the unique strengths of both organizations. Interviewees emphasized that combining expertise in sustainability issues with practical knowledge of dairy farming could yield advantages for improving dairy businesses' sustainability performance. This could for instance entail knowledge exchange between NGO and dairy business employees to share insights for further refining sustainability objectives.

Additionally, we benefit from the expertise and advice on biodiversity to guide the direction of our milk production. In exchange, we share our practical knowledge in dairy farming... We then assess what our goals entail and how initiatives for achieving these goals can be effectively implemented.

Next to goal refinement, expertise in sustainability and dairy farming could be exchanged for developing instruments.

The biodiversity monitor is a tool that assesses how farmers perform on various biodiversity KPIs. It was developed collaboratively with Company X and NGO X. The three of us made substantive contributions to the development of this monitor.

Besides interactions between NGO and dairy business employees, interviewees also mentioned that there could be benefits from knowledge exchange between NGO staff and dairy farmers. This could for instance entail complementing sustainability expertise with know-how on dairy farming or looking for possibilities for regional collaboration.

Additionally, we had organized sessions where, for example, foresters and farmers came together to exchange knowledge. We would explore ways to collaborate more regionally.

Critical querying

Dairy businesses mentioned the importance of receiving a critical view on their sustainability efforts. Since NGOs specialize in specific themes, seeking an outsider's perspective on the performance and goal-setting related to such themes could aid in improving the sustainability performance of dairy businesses. Compared to exchange benefits, this critical querying does not involve the combining of unique strengths of NGOs and dairy businesses. Rather, it entails communicating the sustainability goals, initiatives or performance of dairy businesses related to these specific themes to an NGO. Subsequently, the NGO offers a specialized and critical perspective on this particular theme, leveraging its expertise in that area. Following this, dairy businesses use this critical perspective to enhance their sustainability efforts to boost overall sustainability performance.

And what you see with those NGOs is that because they can focus on one theme, they continuously question us about that. And say, are you really doing the right things? Shouldn't you do it differently? And also make suggestions, whether asked or not.

4.2.1.2 NGO RDT motives

Out of the six interviewed NGOs, three mentioned motives for engaging with dairy businesses that were related to acquiring resources.

Funding

Only one representative from NGOs mentioned that access to funding was a motive for engaging with dairy businesses. The main motive behind this NGO's engagement with dairy businesses was the securing of a significant amount of funding. In return, the NGO would offer its expertise regarding its sustainability specialization, which consisted of planting trees and shrubs. Such monetary donations were deemed crucial for the NGO, as it operates as a foundation and largely depends on external funding to finance its activities. Securing funding for these activities was considered vital for the NGO, as they play a decisive role in fulfilling the organization's mission and ensuring its survival.

Well, that's actually our business model. We're not a company, but that's what we do. We collect donations from society, both from businesses and individuals, and ensure that it goes to sustainable projects in the Netherlands and Germany. That's what we do

In addition to obtaining funding, the NGO highlighted another appealing factor for the engagement. This was the opportunity to be actively involved in establishing an entirely new program for trees and shrubs planting. In contrast to previous projects, where their involvement was limited to project execution, in this instance, the NGO would play a key role in designing and implementing a new program for large-scale impact. Next to receiving direct donations from dairy businesses, the interviewee mentioned that engaging with a well-known dairy business could enhance the NGO's ability to secure additional funding from the broader society. The reasoning behind this idea was that this engagement could increase NGO's brand awareness. This increased brand awareness would be achieved by leveraging the consumer reach and marketing capabilities of the dairy businesses. The marketing activities of the dairy businesses would aim to increase awareness in society of the importance of tree and shrub planting, which aligns with the NGO's expertise. This would potentially translate into more donations from society to the NGO's initiatives.

That's why we want more brand awareness, so that more people realize the importance of trees, and also encourage them to donate to us. Making a donation is crucial in supporting our cause.

While one NGO emphasized that access to funding was a key motive, another NGO mitigated the importance of external funding as a reason for engaging with dairy businesses. This NGO possessed sufficient financial resources itself to fund its activities. This divergence among NGOs could potentially be explained by differences in legal forms. The latter NGO operated as an association with a large member base, resulting in a substantial amount of member donations. In contrast, the first mentioned NGO was a foundation completely dependent on external funding.

Expertise

NGOs mentioned that gaining access to expertise on sustainability was not a primary motive for engaging with dairy businesses. The rationale behind this was that NGOs in general specialize in sustainability themes themselves.

Well, the knowledge, we already had that, and the farmers we were working with also had it, to be honest. So that wasn't the problem.

Nonetheless, interviewees acknowledged that engaging with dairy businesses could enhance their understanding of the dairy sector, providing valuable insights into both opportunities and challenges related to sustainability initiatives. Acquiring this knowledge would enable NGOs to assess the current state of sustainability practices within the sector, identify areas for improvement, and contribute to enhancing sustainability initiatives.

Look, Company X naturally has a lot of knowledge about agricultural practices and how dairy companies are already engaged in monitoring climate and nature impact, as well as understanding the effects of specific types of herb-rich grassland on dairy production. We are trying to add an ecological perspective to that.

Establishing a mutual understanding through acquiring this sectoral knowledge was seen as essential for constructive dialogue between NGOs and the dairy sector. Rather than adopting a confrontational approach, a mutual understanding of each other's views on sustainability could foster a cooperative environment and facilitate joint efforts towards a more sustainable dairy sector.

And through those conversations with those parties, we understand much better how farmers can assist in meeting those requirements because there are sometimes conflicting interests, and you need to address that together with the farmers. How can you serve the needs of the meadow birds while still running your business effectively?

In addition, NGOs could gain from the expertise of various stakeholders engaged in business-NGO engagement. One interviewee highlighted the importance of the involvement of agricultural collectives in business-NGO engagement. This involvement of agricultural collectives provided the NGO with an extra layer of expertise, particularly in the realm of nature management. Engaging with dairy businesses could thus enable NGOs to acquire a diverse range of knowledge and perspectives on sustainability initiatives in the dairy sector.

4.2.2 Institutional motives

4.2.2.1 Business institutional motives

The literature review mentioned that institutional theory argues that organizations need to adhere to external institutional pressure from several stakeholders. The need to adhere to this stakeholder pressure and their demands was also reflected in the interviews with dairy business representatives. All seven representatives of dairy businesses mentioned that dealing with stakeholder pressure was a key motive for engaging with NGOs to improve sustainability. This implies that engagement with NGOs is perceived as a suited tool for dealing with institutional pressure for sustainability. Representatives from dairy businesses explained that engagement with NGOs primarily aimed to enhance the credibility of their sustainability performance. Furthermore, engaging with NGOs could address pressure and demands from a wide-set of stakeholders.

Credibility of sustainability performance

All business representatives noted that sustainability issues have become a key topic in the dairy sector. They acknowledge that this leads to a view within society that dairy businesses should embrace activities that mitigate environmental impact. Several interviewees brought up that their employer has intrinsic motivation for stimulating sustainable dairy production. Especially since they believe that the dairy sector can play a big role in transitioning towards a more sustainable agrifood system.

Within Company X, there is an international platform called XXX that focuses on biodiversity restoration. We operate under the belief that the dairy industry, in particular, can play a crucial role in contributing to this restoration.

Nevertheless, it was emphasized that dairy businesses encounter challenges regarding the legitimacy of their sustainability performance. These challenges primarily result from the abundance of sustainability labels and certifications, leading to societal scepticism about the credibility of sustainability performance in the dairy industry.

So, if you want to position that in the market, currently, there are numerous certifications and various other factors... So consumer programs and other parties often raise legitimate questions about these: How reliable is this? How robust is this? How is this ensured?

To overcome such challenges dairy businesses engage with NGOs to enhance the legitimacy of their sustainability performance. The key motive for engaging with NGOs to enhance legitimacy results from the independent position that they hold. The NGO's independent positions result from its focus on sustainability, meaning it does not prioritise commercial interests. In addition, NGOs are often specialized in a specific sustainability theme. Having this knowledge was perceived as crucial for removing scepticism on whether a dairy business' sustainability performance aligns with experts' standards on sustainability topics, such as meadow bird preservation or biodiversity restoration.

However, we felt that if we display this on the shelf, it should be independently secured; If we make a claim on the packaging, it should also have substance and be independently verified.

Due to their independent position and expertise NGOs are viewed as credible societal representatives for sustainability. Therefore, dairy businesses perceive them as valuable partners for removing scepticism on sustainability performance. For instance, by obtaining NGO support for the dairy business' use of a certain sustainability label/certification featured on the packaging.

So, in the Dutch supermarket aisle, our product carries the X certification. That is from NGO X, an independent certification. As Company X, we have entered into a commercial partnership with NGO X to have an external party, in this case, the NGO, confirm and approve it. This way, we receive affirmation from a party external to us that they endorse and support it.

Additionally, NGOs could take on the role of program manager in sustainability initiatives launched by dairy businesses. This would show that dairy businesses' sustainability efforts are overseen by a legitimate organization for sustainability, which could ensure the quality and credibility of their initiatives.

When we plant trees and shrubs, we want to ensure that it is done in a way that guarantees quality. This involves both the content of the program and their role in program management for us. Hence, the decision to partner with these two NGOs were that it is crucial to present this in a credible and effective manner.

Additionally, leveraging NGOs' brand recognition could illustrate to society that dairy businesses are intrinsically motivated to improve their sustainability practices. If an NGO has strong brand recognition by society and has an independent and legitimate reputation regarding sustainability, it is perceived as an ideal partner by dairy businesses to showcase their commitment to sustainability on a large scale.

Yes, it's also just a very good partner in the whole story, a global partner. So, I think that's the main reason for collaborating with them. Global reach... We are truly intrinsically motivated. So, NGO X is simply a great partner to have in order to make that motivation visible.

Stakeholder pressure

Consumers

Engaging with NGOs was most commonly initiated to address consumers' sustainability expectations. Interviewees mentioned that efforts to enhance legitimacy were primarily directed at consumers, aiming to project an image of credibility and authenticity in their commitment towards sustainability initiatives. The primary reason for this consumer focus is based on the commercial orientation of dairy businesses, where consumers are viewed as key stakeholders for remaining profitable.

*Q: For which groups is it most important for Company X to appear legitimate?
A: Consumers. At the end of the day. You know? We have one goal, to produce and sell milk. We just need to add value to that milk. So for us, consumers are also the most important.*

Several interviewees mentioned that consumer expectations regarding sustainability created new commercial opportunities. For instance, the utilization of sustainability claims on packaging. To show alignment with these expectations, efforts to engage with NGOs aimed to demonstrate the legitimacy of such sustainability claims.

Yes, that logo is essentially a kind of seal of guarantee for consumers. It's like, the NGO X provides me with it; yes, it's not an official certification, but it does give a seal and blessing to our commitment that we are doing something for the meadow birds. Yes, that was and is very essential for us.

Customers

After consumers, customers were identified as the most important stakeholders whose sustainability expectations could be addressed through NGO engagement. These customers predominantly included retailers (supermarkets and the catering industry) and wholesalers. In some cases, engaging with NGOs was viewed as a necessity to meet the purchasing conditions set by Dutch supermarkets. For instance, some supermarkets demand a certification from a reputable NGO on meadow milk as a fundamental standard to be displayed on their shelves.

When it comes to dairy, the standard set by NGO X is the same standard adopted by supermarkets. Supermarkets still have it; they've all included it in their purchasing conditions. So, you can't avoid it. If you want to be on the Dutch shelf, you just need meadow milk, and you need the stamp of approval from the foundation.

Besides requisite certifications, interviewees mentioned the increasing demand of customers for sustainably produced dairy products.

Yes, they are becoming increasingly important. This is because purchasing organizations such as wholesalers and catering companies are placing growing importance on sustainability.

Similar to consumers, engaging with NGOs was addressed as an effective tool for showing alignment with customers' expectations regarding sustainability. To showcase such alignment a dairy business could involve an NGO representative in negotiation talks with retail purchasers. Involving this NGO representative aimed to persuade the retail purchasers that the offered dairy products meet the sustainability expectations outlined by the customer.

So, that would be very concrete, involving a meeting with, for example, retail X or another wholesaler where we want to convey that we are doing very well with biodiversity. We would bring someone from NGO X who would then talk about all the measures taken and grant their approval. They would support our story.

Society

Societal pressure was also mentioned as a motive for engaging with NGOs, however this was only brought up by two interviewees. One of the interviewees was the representative of the integrative foundation on outdoor grazing. Pressure from society mainly resulted from NGOs that aimed to force the dairy industry towards more sustainable practices. This sparked a public debate in which various NGOs acknowledged the importance of outdoor grazing in the Netherlands. Recognizing this importance, dairy businesses agreed to involve NGOs in the association. This involvement could contribute to establishing outdoor grazing as the standard in the Dutch dairy industry.

And our pitch was that this is a strategic theme for the industry. So, we asked all parties if they wanted to participate. The dairy sector is an influential sector, but with such a theme, it can only be successful if it is approached from within the dairy sector. It can't be achieved by one entity alone. So, our perspective was that we all need to come together to make it work.

Government

The interviewees did not bring up any engagement with NGOs specifically for dealing with the sustainability expectations of the government. However, one interviewee indicated that engaging with NGOs could potentially be done in the future to deal with climate impact. This is due to the expectancy of future regulation by the Dutch government to mitigate the carbon footprint of dairy production. To comply with such regulations, the interviewee expressed a willingness to engage with NGOs to establish a milk supply chain sourced from farmers who are already excelling in climate-neutral practices. Additionally, the interviewee expressed a willingness to explore how NGOs could provide further support to these farmers in their efforts to achieve climate neutrality.

Ultimately, legislation will be implemented, and we all need to take action. Would you also want a milk chain with those who perform exceptionally well in that area, those who already have it well organized? So that would be a topic that we, from our own perspective, say, 'Hey, can we do something about that? Can we reach out, for example, to an NGO that can help us establish a good milk chain?'

4.2.2.2 NGO institutional motives

NGO motives for engaging with dairy businesses can overall be analysed using institutional theory. According to the interviewees, their key motive for engagement was to align with their sustainability orientation by contributing to a more sustainable dairy industry. This indicates that the core motivation behind NGOs' engagement with dairy businesses stems from their commitment to sustainability.

Yes, we consider it important to increase biodiversity in the Netherlands. That's actually our top priority. So, more biodiversity, but also a healthier living environment and a better climate.

When asked about their motives, nearly all NGOs expressed the belief that the dairy industry plays a crucial role in transitioning towards a more sustainable agrifood system. The NGOs mentioned that focussing on the dairy sector was a strategic decision due to its substantial influence on biodiversity levels in the Netherlands. They supported this decision by noting that the dairy sector is the largest land user within the agrifood sector in the Netherlands and emphasized its potential to play a crucial role in biodiversity restoration and preservation. Therefore, they aimed to contribute to a more sustainable dairy industry by directing efforts towards enhancing sustainability practices on dairy farms.

Farmers, and specifically dairy farmers, are really a very large group of people who manage a lot of land in the Netherlands. Nature in the Netherlands is scarce, so we gladly engage in collaboration with farmers as well.

NGOs emphasized the reasoning that achieving sustainability changes in the dairy industry requires an incremental approach. Consequently, their primary motivation was to encourage and enable dairy businesses and farmers to make small, but initial, steps toward more sustainable dairy production. This was also with the realization that it is more realistic to demand that farmers take small steps rather than make radical changes to their dairy farming practices.

By working with them, the idea was to reach as many farmers as possible to take small steps towards biodiversity restoration. So, not immediate radical changes, but small steps to eventually achieve results because many farmers can do that at the same time.

While all NGOs expressed the belief that engaging with the dairy industry could potentially contribute to a more sustainable agrifood system, NGOs provided varied arguments for their approaches to the engagement. Some focused on engaging with major dairy businesses, while others emphasized partnerships with small dairy initiatives. This section will differentiate between the motives for engaging with major dairy businesses, driven by the goal of achieving a large-scale impact, and engaging with small dairy initiatives, driven by the aim of evoking competitive pressure.

Major dairy business focus

NGOs choose to engage with large-scale dairy businesses due to their large farmer base, providing an opportunity for large-scale improvement for sustainability changes on farms. One interviewee mentioned that his NGO assists farmers individually in adopting more sustainable dairy farming practices, regardless of any involvement with dairy businesses. However, he argued that engaging with dairy businesses provides access to a large number of farmers.

Until recently, we mainly operated at the level of individual companies. However, if you want to change something in the landscape, you have to work with larger groups of farmers. And that is one of the ways to organize that, through the dairy business. So, that's what we are trying to do with the Company X engagement.

Several NGOs highlighted that the partner selection process considered the current level of sustainability performance and commitment of a dairy business towards sustainability, which was often viewed as debatable. However, the decision to engage with a certain dairy business was frequently driven by the potential to reach a large number of farmers, often outweighing initial scepticism on their sustainability commitment.

Are you perhaps going to collaborate with very small dairy cooperatives that may be doing very well in terms of climate and nature but may have a very small volume? Or are you going to focus more on the so-called peloton? So, the organization that is not entirely against nature or climate objectives but still has a lot of steps to take. From the perspective that if you get them on board and help them take those two, three, four steps, then you can make a difference in the whole of the Netherlands with about 9,000 farmers. So, in our agricultural strategy, we choose to work with the peloton to advance nature-friendly agriculture.

Small dairy initiatives

NGOs that engaged with small dairy initiatives argue that supporting these initiatives could evoke competitive pressure on major dairy businesses. NGOs were attracted to these dairy initiatives because they differ from traditional bulk commodity dairy production. NGOs aimed to further support these initiatives in taking further steps for sustainable dairy production and commercializing their products. Supporting such initiatives aimed to evoke competitive pressure on larger dairy businesses, encouraging them to prioritize sustainability in their large-scale dairy production practices.

We have supported Company X and Company Y to also encourage the larger parties to do more for nature, landscape, and sustainability. Company Z is, of course, also an initiative that, I don't know if you're familiar with them, but it's set up to challenge the larger cheese factories that supply to supermarkets.

To evoke competitive pressure, NGOs provided financial support to the small dairy initiatives to supplement their limited financial resources. This investment was intended to secure the survival of these dairy initiatives in their start-up phase. By ensuring the survival of these initiatives, NGOs aimed to empower them to continue pursuing their missions, which revolved around sustainable dairy production. To assist their commercialization activities, NGOs engaged with small dairy initiatives to create markets for specialized dairy products. This specialization could involve regional production or dairy products focused on specific sustainability topics, such as meadow bird-friendly dairy.

Our aim was to give farmers credit in the market for the efforts they put in or to make those efforts visible in the market so that people, ultimately consumers, could choose to buy dairy that contributes to the conservation of meadow birds.

A key challenge in this market creation involved a low willingness to pay of consumers as the products' prices were substantially higher than those of major dairy businesses.

The meadow bird-friendly niche product has to compete with the market leader, which is one of the biggest and most efficient players in the sector. Because the meadow-friendly milk is twice as expensive as regular milk, a consumer who buys that wants to get a good story

To enhance this willingness to pay, NGOs provided support through promotional activities on their website, which would guide consumers towards small dairy initiatives. Additionally, small dairy initiatives were promoted among NGOs' member bases.

But Company X or other small companies like Company Y, rely a bit more on us because they have somewhat less exposure themselves. They also really like to use our media to draw attention. And, of course, we have a fairly large reach. Our own member base is 165,000 plus. And underneath them, we consistently pay attention to those brands as well.

4.2.3 Social capital motives

4.2.3.1 Business social capital motives

Social capital motives for engaging with NGOs were only discussed by two dairy businesses. When asked about the importance of increasing social capital through such engagements, the two dairy businesses indicated that the importance of these social capital motives was minor compared to their resource dependency and institutional motives. This indicated that increasing social capital is not a primary objective for engaging with NGOs. However, the

interviewees emphasized that an NGO was considered a potential partner for engagement when it possessed a network capable of benefiting the dairy business in enhancing its sustainability initiatives. This network could be utilized to connect with experts in sustainability topics. Furthermore, this network could offer contacts of farmers who gained expertise in sustainable dairy farming. Subsequently, the dairy business could connect its own farmers with those who had already gained this expertise, fostering opportunities for peer learning among farmers.

So, the choice for these two partners was essentially made with the realization that NGO X is equipped with a highly intricate network of experts in the field of biodiversity and also possesses knowledge of various provincial regulations.

4.2.3.2 NGO social capital motives

Two NGOs mentioned increased social capital as a motive for engaging with dairy businesses. However, these interviewees also expressed that other motives outweighed the importance of social capital motives for engaging with dairy businesses. Similar to dairy businesses, gaining access to networks was seen as the main motive to increase social capital. NGOs aimed to use dairy business networks to acquire new contacts, which consisted of other dairy businesses and their customers. Dairy businesses and their customers could then be approached by NGOs to encourage them to make efforts for sustainable dairy production or offer more sustainable dairy products in their product assortment.

So, they could inform us much more about; Okay, these are important buyers or organizations that you need to approach to motivate them to make different choices... That's when a kind of contact is established: Okay, maybe we can also motivate them to make the cheese they supply bird-friendly. Company X had those contacts, they knew the names. They also knew how things worked, and they could help us with that.

4.3 Forms of engagement

Section 4.3 discusses engagement design, which resembles the second step of business-NGO engagement. The literature review presented three different forms of business-NGO engagement: philanthropic engagement, transactional engagement and integrative engagement. This section will provide a more nuanced image of how these engagement forms took place in practice. Table 7 provides an overview in which form dairy businesses and NGOs were involved. It should be noted that several interviewees answered they were involved in several forms of engagement. Besides, the table only indicated which engagement forms were discussed during the interview. There is no guarantee that the dairy businesses and NGOs are involved in other engagement forms than the ones presented in Table 7.

Table 7: Engagement forms of the interviewees

Interviewee	Category	Engagement form
1	Dairy business	<ul style="list-style-type: none"> • Transactional
2	Dairy business	<ul style="list-style-type: none"> • Transactional
3	NGO	<ul style="list-style-type: none"> • Transactional
4	Dairy business	<ul style="list-style-type: none"> • Philanthropic • Transactional
5	NGO	<ul style="list-style-type: none"> • Transactional
6	NGO	<ul style="list-style-type: none"> • Transactional • Integrative
7	NGO	<ul style="list-style-type: none"> • Integrative
8	Dairy business	<ul style="list-style-type: none"> • Philanthropic • Transactional
9	Dairy business	<ul style="list-style-type: none"> • Transactional
10	NGO	<ul style="list-style-type: none"> • Transactional
11	Dairy business	<ul style="list-style-type: none"> • Transactional
12	NGO	<ul style="list-style-type: none"> • Transactional
13	Dairy business	<ul style="list-style-type: none"> • Transactional

4.3.1 Philanthropic engagement

Two dairy businesses mentioned that they were involved in philanthropic engagement. It is worth noting that these dairy businesses were also involved in other forms of engagement. Based on these two interviews, two types of philanthropic engagement were identified. One dairy business supported NGO projects through monetary donations, while the other organized social activities in collaboration with an NGO as part of their philanthropic efforts.

The dairy businesses providing monetary donations mentioned that their initial engagement with the NGO began through a project focused on certifying responsible animal feeding. The dairy businesses expressed a desire to expand their contributions when this engagement evolved over the years. Consequently, the dairy business decided to set up a fund to support NGO projects that promote sustainable farming practices, both within the country where the dairy business operates and in other countries. The interviewee clearly expressed that the intention behind this funding was to improve the world through financing NGO activities, rather than funding sustainable farming practices exclusively for their own dairy farmers.

So, we do not want the money to go directly to our own supply chain. With NGO X, the intention is really to stimulate other projects, the projects of NGO X. That is actually the idea. So, you have a fund, the money you invest, it should be used for projects to improve the world.

The second form of philanthropic engagement entailed organising social activities with an NGO dedicated to regional promotion. The dairy business decided to engage with this NGO as its dairy farmers operated in the region that the NGO aimed to promote. Plus, the dairy business mentioned a desire for regional promotion as well.

We both want to promote Region X. So, we will collaborate to carry out joint promotions.

By organising social activities such as bicycle tours, the dairy business aims to promote visits to their dairy farmers. This would provide farmers the opportunity to sell their products to participants of the bicycle tours. To do so, the dairy business would make a financial contribution to organize these bike tours and arrange farmers to participate in the tours. The interviewees noted that philanthropic engagement was not of major importance for the dairy businesses, resembling it mainly provided one-sided benefits for the NGOs. Nevertheless, they expressed that it was enjoyable to engage with NGOs for such initiatives.

Yes, it may not be very large-scale, but it's just nice to work together and collaborate on these initiatives.

The frequency of interaction between dairy businesses and NGOs remained limited in philanthropic engagement. Moreover, no formal structural arrangements or contracts on how the engagement should occur were established. The only arrangements discussed included a statement of intent that outlined the purpose of the engagement. Besides, there was an agreement on the height of the assigned budget for supporting NGO activities, in combination with an agreement that ensures the dairy business is kept informed about which specific projects are financed using this funding.

But for the bike tour, it's a statement of intent that we're simply undertaking activities together and where the purpose of the collaboration is described.

4.3.2 Transactional engagement

Twelve interviewees were involved in transactional engagement, making it the most common form of engagement between NGOs and dairy businesses among the respondents. These twelve interviewees mentioned that their engagement was focused on a two-sided benefit distribution. This implies that the interviewees acknowledged the engagement could result in benefits for both parties involved.

But the primary goal was to make Company X's sustainability labelling big through that commercial collaboration. The goal of NGO X was, they said, to actually find farmers who, based on this certification, deliver milk that performs better, so to speak, and contributes more to biodiversity and climate.

To obtain these benefits, exchanging resources went beyond merely monetary donations and granting NGOs access to farmers. It's important to note that monetary donations remained a crucial resource exchange in certain cases of transactional engagement. This was raised by a dairy company that supported a sustainability initiative established in collaboration with an NGO. In exchange for their donation, the NGO took on a key role in the programme management of this initiative. Besides the donation, the dairy business also provided input on the design of the sustainability program and actively participated in managing and evaluating the initiative.

So, we are essentially the budget provider, that's one way to look at it. We have two NGOs as partners who bring a lot of knowledge and expertise. Together, we ensure that we achieve the objectives.

In other instances of transactional engagement, the exchange of resources extended beyond financial contributions by the sharing of knowledge and other organizational assets. Such

knowledge and asset exchange took place through collaborative projects or temporary placement of employees in the other parties' organizations.

They temporarily seconded and paid a communication employee to us. So, during that startup phase, NGO X invested heavily in the successful launch of our business

The twelve interviewees expressed that their engagement had an important role in achieving their organizational mission. Dairy businesses noted that understanding the perspectives of society through engagement with NGOs was a key element for their long-term survival. Furthermore, engaging with NGOs was seen as an important part of their commitment to sustainability, particularly in rewarding farmers for their sustainability efforts. NGOs expressed the importance of engagement with dairy businesses as it offered opportunities to advance their mission on sustainability. One NGO noted that the importance of the engagement results from their belief that dairy production will remain a crucial economic factor in the regions where they operate. They recognized that, whether they favour it or not, engaging with dairy businesses was a realistic and practical option for contributing to their mission of realizing a resilient landscape.

The essence: the source of our business lies in the collaboration between our farmers and NGO X

Interaction levels between dairy business and NGO staff were perceived as frequent in cases of transactional engagement. Several interviewees mentioned that these interaction levels had the highest intensity during the starting phase of the engagement as this phase involved discussions on budget allocation, responsibilities, and role divisions.

Yes, in the beginning, when they really had to discuss budget allocation, it was very intensive, and now it's much less intensive.

When the starting phase was rounded up, the frequency of interaction evolved into structural meetings between staff of both organisations. These structural meetings aimed to provide updates on for instance the level of progress on sustainability initiatives, dealing with challenges or discussing potential activities and the strategic direction of the further engagement.

Yes, I think it was a few times a month. So, it could be very simple like having an update on this or planning a publication in the members' magazine. And then there were, I believe, regular monthly meetings as well.

When asked about the hierarchy level of the staff involved, the interviewees mentioned a division between operational employees and high-level managers. Operational employees consisted of experts in specific themes related to sustainability or dairy production. Interaction among these employees primarily focused on exchanging knowledge to develop new practices for sustainable dairy production. Furthermore, operational employees aimed to execute the made agreements between dairy businesses and NGOs, such as monitoring the achievement of certain short-term objectives. These tasks were mainly done in shared teams or projects. High-level managers evaluated the strategic direction of the engagement, which was undertaken in steering groups. Within these steering groups, high-level managers aimed to maintain an overview of the bigger picture and the strategic direction of the engagement. This would for instance involve evaluating budget allocation and monitoring progress toward long-term goals.

The (operational) employees focus more on how the execution of the agreements is being carried out. So, we had a collaboration agreement related to the certification. A certain number of farmers had to participate, and was there growth in that? We also identified challenges with sustainability requirements being imposed. So, those discussions took place at that level.

The interviewees highlighted the importance of structural arrangements to outline how the engagement should be shaped. This was perceived as a crucial aspect of facilitating effective engagement. Topics in such arrangements involved budget allocation, role division, objectives, number of evaluation moments, and timespan of the engagement. Several interviewees mentioned that such arrangements were formalized in the form of a legal contract. This formalization ensured the fulfilment of the responsibilities and tasks of NGOs, dairy businesses, and involved dairy farmers. However, one NGO intentionally avoided the use of a legal contract. This provided both the NGO and dairy businesses the flexibility to terminate the engagement at any time if they were not satisfied with the collaboration process or achieved outcomes.

Q: And when you talk about this timeline, are such things specifically agreed upon? How long the collaboration will last? A: Yes, definitely. Absolutely. And it's crucial to have good discussions about that beforehand

4.3.3 Integrative engagement

Two interviewees were involved in integrative engagement. The first case comprised a foundation that was founded by a dairy business. This foundation aimed to stimulate outdoor grazing among supplying dairy farmers as a means of dealing with consumer demands for meadow milk. However, over the years, this foundation actively sought connections with NGOs and other relevant stakeholders in the dairy sector. The interviewee mentioned that eventually this association was directed by board members representing the dairy sector, NGOs, farmer organizations, governmental entities, and the financial sector. Rather than focusing on a specific group of farmers, the association also became dedicated to setting outdoor grazing as the standard for the entire Dutch dairy industry.

The second case of integrative engagement involved an NGO that collaborated with a dairy business and a financial institution to create a tool for measuring biodiversity levels. The aim was to make this tool accessible to the entire Dutch dairy industry. The integrative aspect of this engagement resulted from the decision to establish an independent foundation. This foundation would be responsible for ensuring specific threshold values within the KPIs of this measurement tool. Eventually, both cases of integrative engagement aimed to realize benefits for the entire dairy industry. Therefore, these cases intend to achieve a collective distribution of benefits that extends beyond solely the initially involved parties. Considering this sectoral impact focus, both interviewees expressed that their engagement did not align only with the mission of a specific organization. Instead, the engagement would contribute to realizing sustainability goals recognized as strategic themes for the entire dairy sector.

The dairy sector is an influential industry, but with such a theme, it can only be achieved if approached collectively from the entire dairy sector. Doing it alone won't suffice. So, our perspective was that we all need to come together to ensure its success.

Resources exchanged within the integrative engagement mainly comprised knowledge. This knowledge exchange was undertaken between staff of NGOs, dairy businesses and other relevant stakeholders, such as financial institutions and research institutes. This knowledge exchange aimed to further extend the knowledge base of the involved parties on outdoor grazing and biodiversity monitoring.

Yes, the development was really about defining KPIs, so that just didn't exist. That is truly the biodiversity monitor, and the entire Public-Private Partnership was set up for that purpose.

Both interviewees mentioned that interaction took place between operational employees and high-level managers. Operational engagement executed monitoring activities to measure biodiversity levels and ensure the minimum conditions for outdoor grazing during on-site farm visits. Engagement between high-level managers focused on assessing the strategic direction of the foundation during board meetings.

If you look at the board, there are NGO X and a representative from the field of ecological science. So, you have two individuals who focus purely on nature. Then, there are Dairy Branche Organization X, Dairy Branche Organization Y, and Financial Institution X. These three individuals are more oriented towards market perspectives.

Structural arrangements for integrative engagement were only briefly discussed. For instance, in the form of a legal contract that outlined the responsibilities and tasks of dairy businesses and NGOs. In addition, there were legal agreements on the minimum conditions dairy farmers needed to adhere to be classified as meadow dairy-friendly. This legal agreement was perceived crucial due to the financial rewards a farmer could potentially receive for meeting the criteria for meadow milk production.

Yes, that is indeed a comprehensive set of rules that is in place there. And it has to be, because there are various aspects involved, and it also concerns large turnover and significant financial flows going to dairy farmers.

4.4 Sustainability approaches

Section 4.4 discusses the third step of business-NGO engagement and addresses for which sustainability approaches the engagement can be implemented. The literature review presented four approaches in which dairy businesses and NGOs could engage to improve sustainability. These approaches were the collective development of sustainability practices, collective measurement of sustainability performance, collective sustainability reporting, and collective lobbying. Table 8 provides an overview in which of these approaches the interviewees participated. This section will provide a more detailed description of how these approaches occurred in the engagement.

Table 8: Sustainability approaches in dairy business-NGO engagement

Interviewee	Category	Sustainability approach
1	Dairy business	<ul style="list-style-type: none"> • Collective development of sustainability practices • Collective measurement of sustainability performance
2	Dairy business	<ul style="list-style-type: none"> • Collective sustainability reporting
3	NGO	<ul style="list-style-type: none"> • Collective development of sustainability practices • Collective sustainability performance management • Collective lobbying
4	Dairy business	<ul style="list-style-type: none"> • Collective development of sustainability practices • Collective sustainability performance management
5	NGO	<ul style="list-style-type: none"> • Collective sustainability performance management • collective lobbying
6	NGO	<ul style="list-style-type: none"> • Collective development of sustainability practices • Collective sustainability performance management
7	NGO	<ul style="list-style-type: none"> • Collective development of sustainability practices • Collective sustainability performance management • Collective lobbying
8	Dairy business	<ul style="list-style-type: none"> • Collective sustainability performance management
9	Dairy business	<ul style="list-style-type: none"> • Collective development of sustainability practices • Collective sustainability performance management
10	NGO	<ul style="list-style-type: none"> • Collective sustainability performance management
11	Dairy business	<ul style="list-style-type: none"> • Collective development of sustainability practices • Collective sustainability performance management
12	NGO	<ul style="list-style-type: none"> • Collective development of sustainability practices • Collective sustainability performance management • Collective lobbying
13	Dairy business	<ul style="list-style-type: none"> • Collective sustainability performance management

4.4.1 Collective development of sustainability practices

Eight interviewees mentioned involvement in collective development of sustainability practices. These approaches are categorized into sustainability practice development, instrument development, farmer workshops, farmer consultation and realizing farmer motivation for sustainable practices.

Sustainability practice development

Two interviewees mentioned involvement in co-developing a new sustainability practice, which occurred in the form of a sustainability project. The primary objective of this project was to improve biodiversity restoration by planting trees and shrubs on dairy farms, aligning with a key pillar of the involved dairy business' sustainability strategy. The dairy business engaged with two partners (an NGO and an agricultural collective) for this co-development since they lacked expertise in planting and monitoring trees and bushes. An interview was conducted with the involved NGO, which possessed the necessary expertise. Both interviewees noted that their co-development aimed to establish a procedure to guide project participants in planting

and managing trees and shrubs on their dairy farms. This procedure was deemed crucial, as participating farmers expressed a willingness to embrace sustainability but lacked the necessary knowledge on how to undertake the required activities.

That's why we have established a program to assist them in doing so because farmers often have the willingness, but they don't know where to start.

The procedure was primarily based on the standard method of the NGO for managing trees and bushes but was specifically tailored for farmers in the project. This tailoring was done using input gathered from participating dairy farmers during the pilot phase of the project. Gathering this farmer's input was highlighted as a success factor in motivating other farmers to participate in the sustainability project.

So, in all aspects, they provided guidance on how to communicate about the program to the farmers... and I think that is crucial for the success of the program.

Instrument development

Three interviewees mentioned an involvement in co-developing instruments for improving sustainability performance. One such instrument comprised a biodiversity monitor developed through engagement between a dairy business, an NGO, and a financial institution. This monitor was designed to evaluate the sustainability performance of Dutch dairy farmers on various sustainability indicators. This evaluation was deemed crucial for identifying areas of improvement for sustainability. Furthermore, the evaluation served as a basis for rewarding farmers for their sustainability performance. Rewarding farmers resulted from the reasoning that recognizing their contributions to nature preservation and biodiversity would encourage their active involvement.

From our perspective, it is about the connection with practicality. Ensuring that the monitor also works for dairy farmers, that they can handle it, and that they can actually take steps towards biodiversity restoration with it.

Farmer workshops

Three interviewees mentioned involvement in farmer-directed workshops where an NGO expert shared knowledge on sustainable farming practices. These workshops discussed topics such as nature-inclusive farming, soil health preservation, and greenhouse gas emission reduction. The aim was to provide farmers with the necessary knowledge to partake in sustainability efforts as this was often lacking. Besides teaching these topics, the workshops also aimed to convey the benefits of implementing sustainable farming practices, such as potential long-term cost reductions for farmers. These workshops could either be on a voluntary or compulsory basis. In voluntary workshops, farmers had the autonomy to decide whether to participate or not. The main audience would then consist of farmers intrinsically motivated to realize nature-inclusive farming. Compulsory workshops occurred when workshop participation was demanded by dairy businesses sourcing from the farmer. This workshop participation could for instance be a minimum condition for sustainability premiums provided by dairy businesses.

Participating in those workshops is a requirement from company X, and that creates a very different atmosphere than when you have a study group of people who all come to us out of curiosity or intrinsic motivation to learn about a specific topic.

To effectively address low intrinsic motivation in compulsory workshops, a success factor was asking farmers about the sustainability topics they were interested in exploring. Another contributing factor was the step-by-step approach when discussing sustainability topics. This

entailed that the workshop would initially focus on topics directly relevant to the farmers' current dairy production practices, rather than introducing significant deviations.

We should have just started with the soil, then manure, followed by herb-rich grassland, and eventually, I think there will be a group left saying, 'Well, I really want to move towards climate neutrality now.' Okay, let's see how we can get there.

Farmer consultation

Next to teaching farmers through workshops, providing one-on-one farmer consultations was also highlighted as an approach to enable farmers towards more sustainable farming practices. These consultations would involve a meeting between a sustainability expert from an NGO and an individual farmer. Rather than discussing general knowledge of sustainable farming, the NGO expert would offer tailor-made advice that individual farmers could undertake to enhance sustainability on their farms. This could for instance occur when an NGO expert visits a farm to formulate a set of interventions for soil health preservation. Another example emphasized by an interviewee involves a 'meadow coach' visit to guide outdoor grazing efforts by dairy farmers. A crucial element in these farmer consultations was a focus on giving advice based on practicality. Another crucial factor in these consultations is adopting a coaching approach, rather than instructing farmers on what to do.

So, on the one hand, there's a bit of theory, but it's mostly about learning to observe effectively in practice. The other aspect is the coaching part, which is also crucial. As an advisor, you shouldn't just tell the farmer what to do; you need to keep the responsibility on the farmer's shoulders. You can guide them, but you can't take it away from them. So, that's always an essential component.

Farmer adoption motivation

During the interviews, realizing farmer motivation to adopt sustainable farming practices was not expressed as major approach to improve sustainability. However, a notable distinction could be identified regarding the responsibility for this motivation. Two NGOs mentioned they joined forces with dairy businesses in realizing this farmer motivation. However, several dairy businesses argued that it was crucial to maintain control over promoting sustainable farming practices directly among the farmers themselves. These dairy businesses argued that having an intermediary role would build trust between farmers and NGOs, thereby improving the effectiveness of this motivational process.

For the dairy farmer, I think it's very beneficial that we are involved, and sometimes we simply foster trust because a livestock farmer doesn't just approach an NGO easily.

4.4.2 Collective measurement of sustainability performance

Twelve interviewees mentioned involvement in collective measurement of sustainability performance, indicating that it is a key approach in engagement between dairy businesses and NGOs. Involved activities in this measurement approach can be categorized into KPI formulation and farm monitoring.

KPI formulation

KPI formulation was perceived as a crucial activity for the collective measurement of sustainability performance. Several interviewees expressed that formulating KPIs would enable farmers to work towards specific goals rather than merely being confronted with a set

of sustainability measures. Formulating KPIs could, therefore, assist in defining clear objectives for sustainability performance.

Company X immediately indicated that they couldn't work with measures; they needed to work with so-called KPIs, with goals. So, what do we ultimately want to achieve?

Formulating these KPIs was done in collaborative efforts between dairy businesses and NGOs. This collaboration included knowledge exchange to complement expertise in sustainability with know-how of dairy farming, leading to KPIs specifically designed for the dairy sector. Two overarching scenarios were identified in the KPI formulation. The first entailed a scenario when no KPIs were initially formulated. For instance in the case of the biodiversity monitor, which was already discussed in Section 4.3.3. When developing this monitor there was a need to develop KPIs since specific indicators for biodiversity on dairy farms had not been formulated before.

And when we talk about goals and which KPIs, it was actually still a bit of a black box. Like, what do we need then? What goals should farmers achieve on their farms? We didn't know that, Company X didn't know, and Company Y didn't know.

As a result, a knowledge development program was initiated for developing such KPIs. This resulted in a set of indicators to quantify biodiversity, such as the amount of greenhouse gas emissions, and the percentage of herb-rich grassland. For each indicator, a corresponding calculation was designed to determine the score. Moreover, each indicator was provided with a threshold value to assess the calculated score.

The second scenario of KPI formulation occurred when a dairy business had already established a set of KPIs but engaged with an NGO to further refine these. This approach aimed to improve the existing sustainability program, labelling, or certification of a dairy business. One NGO representative for instance mentioned that his employer was approached to complement the existing sustainability programme of a dairy business. This dairy business's KPIs were originally designed for dairy farms operating on clay soils. However, several of their farmers operated on other soil types. This required adjustments to the KPIs as the sustainability impact on these soil types could not be measured in the same way as dairy farming on clay. Therefore, the dairy business contacted an NGO with expertise in peat soil to refine and adapt the KPIs accordingly.

They had questions about those indicators because the vast majority of their farmers are on clay, which was quite tailored to the polder landscape of region X. This led them to seek input from us to further refine and improve their system on different soil types, such as clay on peat and clay.

Farm Monitoring

Farm monitoring was the other key activity in the collective measurement of sustainability performance. This monitoring was primarily conducted by NGO staff or sustainability experts hired by NGOs. This monitoring mainly consisted of farm visits. Two categories of farm visit monitoring could be derived from the interviews. First, monitoring of the compliance to farm management agreements that had to be executed by dairy farmers. Such monitoring was conducted by either an NGO or an agricultural collective. These management agreements involved the minimum conditions for complying with specific sustainability criteria, such as meadow milk or meadow bird-friendly dairy production.

We specifically wanted the farmers, as outlined in the agreement, to allocate a minimum of 20% of their farm for meadow birds in their management practices. This involves intensive management, wetland areas, delayed mowing, and herb-rich grass. It's a kind of spectrum of meadow bird habitat criteria that they need to meet.

Monitoring these management arrangements was perceived as a crucial activity for ensuring the credibility of sustainability claims regarding this sustainability criteria. Moreover, compliance with these management arrangements lead to financial rewards for dairy farmers. The extent of monitoring varied among the NGOs. Some interviewees mentioned using measurable indicators to monitor dairy farmers, while others depended on farmer feedback and visual updates for monitoring.

Those are not scientific monitors. It's simply, let us know if it's growing well and send a photo.

The second category involved the evaluation of the sustainability performance of dairy farms by NGOs to identify areas of improvement. In contrast to monitoring management agreements, this type of monitoring does not aim to determine whether minimum conditions are met to ensure the receipt of financial rewards or the credibility of sustainability claims. It results from a genuine commitment among NGOs to improve farmers' sustainability performance rather than imposing rewards or penalties. This approach seeks to encourage farmers to address weaknesses in their farms' sustainability performance. The aim is to reward honesty and prevent farmer dishonesty to avoid penalties for not meeting the minimum conditions required for financial rewards.

You can't be both a doctor and a police officer at the same time. If your role is to diagnose and improve, people need to be honest. In this case, farmers need to be honest about their weaknesses and where they want to improve. The moment you say, 'If you meet this KPI, you get an extra 10 cents,' it suddenly becomes lucrative to lie, whereas with a doctor, it pays off to be honest.

4.4.3 Collective sustainability reporting

None of the interviewees mentioned an involvement in collective sustainability reporting. The empirical research did thus not reveal any ongoing cases for this sustainability approach. However, one interviewee, representing a dairy business, emphasized that engaging with an NGO could potentially serve as a tool for collective sustainability reporting. It is important to note that at the time of the interview, this dairy business did not have any ongoing engagements with NGOs. Yet, the interviewee mentioned an expectation that strategic partnerships with NGOs would be established in the near future for his company.

Not so much with NGOs, but I think that will come. So more strategic partnerships.

The interviewee explained that engaging with NGOs could potentially assist his company in addressing consumer expectations for sustainable dairy, which can vary per country. This variety in consumer expectations was explained by the export-focused sales strategy of the dairy business and the Dutch dairy sector as a whole. The interviewee mentioned that dealing with this variety is a main challenge for his dairy businesses. This challenge was also brought up by other interviewees.

The major problem, I believe, in the Netherlands is that, of course, 80% of the dairy industry is destined for export. And that makes it very difficult for them. We may want something in the Netherlands, but 80% of the dairy somehow crosses borders. And they experience a very different demand there.

To address varying consumer expectations, the interviewee expressed a willingness to engage with NGOs in establishing sustainability standards that could act on a global scale. Such standards could aid in aligning the diverse sustainability norms set by different countries to which they export their products. These standards would for instance involve guidelines for whether reporting greenhouse gas emissions should be based on land use or per unit of produced milk.

Now, France has different standards again. Italy has different standards. So, you really want something that is overarching, like pasture grazing or free-grazing. Just something that is known worldwide. Or at least in Europe, where there is a standard recognized globally.

The interview emphasized the importance of setting these standards in collaboration with a NGO operating globally. It stressed the importance of global recognition, as NGOs operating solely at a national level may not have the necessary reach to impact consumers on a worldwide basis. The combination of a trustworthy reputation and global recognition can guide consumers by showcasing that the use and compliance to such universal standards by dairy businesses is supported by legitimate sustainability organizations.

And thus, you want to explore how, globally, through NGO X, we can demonstrate that we adhere to those standards. That way, everyone understands what you're talking about. In the Netherlands, we have NGO Y, and we can highlight that on our map. But once it crosses borders, that means nothing abroad.

4.4.4 Collective Lobbying

Four interviewees mentioned an involvement in collective lobbying. Two types of lobbying were identified, lobbying on a national level and lobbying on a provincial level.

National level

Three objectives for collective lobbying on a national level were identified. First, changing regulations and policy. Policymakers could be influenced to establish clear national policies that provide guidance and enable farmers to adopt sustainable practices. To do so, dairy businesses, farmers, and NGOs worked on a lobbying plan aimed at revising current regulations and policies that hinder progress towards sustainable dairy farming. Farmer involvement is crucial in this process due to their crucial role in implementing sustainable farming practices. By joining forces, these three stakeholder groups aimed to showcase that their advocacy for regulatory changes was supported by the dairy sector but also had societal support due to the involvement of an NGO supporting this plan.

So, farmers are always part of it. And if you also have support from a social organization, well, then the whole world can turn upside down, but politics can't compete with that.

Secondly, illustrate to policymakers that dairy production can extend beyond the stereotype of bulk commodities characterized by high volume and low market prices. To counter this perception, NGOs can engage with dairy initiatives focused on short-chain sustainable dairy production. Through such engagement, a unified voice can be established to communicate a message towards policymakers that dairy production is not limited to the stereotype of large-scale industrial operations but can also thrive through small-scale sustainable initiatives.

Yes, Company X and Company Y are also examples that we use, along with the owners of Company X and Company Y, to show the government that milk doesn't have to be a bulk commodity.

Third, facilitating constructive dialogue to bridge the gap between policymakers and farmers. Efforts were put in to overcome the perception that policymakers and farmers are far removed from each other. This could for instance take place by inviting policymakers on farms to share perspectives on sustainable dairy production. Exchanging these perspectives was considered a suitable tool for fostering mutual understanding and contributing to cooperative policy development. For instance by making policymakers aware that eventually, the farmers are the ones that eventually have to conform to all the regulations and policies they establish.

Provincial level

Collective lobbying also took place at the provincial level. Provincial lobbying mainly focused on addressing unique challenges faced by farmers in the regions they were operating. Rather than focussing on policy or regulation change, provincial lobbying could for instance aid in overcoming hurdles in farmers' permitting processes. Lobbying efforts could involve targeting the municipalities where farmers experienced issues with obtaining permits. Next to permitting processes, provincial lobbying was also a tool to access subsidies for shared projects between dairy businesses and NGOs. Joining forces was beneficial as municipalities were often more willing to grant subsidies to NGOs than to commercial dairy businesses.

Very often, we find ourselves in discussions with a province or municipality, where the province indicates that the funding cannot go directly to you but can go through an NGO, and we would like that NGO to be involved as well.

4.5 Evaluation of the engagement

Section 4.5 discusses the final step of business-NGO engagement by presenting the evaluation of the engagement outcomes. The literature review indicated that the outcomes of business-NGO engagement could be distinguished into value creation on an internal level (involved organizations in the engagement and their employees) and external level (actors not involved in the engagement) This section will discuss the outcomes of these values through a micro- (individuals), meso- (organizations as a whole), and macro level lens (society as a whole).

4.5.1 Internal value creation

Internal value creation will be analysed on a micro and meso level. The micro-level discusses the benefits for individual employees of dairy businesses and NGOs. In addition, it will discuss the benefits for involved farmers. The meso level will address the benefits for dairy businesses and NGOs as organizations as a whole using the concepts of associational value, transferred value, interaction value and synergistic value.

4.5.1.1 Micro-level value

Dairy business and NGO employees

When asked about the value of business-NGO engagement for individual employees, several interviewees mentioned that the engagement often had little influence on other individuals who were not involved in the engagement itself. This was mainly the case with the big dairy businesses as they employed a high number of people and the majority of these people's working activities were not involved in the engagement. However, other interviewees mentioned the following acquired benefits for dairy business and NGO staff.

Recurring instrumental benefits comprised acquiring knowledge for individual employees on how sustainability and dairy farming can go hand in hand practically and realistically. This knowledge resulted from the exchange of sustainability expertise and know-how of dairy farming between NGO staff, dairy business employees and farmers. By complementing this knowledge a mutual understanding was shaped among individual employees on where potential opportunities and hurdles lie for further steps in making the dairy sector more sustainable. It is worth noting that this perceived mutual understanding was mainly brought up by interviewees representing NGOs. This mutual understanding would enable NGO staff to better understand the practical implementation of sustainability measures. Moreover, it could provide insights into supporting farmers in implementing these practices in a way that fosters sustainability and ensures financial viability for them.

How can you manage those meadow birds and still run your business well? We have also learned a lot about that ourselves. This especially applies to me and a few colleagues of mine, understanding how the dairy sector works, where the major challenges lie, and where the opportunities are.

Other instrumental benefits comprised improved professional relationships. These relationships could enable dairy business employees to reach out to NGO staff to gain expertise on specific sustainability topics, ultimately easing their work activities.

What helps me a lot is that I can quickly call or email someone for information, like hey, how does this work? or what about that?

The psychological benefits of engagement were solely brought up by interviewees representing dairy businesses. A main psychological benefit involved improved employee satisfaction by knowing that their employer partakes in sustainability efforts. This could for instance occur when employees are given the chance to contribute to certain sustainability initiatives their employer undertakes, such as planting trees and shrubs on dairy farms. Another key psychological benefit entailed the appreciation these employees get from NGO staff for their efforts in such sustainability initiatives. Moreover, dairy business employees received appreciation from farmers who value and understand that such sustainability initiatives are set up to empower them to take steps towards sustainable dairy farming.

You personally benefit from that as well. It does something for you. The appreciation for the work we do on a personal level. That is very important.

Farmer benefits

Farmer benefits of business–NGO engagement will only briefly be presented in this result section as the scope of this study mainly lies on the outcomes for dairy businesses and NGOs. However, the importance of realizing farmer benefits was addressed by almost all the interviewees. Therefore, not discussing them would neglect a key element of engagement between dairy businesses and NGOs. The mentioned benefits for farmers resulting from the business-NGO engagement are shown in Table 9.

Table 9: Farmer benefits of dairy business-NGO engagement

Farmer benefits	
Financial benefits	<ul style="list-style-type: none"> • Higher milk price as reward for sustainability performance • Access to dairy business funding for supporting sustainable farming practices • Financial reward for agricultural nature management by an agricultural collective • On-farm sales opportunities • Interest discount by financial institution
Knowledge access	<ul style="list-style-type: none"> • Access to farmer workshops • Access to farmer consultation • Insights into farm sustainability performance • Assistance for dealing with regulatory complexity • Opportunity for farmer-to-farmer learning
Psychological benefits	<ul style="list-style-type: none"> • Appreciation for sustainability efforts
Farm development opportunities	<ul style="list-style-type: none"> • Access to lands owned by nature conservation NGOs • Access to instruments for sustainability performance management

4.5.1.2 Meso-level value

This section will present the answers when respondents were asked about the key outcomes for their organisation.

Associational value

Perceived associational value mainly included benefits for dairy businesses regarding the legitimacy and credibility of their sustainability labelling, certification and claims. This enhanced legitimacy resulted from external communication strategies such as featuring NGO logos on packaging, engagement for social media campaigns and joint press releases. Perceived associational value by NGOs involved increased visibility of their cause, increased brand awareness and an enhanced reputation. These outcomes were mainly achieved by leveraging the extensive consumer reach of large-scale dairy businesses to communicate the involvement of NGOs in initiatives for sustainable dairy production.

The fact that NGO X is associated with it and that this is perceived by both farmers and various parties in society. That is indeed a very good position that we have gained as a result of this.

Transferred value

Transferred value comprised access to funding and knowledge. Funding mainly supported small-scale dairy initiatives and NGOs with the legal form of a foundation to ensure organizational survival. Knowledge access was mainly perceived as an outcome for dairy businesses, encompassing expertise and examples of sustainable agricultural practices that could be shared with their dairy farmer base.

Interaction value

The most cited outcome was the creation of interaction value. A key example of this interaction value was the positive perception that farmers developed towards both NGOs and dairy businesses. NGOs expressed that interacting with farmers countered the stereotype among farmers that NGOs are against them. By interacting through constructive dialogue, NGOs experienced a positive perception among farmers that NGOs could also think along with them on how to work towards more sustainable farming while remaining financially sound. The positive perception among farmers towards the dairy businesses resulted from the appreciation that the dairy business is actively looking for opportunities to realize additional revenue streams for its farmer base. It should be noted that this is not always the case, as a negative farmer perception regarding NGOs was also mentioned as a plausible determinant for engagement termination.

We have also gained a very strong position within the farming community in that regard. Farmers don't see us as bird protectors who are against them. Instead, they truly perceive that bird protection is actively collaborating with them, thinking about how we can achieve those goals together.

Synergistic value

Experienced synergistic value mainly comprised the exchange benefits discussed in Section 4.2.1.1. However, it is good to note that the majority of the interviewees mentioned these exchange benefits as a motive for engagement, rather than a resulting outcome. Therefore, no further elaboration will be provided on synergistic value. However, the most mentioned synergistic value involved combining knowledge to design instruments by integrating knowledge on sustainability and practical insights into dairy farming.

4.5.2 External value creation

The literature review mentioned that external value creation could be analysed using a micro (individuals), meso (other organisations), and macro level lens (society as a whole). This section will solely discuss the meso and macro-level as no external value creation for individuals were mentioned by the interviewees.

Meso level

While the outcomes of business-NGO engagement had limited impact on organisations not directly involved, one key outcome on the meso level could be identified. This was the open access of the biodiversity monitor as this instrument was made available for the entire dairy industry. Providing open access to instruments, such as the biodiversity monitor, allowed dairy businesses to measure the sustainability performance of their dairy farmers in conformance to sectoral standards. For NGOs, meso level outcomes involved sharing knowledge with other national departments when the organization has departments located worldwide. This shared knowledge could then be used by these other national departments to develop strategies for engaging with dairy businesses in the countries where they operate.

In the Netherlands, but also internationally, people are looking at us, about the way of tackling sustainability within agriculture... And that goes for other offices of NGO X as well; they still come knocking for this collaboration and this way of thinking.

Macro level

Outcomes on the macro level entailed reduced environmental impact and mitigation of polarisation in society. Interviewees perceived reduced environmental impact in various ways. Several interviewees argued that this reduced environmental impact was achieved because the engagement motivated dairy farmers to take further steps towards sustainable dairy farming. These farmers were driven to achieve specific sustainability goals, encouraged by the potential for financial rewards and appreciation for their sustainability efforts. This increased farmer motivation would eventually lead to increased adoption of sustainable dairy farming practices, and so on contribute to reduced environmental impact.

If you look at it cynically, you might say, "Well, the sustainability performances would have been there anyway." But I think it's particularly due to the continuous positive attention and stricter appreciation that farmers also take an extra step.

Other interviewees attributed reduced environmental impact to the actual improved sustainability performance. A distinction was identified between short-term and long-term sustainability performance. Short-term sustainability performance involved visible elements of sustainability, such as the actual number of planted trees or observed meadow birds. Long-term sustainability performance related to topics such as soil health restoration or greenhouse gas emissions reduction. Interviewees could not guarantee that their engagement directly led to reduced environmental impact in these areas, as these effects are not immediately observable and require a long-term monitoring process for accurate assessment.

Improving the soil is a matter of years, so with some contacts we occasionally touch base, while others just last a year.

In terms of societal awareness, engagement between dairy businesses and NGOs was seen as beneficial for countering polarization in society. All interviewees emphasized the relevance of polarizing perspectives in society regarding the relationship between the agricultural sector and sustainability-focused NGOs. It was mentioned that both dairy businesses and NGOs are confronted with the stereotype that they cannot work together due to misaligning goals. As a result, there is a view that their engagement can solely adopt confrontational approaches, such as lawsuits or boycotts. While acknowledging the importance of such confrontational

approaches for realizing change, the interviewees expressed that society needs to see examples of collaborative efforts between societal representatives and commercial businesses. By showing such examples, society can be made aware that collaborative efforts are effective tools for contributing to a more sustainable agrifood system as well.

I think it's also important for us to be able to demonstrate the following. Often, agriculture and nature are portrayed as being diametrically opposed, as if we're at each other's throats... We consider this collaboration important for us as well because it allows us to show that we also want to work with farmers towards a profitable model in exchange for more effort towards nature.

5. Discussion

This research aims to provide an answer to the general research question: '*What is the potential of engagement between North-Western European dairy businesses and NGOs for improving sustainability?*'. Answering this research question was done using an exploratory approach that used abductive reasoning. The literature review resulted in key concepts and factors to be explored in the interviews. To answer the SRQs, the researcher gathered empirical information through thirteen semi-structured interviews, seven with dairy business employees and six with NGO employees.

This chapter discusses the similarities and differences between the answers of the SRQs based on literature and empirical information. This will be followed by methodological implications and research limitations.

5.1 Forms of engagement

Austin (2000) presented three forms of business-NGO engagement: philanthropic, transactional and integrative. This study indicates that transactional engagement is the most common form between dairy businesses and NGOs. Philanthropic and integrative engagement were also chosen as engagement forms, but substantially less than transactional engagement. An explanation for the dominance of transactional engagement could be the view by businesses and NGOs that higher interaction levels open up opportunities to leverage their unique strengths in addressing sustainability issues (Austin & Seitanidi, 2012a). Furthermore, transactional engagement delivered benefits exclusively to the engaging dairy businesses and NGOs, rather than aiming to benefit the dairy industry as a whole, as observed in integrative engagement. A possible explanation for choosing transactional engagement over integrative engagement is the view by businesses that engaging with NGOs is a tool for gaining a competitive edge (Austin & Seitanidi, 2012a). Such competitive advantage would not be achievable if the generated benefits were also accessible to other dairy businesses not participating in the engagement.

Several similarities and differences were identified in the characteristics of the engagement forms as outlined in literature and as mentioned by the interviewees. Austin (2000) emphasizes the importance of monetary donations in philanthropic engagement. This is confirmed in the studied cases of philanthropic engagement as dairy businesses made monetary donations to support NGO fundraising efforts. However, Austin's (2000) narrow view of philanthropic engagement is contradicted as, besides making monetary donations, co-organizing social activities between dairy businesses and NGOs was perceived as a key activity for philanthropic efforts. Seitanidi (2010) describe interaction levels between business and NGO employees as low in philanthropic engagement. This is supported as low interaction between dairy business and NGO employees was identified. Structural arrangements remained limited and comprised sponsorship contracts or intention agreements regarding shared objectives, as described by Austin (2000). While Austin argued that philanthropic engagement results in benefits solely for NGOs, dairy businesses mentioned experienced benefits such as enhanced brand reputation. This contradicts Austin's (2000) view of a strict one-sided benefit distribution in philanthropic engagement. However, the generated benefits in the studied cases of philanthropic engagement primarily benefitted NGOs. It could therefore be suggested that philanthropic engagement yields mutual benefits, but tends to be more advantageous for NGOs than for dairy businesses. This is consistent with Austin's (2000) arguments that philanthropic engagement holds low strategic value for businesses and is of little importance in achieving their missions, which was confirmed by the dairy businesses in this study.

Austin (2000) emphasized the importance of exchanging core competencies between businesses and NGOs. The studied cases of transactional engagement confirmed the importance of sharing knowledge and experiences. Both dairy businesses and NGOs aimed for resource complementarity by combining knowledge of dairy production and sustainability

topics. This exchange occurred through several activities, such as collective programme management, shared teams, or employee placement. As a result, interaction levels were high in transactional engagement, as described by Austin (2000). While Austin (2000) emphasized the involvement of high-level managers in guiding the strategic direction of the engagement, this study found that also business and NGO employees at the operational level were engaging. This resembles Seitanidi's (2010) description that transactional engagement is connected directly with business operations activities. Through such resource exchange and employee interaction, benefits were realized for both dairy businesses and NGOs. This confirms Austin's (2000) description that the generation of benefits for both businesses and NGOs makes transactional engagement a suited tool for realizing a two-sided benefit distribution. Both dairy businesses and NGOs expressed that these acquired benefits were important for realizing their organizational mission, which confirms the view of Austin (2000) that transactional engagement is of strategic importance for both parties.

In contrast to Austin (2000), transactional engagement was not based on a shared vision among the engaging parties. While several dairy businesses aimed to maintain the current status of the dairy sector and enhance its sustainability levels, NGOs advocated for the extensification of the dairy sector and improving the sustainability performance of the remaining dairy production. Austin & Seitanidi (2012a) argue that structural arrangements governing how engagement should occur can lead to effective engagement. This was reflected in studied cases of transactional engagement as establishing agreements on budget allocation, role division, objectives, number of evaluation moments, and timespan of the engagement were deemed crucial for facilitating clear expectation management and effective engagement. Regarding these arrangements, this research adds to the literature the consideration of implementing legally binding contracts versus arrangements providing flexibility to terminate the engagement on short notice. This flexibility could be particularly relevant to NGOs as a means to prevent reputational damage. This aligns with the reasoning provided by Mirońska and Zaborek (2018) that association with a business eventually revealed to be unsustainable poses a significant reputational risk for NGOs in business-NGO engagement.

In studied cases of integrative engagement, both dairy businesses and NGOs shared the view of setting certain standards for the Dutch dairy sector. This aligns with Austin's (2000) view that integrative engagement is characterised by shared perspectives and linked interests among businesses and NGOs. Resources were exchanged by the sharing of knowledge between dairy businesses, NGOs, and other relevant stakeholders such as financial institutions and research institutes. This knowledge exchange aimed to expand the parties' understanding of the sustainability themes they were focused on. This enhanced knowledge base would enable involved parties to formulate a vision for sustainability themes, set goals to achieve that vision, and lead projects towards those goals. This aligns with Austin's (2000) description that integrative engagement involves exchanging resources, knowledge, and capabilities to establish common goals and coordinate efforts to achieve desired results. The appointment of high-level managers of dairy businesses and NGOs both as board members of a joint organisation aligns with Austin's (2000) and Seitanidi's (2010) arguments that guidance of integrative engagement should be undertaken by top-level managers. The guidance of these top-level managers led to the development of projects across different organizational levels within both dairy businesses and NGOs. This aligns with Seitanidi's (2010) view that activities in integrative engagement occur at both the strategic and operational levels with support from top-level leadership.

A major deviation of practice compared to literature is the scope of the collective benefits. Literature sees integrative engagement as a tool for generating benefits for a business to acquire a competitive advantage (Austin & Seitanidi, 2012a). However, the cases of integrative engagement aimed to benefit the dairy sector as a whole by focusing on themes of strategic value for the Dutch dairy sector. In addition, the inclusion of stakeholders such as governmental entities and research institutes in the board composition indicates that the cases

of integrative engagement resemble a form of multi-stakeholder platforms, rather than joint organizations by businesses and NGOs as explained by Austin (2000). Therefore, no cases of integrative engagement in line with the description of literature were identified, which aligns with literature that this engagement form rarely takes place in practice (Kolk et al., 2008; Seitanidi, 2010).

5.2 Motives for engagement

Among dairy businesses, motives for engaging with NGOs were primarily focused on resource dependency and dealing with institutional pressure. This is in line with literature arguing that resource dependency and gaining legitimacy for dealing with stakeholder pressure are key motives for engaging with NGOs (Jamali & Keshishian, 2008; Dahan et al., 2010; Mousavi & Bossink, 2020). The primary motives of NGOs to engage with dairy businesses comprised institutional pressure to change business behaviour, followed by resource dependency. This is in line with literature that argues that NGOs engage with businesses to influence corporate behaviour and access lacking resources (Shumate et al., 2018; Dahan, 2010; Mousavi & Bossink, 2020).

Engaging with NGOs was initiated by dairy businesses to access lacking resources essential for improving sustainability performance. This confirms with literature that argues that businesses establish relationships through collaboration to obtain resources they lack (Pfeffer & Salancik, 1978; Den Hond et al., 2015). In line with Porter and Kramer (2011) and Mousavi and Bossink (2020), accessing and complementing these resources with their own offered dairy businesses opportunities to combine unique strengths with NGOs to improve sustainability issues that could not have been solved on their own. Zijp et al. (2016) emphasized the importance for businesses of having an outsider perspective for analyzing relevant issues in sustainability. This study confirmed this importance as dairy businesses engaged with NGOs to get specialized and critical feedback on specific sustainability themes that they aimed to improve their performance levels on. A deviation of practice compared to literature regarding businesses' resource dependency motives for engaging with NGOs revolves around access to funding and instruments. Harangozó and Zilahy (2015) argue that access to funding and instruments are typically seen as motives for NGOs to engage with businesses. However, this study found that access to funding and instruments is also a motive for dairy businesses to engage with NGOs. Access to funding was mainly brought up by small dairy initiatives for dealing with lacking financial means. This study could add to the existing literature the consideration that company size plays a crucial role in determining the resource dependency motives for businesses to engage with NGOs.

Only one NGO indicated access to funding as a motive for engagement. This contradicts with views in literature that engaging with businesses is mainly initiated to access lacking financial capital (Shumate et al., 2018; Harangozó & Zilahy, 2015; Austin & Seitanidi, 2012a). It should be noted that this need for financial capital by the NGO resulted from its absence of members due to its legal form of an association, which led to an absence of member contributions. This study could therefore add to current literature that a variety of legal forms (foundation or association) should be taken in mind when analyzing NGO motives for engagement. While NGOs already possessed expertise on sustainability topics themselves, they addressed that engaging with dairy businesses could provide them with insights into both opportunities and challenges related to sustainability initiatives for dairy production. This study therefore confirms the views of Austin and Seitanidi (2012b) and Harangozó and Zilahy (2015) that engaging with businesses provide NGOs with opportunities for learning to implement effective and impactful sustainability initiatives.

Regarding dealing with institutional pressure, it was found that dairy businesses opted to engage with NGOs to enhance the credibility and legitimacy of their sustainability performance and related claims. This is in line with literature that proposes that businesses' motives to engage with NGOs are driven by the need for improved legitimacy (Dahan et al., 2010;

Shumate & O'Connor, 2010; Mousavi & Bossink, 2020). This study found that enhanced legitimacy was required by dairy businesses to deal with consumer criticism. The addressed consumer criticism in this study resulted from the abundance of sustainability labels and certifications in the Dutch dairy sector. This confirms the view of Brécard (2014) and Poret (2019b), who argue that sustainability labels can compete and can cause confusion among consumers regarding the legitimacy levels of sustainability claims. Dairy businesses in this study acknowledged that the independent position and sustainability expertise of NGOs could aid in enhancing their legitimacy levels. This aligns with Dahan (2010) and Austin and Seitanidi (2012a), who propose that NGOs are seen as suited partners by businesses to overcome consumer criticism on the legitimacy levels of sustainability performance due to their legitimate and autonomous position. Dahan (2010) argues that engaging with NGOs can be undertaken to enhance the perceived legitimacy levels of businesses among a wide set of stakeholders. This aligns with the findings of this study since dairy businesses opted to engage with NGOs to deal with stakeholder pressure for sustainability, resulting from consumers, customers, the government, and other NGOs.

Herlin (2015) and Van Huijstee and Glasbergen (2010) argue that NGOs primarily engage with businesses as a means for contributing to their mission of addressing sustainability challenges. This study confirmed this view as the main motive of NGOs for engaging with dairy businesses was to align with their sustainability orientation by contributing to a more sustainable dairy sector. The consideration of NGOs to focus on major dairy businesses or small dairy initiatives could potentially be explained using the multi-level perspective (MLP) model by Geels and Schot (2007). Within this MLP model, there is an existing sociotechnical system that consists of dominant incumbent actors and technological structures that account for the stability of a certain regime (Geels & 2007). This is reflected in this study as interviewed NGOs addressed that activities of major dairy businesses preserve the status quo of the Dutch dairy sector for producing dairy as a bulk commodity. The work of Köhler et al. (2019) addresses that NGOs can collaborate with incumbent actors as a tool for realising change in the regime. This is supported by the findings of this study as engaging with major dairy businesses was perceived by NGOs as a means for moving dairy production towards more sustainable practices on a large scale. The MLP model also involves niche innovations, comprising actors that operate outside the dominant regime and embody alternative practices than the dominant incumbent actors. This was reflected in this study as small dairy initiatives adopted farming practices that challenged conventional approaches of dairy production by major dairy businesses. By supporting such small dairy initiatives, NGOs could evoke competitive pressure for sustainable dairy production on major dairy businesses. This approach is also mentioned by Köhler et al. (2019), who suggest that NGOs could play a role in the development of niche innovations to disrupt the existing regime.

Literature argues that both businesses and NGOs opt for engagement to generate psychological benefits or build professional relationships (Bhattacharya et al., 2008; Den Hond et al., 2015; Austin & Seitanidi, 2012b). Yet, this study contradicts this view as both dairy businesses and NGOs emphasized that their engagement was not initiated to generate these benefits. Nevertheless, psychological benefits and professional relationships were acknowledged as positive outcomes for both dairy business and NGO employees. Addressed motives related to social capital only entailed access to networks for connecting to sustainability experts, sustainable dairy farmers, and other potential dairy businesses to engage with. This confirms the view of Rodriguez et al. (2016) that access to partner networks is a motive for business-NGO engagement.

5.3 Sustainability approaches

The most adopted sustainability approach in engagement between dairy businesses and NGOs was the collective measurement of sustainability performance. This was followed by the collective development of sustainability practices, collective lobbying and collective reporting. A possible explanation of why collective measurement was the most adopted approach could be the view of Maas et al. (2016) that gaining insights into the current environmental impact of business practices serves as the basis for improving sustainability performance. Den Hond et al. (2015) argue that examining the motives behind business-NGO engagement can provide insights into both the sustainability activities adopted by businesses and the manner in which these are shaped. This reasoning could potentially explain why collective measurement of sustainability was the most adopted sustainability approach in engagement between dairy businesses and NGOs. This study showed that dealing with institutional pressure was a key motive for dairy businesses to engage with NGOs. Both dairy businesses and NGOs perceived collective measurement as a crucial activity for ensuring the credibility of the sustainability claims of dairy businesses. Therefore, collective measurement could be the most chosen approach to meet the needs of dairy businesses for this credibility ensurance.

Morioka and De Carvalho (2016) propose that collective development of sustainability practices addresses the development, adoption and continuous improvement of business practices to improve sustainability levels. This study confirms the development characteristic as dairy businesses and NGOs undertook collaborative efforts to design practices for improving the sustainability performance of dairy farms, such as co-developing sustainability projects or instruments. Ber and Branzei (2010) and Mousavi and Bossink (2020) emphasized the importance of sharing the unique strengths of both organizations to generate and capture value when collectively developing sustainability practices. This study confirmed their reasoning as dairy businesses and NGOs combined sustainability expertise and practical insights on dairy production when collectively developing practices for sustainable dairy farming. Juntunen et al. (2019) and Moosmayer et al. (2017) argue that knowledge of sustainability issues is crucial for successfully developing sustainability initiatives. This view is confirmed as sustainability expertise brought in by NGOs was perceived as a success factor in this study for the effective development of sustainability practices. This study illustrates that, in line with the description by Morioka and De Carvalho (2016), collective development also aimed to address the adoption of sustainability practices. This was done by collective efforts between dairy businesses and NGOs to convince dairy farmers to adopt more sustainable farming practices.

A deviation of practice with literature is the narrow scope of sustainability practices. Literature on collective development of sustainability practices is mainly focused on developing innovation in an R&D setting (Ber & Branzei, 2010; Mousavi & Bossink, 2020). The development of such R&D-based innovation was confirmed in this study with the development of instruments. However, this study illustrates that undertaken activities by dairy businesses and NGOs in the collective development of sustainability practices were mainly focused on knowledge transfer towards farmers and the co-development of sustainability projects. This indicates that literature on collective development of sustainability practices should take a broader scope than the current narrow view of developing R&D-based innovation. Both this study and previous research by Bliss et al. (2018) and Vermunt et al. (2022) acknowledge the importance of addressing the knowledge gap among farmers regarding sustainable farming practices. Looking beyond R&D-based innovation is therefore necessary when assessing the collective development of sustainability practices in business-NGO engagement in the agrifood sector.

Morioka and De Carvalho (2016) and Overbeek and Harms (2011) argue that involving NGOs in KPI formulation can aid businesses in tackling challenges related to selecting relevant indicators for assessing sustainability performance. This study confirmed their arguments as NGOs undertook collaborative efforts with dairy businesses to formulate new KPIs that were previously lacking, or to refine and adapt existing KPIs to ensure their relevance. Efforts of NGOs in formulating and refining these KPIs, along with providing a calculation method and threshold value, empowered dairy businesses to assess their sustainability performance. This study therefore confirms the view by Kramer and Kania (2006) that NGOs can aid businesses in setting up attainable and measurable sustainability goals, as well as assess their performance against these goals. Besides this KPI formulation, this study showed that collective measurement of sustainability performance was also used to oversee compliance of dairy farmers with farm management agreements set by NGOs or identify areas where dairy farms can further improve for sustainability. This could enrich literature by noting that business-NGO engagement could not only be used for determining KPIs and corresponding threshold values but also for evaluating actual levels of sustainability performance.

A major deviation of practice compared with literature on sustainability approaches can be identified regarding collective reporting. Maas et al., (2016) and Lozano (2013) propose that NGOs could provide businesses with guidelines for enhancing the legitimacy levels of their sustainability reports. This study contradicted this view as no guidelines were provided by NGOs for enhancing the legitimacy levels of dairy businesses' sustainability reports. A potential explanation for this is that most interviewed dairy businesses operate internationally and so on have to comply with international sustainability reporting standards. Consequently, they likely saw no need for separate and differing guidelines provided by NGOs. Another element of collective reporting, described by Al-Shaer and Zaman (2018), involves conducting audits by NGOs to enhance transparency levels of businesses' sustainability reports. Al-Shaer and Zaman's (2018) description does not apply to this study as the conducting of NGO audits was only mentioned as a means for farm monitoring, rather than for assessing transparency levels of sustainability reports. The discussed case of collective reporting in this study focused on collaborative efforts between dairy businesses and NGOs to establish universal sustainability standards. This would be done to harmonize varying sustainability norms across countries by aligning performance indicators in one overarching sustainability standard. No efforts were yet undertaken to establish these universal standards. However, showing alignment with the NGO's standards was perceived as a potential tool for dealing with varying consumer expectations regarding sustainability. Dealing with such varying expectations would be overcome by showcasing alignment with an overarching sustainability standard that is appealing to consumers in different countries and is set by a trustworthy and reputable NGO. Such potential is also argued for by Maas et al. (2016) as they argue that performance indicators should be based on acknowledged and socially legitimized international standards verified by trustworthy external stakeholders.

Literature argues that collective lobbying can be used in business-NGO engagement to shape regulations and policies (Seitanidi, 2010; Van Huijstee & Glasbergen, 2010). This is confirmed by this study as dairy businesses and NGOs undertook collective lobbying efforts aimed at setting policies that would provide guidance and enable farmers to adopt sustainable farming practices. Mousavi and Bossink (2020) propose that collective lobbying can be undertaken in business-NGO engagement to influence policymakers. This was confirmed by this study since dairy businesses and NGOs joined forces to create awareness among policymakers that dairy production is not limited to solely a bulk commodity. In addition, dairy businesses and NGOs aimed to bridge the gap between farmers and policymakers, which illustrates what Mousavi & Bossink (2020) describe as collective lobbying for facilitating institutional dialogue. This research can broaden the scope of collective lobbying as literature mainly discusses collective lobbying efforts on a national level. However, collective lobbying on a provincial level was also seen as an important tool by the interviewees to overcome regulatory challenges faced by farmers.

5.4 Engagement evaluation

Austin and Seitanidi (2012b) argue that outcomes of business-NGO engagement can be clustered into internal value and external value creation. This study indicates that this scope of value creation does not always hold in. In their study, Austin and Seitanidi (2012b) provide an example of external value creation for individuals consisting of farmer benefits. These farmers would receive increased income due to a financial reward for implementing sustainable farming practices developed in business-NGO engagement. Several dairy businesses addressed farmers' benefits as internal value creation, adopting a different scope of value creation than suggested by Austin and Seitanidi (2012b). A potential explanation for these differing scopes of internal value creation is the fact that the majority of the interviewed dairy businesses consisted of cooperatives where farmers are seen as an integral part to the organization.

Discussed benefits for individual employees of dairy businesses and NGOs mainly involved instrumental benefits and psychological benefits, which fall under social capital theory as described by Austin and Seitanidi (2012b) and Den Hond et al. (2015). As psychological and instrumental benefits were mainly expressed as outcomes, rather than reasons to engage, this study therefore shows that increased social capital is mainly an outcome of business-NGO engagement, rather than a motive for initiating it. This would contradict the view by Austin and Seitanidi (2012b) and Den Hond et al. (2015) that increased social capital is a motive for initiating business-NGO engagement. Instrumental benefits were mainly brought up by NGO staff while psychological benefits were mentioned by dairy business employees. No in-depth questions were asked on why NGO employees mainly experienced instrumental benefits rather than psychological benefits. Further research is therefore needed to investigate this disparity in experienced individual benefits between dairy businesses and NGO employees.

In terms of overall organizational benefits, dairy businesses experienced enhanced legitimacy, while NGOs mainly yielded benefits of increased brand awareness and visibility of their cause. This study therefore aligns with the work of Austin and Seitanidi (2012b), which indicates that business-NGO engagement can yield reputational benefits for both parties. Another point of alignment with their study is the realization of enhanced relationships with stakeholders involved in business-NGO engagement, which in this study encompassed the positive perception of farmers towards both NGOs and dairy businesses. This study could complement the work of Austin & Seitanidi (2012b) with the finding that, besides for NGOs, access to funding can also be an organizational benefit for businesses in business-NGO engagement.

Discussed outcomes on external value creation mainly addressed benefits for society. This implies that when dairy businesses engage with NGOs, the primary beneficiaries are the parties involved and society as a whole, rather than organizations not directly participating in the engagement. The only discussed benefit for non-participating organizations was making the biodiversity monitor accessible for the entire Dutch dairy industry, which aligns with Austin & Seitanidi's (2012b) work that open access to instruments for other organizations can be an outcome of business-NGO engagement. However, no other benefits for not involved parties were identified and therefore this study contradicts the view of Austin & Seitanidi (2012b) that business-NGO engagement can yield substantial benefits for non-participating organizations.

Outcomes for society as a whole involved reduced environmental impact and the mitigation of polarisation. This confirms the view of Austin & Seitanidi (2012b) that business-NGO engagement can yield value on both an environmental and a social dimension. Reduced environmental impact was addressed as the main outcome of engagement between dairy businesses and NGOs that society as a whole could benefit from. For assessing this reduced environmental impact, it's important to distinguish between short-term sustainability indicators, such as the number of observed meadow birds, and long-term sustainability indicators, such as soil health. While interviewees had clear insights regarding improved short-term sustainability performance, no guarantee could be given whether the engagement led to improved performance of sustainability areas that require long-term monitoring. This requires

further research to investigate the effect of undertaken activities in engagement between dairy businesses and NGOs on long-term sustainability performance.

Furthermore, the relevance of engagement between dairy businesses and NGOs as a tool for mitigating polarization should be underscored. De Lauwere et al. (2023) and De Boer and Aiking (2022) argue that polarization is a hindering factor in realizing a sustainable agrifood sector. This study confirms this view as the interviewees addressed that polarizing perspectives hinder constructive dialogue between governments, the agricultural sector and NGOs. The interviewees acknowledged that this polarization leads to a stereotype in society that dairy businesses and NGOs are strictly seen as opponents and cannot collaborate due to misaligning goals. The findings of this study illustrate that dairy businesses and NGOs attach importance to showing examples of collaborative engagement for overcoming such stereotypes and contributing to a constructive dialogue on a future-proof and sustainable Dutch dairy sector. This finding is especially relevant for The Netherlands as the study of De Lauwere et al. (2023) showcases a willingness among Dutch dairy farmers for cross-sector engagement.

5.5 Methodological implications

The exploratory nature of this study leads to a comprehensive understanding of the under-researched phenomenon of business-NGO engagement within the EU agrifood sector. Using an abductive research allowed the researcher to elaborate and discover new concepts and factors related to business-NGO engagement. This approach was particularly helpful for exploring the underlying factors related to the application of the steps and concepts on business-NGO engagement. Due to its under-researched nature, an abductive approach enabled the researcher to use existing frameworks and theoretical concepts as a basis for expanding upon and discovering new concepts and underlying factors.

The qualitative method of this study allowed for asking in-depth questions about how the concepts were applied in business-NGO engagement. By asking such in-depth questions, the study not only provided an overview of which concepts were applied but also shed light on the factors that influence decision-making for both dairy businesses and NGOs on how these concepts were put into practice. For instance, current literature on business-NGO engagement did not discuss the option to choose non-legally binding structural arrangements in transactional engagements, which could give NGOs the flexibility to terminate the engagement quickly to avoid reputational risks. This leads to a more comprehensive understanding of the factors that shape engagement between dairy businesses and NGOs, rather than solely describing the current state of their collaborative efforts.

The reliability levels of this study, which entails the degree to which a measurement instrument supplies consistent results (Saunders et al., 2019), should be considered. Several interviewees acknowledged that engagement between dairy businesses and NGOs evolves over time. As a result, provided answers could alter over time when more concepts are introduced during the evolution of the engagement. For instance, several interviewees mentioned that motives for engagement or the chosen sustainability approach changed throughout the years due to external factors. For instance, increased customer demands for meadow bird-friendly dairy products led to increased adoption of farm monitoring by NGOs to ensure compliance of farmers to arrangements for protecting meadow birds. Furthermore, answers related to engagement outcomes on reduced environmental impact could change over time as several sustainability areas require long-term monitoring. Taking in mind that the interviewee answers were based on time-specific results, the validity levels of this study can be discussed. Regarding replicability levels, the literature review can be repeated using the search queries provided in Appendix 1. The process of data collection can be repeated using the purposive sampling strategy (Section 3.4.1) and the interview guides (Appendix 2). The data analysis can be replicated using the interview transcripts, which are included as a separate file in this study, along with the used codes found in Appendix 3.

The following can be said regarding the validity of this study, which is the extent to which is being measured what a researcher wishes to measure and whether this leads to correct results and conclusions (Saunders et al., 2019). To ensure construct validity, the researcher conducted an extensive literature review before the data collection. This literature review provided insights into the different steps in business-NGO engagement and relevant concepts. These steps and concepts formed the basis for the conceptual framework, which subsequently served as the basis for the interview guides. The use of different keywords and synonyms in the search queries ensured that the literature review did not miss vital information regarding the steps and concepts of business-NGO engagement. Performing the literature review in such a manner ensured that the data collection was based on existing theories and frameworks, which contributed to sufficient levels of construct validity. Content validity was assured in several ways. First, purposive sampling allowed the researcher to ensure that interviewed dairy business and NGO employees met the criteria of this study, which were addressed in Section 3.4.1. Second, the researcher clarified the purpose and scope of the study during the introduction phase of the interview to ensure that the provided answers were based on experienced cases of collaborative engagement, rather than emphasizing confrontational approaches. Here it was also addressed that this study focussed on dairy farm sustainability, rather than sustainability throughout the whole dairy chain. Third, the researcher asked his supervisor for feedback on the interview guides to ensure that interview questions were understandable and accurately formulated. Fourth, unfamiliar jargon was avoided in the interview questions to prevent ambiguity or confusion among the interviewees. Fifth, the interviewee prepared in-depth questions and asked follow-up questions when necessary to ensure a comprehensive exploration of the discussed steps and concepts.

5.7 Research limitations

While this research has several implications for both theory and practice, several limitations should be noted. It can be discussed whether the insights of this study can be generalized to other countries within North-Western Europe. Almost all the interviewees were representatives of dairy businesses and NGOs in the Netherlands. Although many interviewed dairy businesses and NGOs operated across multiple countries, the responses from the interviewees mainly focused on their experiences and knowledge of the engagement specifically within the Netherlands. Several interviewees also addressed that their colleagues working in other countries approached business-NGO engagement differently compared to the Dutch headquarters. Besides issues of generalizing to other countries, it can also be debatable whether these insights can be generalized to other agrifood sectors, such as arable farming.

Furthermore, some interviewees had limited knowledge of the evolution process of the engagement they were part of. This was due to their status as new employees, with the least experienced interviewee having only been employed for just three months. As a result, their involvement in the engagement only entailed this brief period. Several interviewees answered questions based solely on their knowledge of the current state of the engagement. This makes it difficult to provide hard evidence for drawing conclusions on the longitudinal development of these engagement cases over time.

Moreover, interviewees highlighted the importance of having NGO representatives in the advisory council of the 'Sustainable Dairy Chain', a multi-stakeholder platform aimed at developing a future-proof and resilient Dutch dairy sector. However, NGO employees active in this council could not be interviewed due to time constraints faced by the researcher. Conducting interviews with these employees could lead to improved insights that not only address how engagement could occur between individual dairy businesses and NGOs but also between the Dutch dairy sector and a collective front of NGOs as a whole.

Additionally, the conceptual framework guiding the data collection was based on literature that discussed engagement exclusively between businesses and NGOs, without considering the involvement of other parties or stakeholders in the engagement. The interviewees emphasized

that involving farmers in the engagement was crucial for successfully developing and implementing sustainable dairy farming practices. It was also noted that this farmer involvement was important for convincing other farmers to participate in activities organized jointly by dairy businesses and NGOs. Furthermore, the findings of De Lauwere et al. (2023) suggest that Dutch dairy farmers prefer direct dialogue with stakeholders working on sustainable dairy production initiatives, rather than having decisions imposed upon them or their intentions and capabilities speculated upon. Considering the importance of farmer involvement, establishing a framework based on the interplay between dairy businesses, NGOs, and dairy farmers would result in a more accurate representation of the real dynamics of engagement between dairy businesses and NGOs in North-Western Europe.

6. Conclusion

6.1 Answer to research questions

This study aimed to answer the general research question '*What is the potential of engagement between North-Western European dairy businesses and NGOs for improving sustainability?*' To do so, the researcher aimed to provide a comprehensive understanding of the steps undertaken in business-NGO engagement. This led to four sub-research questions focused on motives for engagement, forms of engagement, sustainability approaches and engagement outcomes. The order for answering these sub-research questions will follow the steps of the conceptual framework used in this study.

Engagement between dairy businesses and NGOs for sustainability was mainly initiated for acquiring resources and dealing with institutional pressure. Dairy businesses' main motive for engagement was to enhance credibility and legitimacy of their sustainability efforts for dealing with pressure coming from a wide set of stakeholders. In addition, sustainability expertise, instruments for improving sustainability performance, and critical perspectives on their sustainability efforts could be accessed by engaging with NGOs. Furthermore, small dairy businesses could bolster their limited financial resources by accessing funding through engaging with NGOs. NGOs mainly opted to engage with dairy businesses to align with their sustainability orientation, focussing on major dairy businesses to realize large-scale impact or support small dairy initiatives to evoke competitive pressure and challenge conventional dairy production. Moreover, acquiring sector-specific knowledge would provide them with insights into both the opportunities and challenges of current and potential sustainability initiatives related to dairy production. In addition, both dairy businesses and NGOs opted for engagement to access the networks of the other party.

Transactional engagement was found to be the most common engagement form between dairy businesses and NGOs. Exchanging core competencies to achieve resource complementarity was a key characteristic of transactional engagement to benefit both dairy businesses and NGOs. While the presence of a shared vision can be debatable, the activities and interactions among employees on multiple organizational levels make transactional engagement of high strategic value for both dairy businesses and NGOs. Philanthropic engagement focussed on monetary donations and co-organizing social activities. Although dairy businesses could benefit from improved brand reputation, philanthropic engagement primarily yielded benefits for NGOs, making it of high strategic value for NGOs, rather than for both parties. Integrative engagement emphasized knowledge exchange and underscored the importance of board compositions within joint organizations consisting of representatives from both dairy businesses and NGOs. However, this engagement form primarily aimed to realize sectoral value and occurred within a multi-stakeholder setting, rather than generating individual benefits for dairy businesses by engaging with NGOs for realizing a competitive advantage.

Collective measurement of sustainability performance was the most adopted sustainability approach, followed by collective development of practices, collective lobbying, and collective reporting. Collective measurement could possibly be favoured because of its ability to serve as a basis for improving sustainability performance and ensuring the credibility of sustainability claims. This was undertaken by collective KPI formulation and farm monitoring by NGOs. Collective development of practices involved sharing strengths for designing sustainability projects/instruments, knowledge transfer towards farmers, and convincing farmers to adopt sustainable farming practices. While international reporting guidelines and obligations may pose a barrier to collective reporting, dairy businesses and NGOs could potentially establish universal standards to address differences in consumer sustainability expectations across different countries. Collective lobbying aimed to shape regulation regarding sustainable dairy farming, counter perceptions among policymakers that dairy is solely a bulk commodity, and bridge the gaps between dairy farmers and policymakers.

Outcomes for individual employees of dairy businesses and NGOs mainly involved instrumental and psychological benefits. Instrumental benefits allowed employees to identify potential opportunities and hurdles in advancing towards sustainability within dairy production, while psychological benefits contributed to employee satisfaction. Organizational benefits for dairy businesses emphasized on enhanced legitimacy. NGOs emphasized the importance of increased brand awareness and heightened visibility of their cause. Furthermore, dairy businesses and NGOs acquired positive perceptions of farmers, which was acknowledged as crucial due to the key role farmers play in advancing towards a more sustainable dairy sector. Due to this key role, dairy businesses and NGOs addressed the importance of ensuring farmer benefits when engaging for a sustainable dairy sector to stimulate farmer participation in sustainability initiatives. Outcomes of engagement benefitting society involved reduced environmental impact and potentially mitigated polarization. While short-term sustainability performance could be assured, analyzing the effects of engagement between dairy businesses and NGOs on long-term sustainability performance requires further study. Societal stereotypes regarding business-NGO opposition could be tackled to mitigate polarization, especially as the Dutch dairy sector shows a willingness for cross-sector engagement.

To answer the research question, *What is the potential of engagement between North-Western European dairy businesses and NGOs for improving sustainability?*, this study shows that there is potential for engagement between NW-EU dairy businesses and NGOs to improve sustainability. Both types of organizations have motives that indicate a willingness to engage, either for acquiring missing resources, dealing with institutional pressure or resulting from a genuine commitment to contribute to a more sustainable dairy sector. While conflicting views regarding sustainability should be considered, collective action by NW-EU dairy businesses and NGOs allows for the combination of unique strengths. This combination of strengths would have the potential to not only improve the sustainability performance of dairy farms but also to shape favourable policy, bridging differences between stakeholders and guiding consumers towards sustainable dairy consumption. Such collaborative efforts could potentially not only lead to benefits for involved organizations and their employees, but also for society as a whole through reduced environmental impact and, when applied in the right manner, for mitigating polarizing perspectives.

6.2 Contribution to literature

Previous studies on engagement between businesses and NGOs for improved sustainability of the agrifood sector mainly focused on multi-stakeholder settings or were limited to NGO-farmer collaboration (Vermunt et al., 2022, Runhaar & Polman, 2018). This research aimed to answer the call for future research by Runhaar and Polman (2018) and Vermunt et al. (2018) on how governance arrangements with NGOs can contribute to a more sustainable agrifood system. This study is the first to research engagement between businesses and NGOs for a more sustainable EU agrifood sector. Studying this phenomenon lead to a better understanding of how such engagement takes place and what the potential of such engagements are for advancing towards a more sustainable EU agrifood system. This study does therefore not only contribute to the literature on business-NGO engagement but also to the literature regarding partnerships/governance arrangements for sustainable development. The abductive analysis, in combination with the exploratory nature and qualitative approach, did not only enable the researcher to build upon existing frameworks but also to discover and extend concepts found in the literature on business-NGO engagement. This provided insights into the status quo of the studied phenomenon and allowed for an in-depth analysis of factors influencing the decision-making process of both parties for shaping the engagement. This analysis dived into the motives or barriers of both parties for the adoption of certain forms of engagement or sustainability approaches, including the factors that affected how these approaches were put into practice. This analysis contributes to literature by offering a more comprehensive understanding of the underlying mechanisms that shape business-NGO engagement.

Besides implications for academia, this study also can have practical implications for dairy businesses and NGOs. Chapter 7 will address these implications by discussing the practical recommendations.

6.3 Future research suggestions

Based on the findings and limitations of this study, several directions for future research can be identified. First, a similar study could be performed with interviewees involving representatives of dairy businesses and NGOs active in other countries than the Netherlands. While the Dutch dairy sector has a dominant position in the NW-EU dairy industry, a similar study could reveal a more comprehensive understanding of how engagement between dairy businesses and NGOs occurs in other countries. Considering varying sustainability expectations across countries, conducting this study within another NW-EU state might reveal additional insights on how their engagement could improve the performance of sustainability themes in the interests of dairy businesses' key stakeholders in that particular country. Furthermore, conducting a similar study within another agrifood sector than the dairy industry is needed as sectors like arable farming face different sustainability issues and other forms of stakeholder pressure compared to the dairy sector.

Second, future studies could consider the involvement of other stakeholders relevant to engagement between dairy businesses and NGOs. This study did not conduct interviews with NGO employees who were members of the advisory council of the Sustainable Dairy Chain initiative, while the importance of this advisory council for realizing a more sustainable Dutch dairy sector was underscored by the interviewees. Future research on the effect of the presence of NGO employees in this advisory council on sustainable dairy initiatives could lead to better insights into how engagement between the Dutch dairy sector and a collective front of NGOs as a whole can contribute to a more sustainable dairy industry. In addition, future studies could consider the role of farmers within engagement between dairy businesses and NGOs as they are seen as key players in moving towards a more sustainable agrifood sector. Such studies can provide for instance insights on motives and challenges of farmers to participate in initiatives resulting from business-NGO engagement. Acquiring such insights could lead to recommendations for increasing farmer participation within such initiatives, thereby potentially leading to large-scale adoption of sustainable dairy farming practices.

Third, future research could also adopt a more quantitative approach to investigate the relationship between used sustainability approaches within business-NGO engagement and realized sustainability impact. Due to its scope, and explorative and qualitative nature, this research did not aim to investigate relationships between the adopted sustainability approaches and realized reduced environmental impact. Future studies could investigate this by assessing which sustainability approaches within business-NGO engagement are most effective for dealing with certain sustainability issues faced by the EU agrifood sector. Insights of such studies would allow businesses and NGOs to make more informed choices on which sustainability approach is most suited for dealing with the sustainability issues they face. As assessing long-term sustainability performance requires long-term monitoring, this future research direction would need to adopt a longitudinal approach.

Fourth, this study mainly aimed to provide insights into the steps of engagement between dairy businesses and NGOs. No in-depth exploration was conducted regarding the success factors and challenges within the engagement. Chapter 7 will provide an overview of the success factors and challenges mentioned by the interviewees, but future research is needed to identify additional success factors and challenges, and how such obstacles could be overcome. Such research could lead to practical recommendations on how engagement between businesses and NGOs could be further improved, and therefore provide insights into how collaborative efforts between these two parties can be strengthened to benefit the transition towards a more sustainable EU agrifood sector.

7. Recommendations

This study served as the basis for several practical recommendations for dairy businesses and NGOs when engaging to improve sustainability performance. It should be noted that the challenges and success factors brought by the interviewees should be borne in mind when applying these recommendations. These success factors and barriers are depicted in Table 10.

7.1 Dairy businesses

Dairy businesses should regularly evaluate which resources they lack for enhancing sustainability on their suppliers' farms. Identifying these resource deficiencies would allow them to scan for potential partners that can provide these lacking resources. When assessing potential partners, it is worth noting for dairy businesses to consider that NGOs often not only possess the requisite sustainability expertise for enhancing sustainability performance but also are seen as legitimate organizations by society due to their independent position. The possession of the requisite resources in combination with a legitimate positioning can aid dairy businesses in not only bolstering their sustainability efforts but also in dealing with stakeholder pressure. For example, by using their logos on packaging or bringing NGO representatives to meetings with retailers to illustrate compliance with the NGO's sustainability standards.

Chosen engagement forms should be based on the dairy business' available organizational capacity and the anticipated strategic importance of the engagement. When the available organizational capacity and strategic importance are low, philanthropic engagement is suited to demonstrate goodwill through monetary donations or joint social activities. When there is sufficient organizational capacity available and a desire for a competitive advantage, transactional engagement is suited and benefits can be leveraged through exchanging core competencies. When aiming for sectoral benefits, integrative engagement is suited. In this case, a multi-stakeholder platform, involving NGOs, could be formed to collectively address sustainability issues that affect the entire dairy industry.

When deciding on sustainability approaches, dairy businesses should first identify the challenges they face in improving sustainability performance. Such identification could occur through internal assessments or by seeking critical perspectives from NGOs. Collaborative efforts with NGOs on KPI formulation can aid in establishing indicators for measuring and assessing sustainability performance. NGO-led farm monitoring could reveal areas for improving sustainability performance or ensuring the credibility of sustainability claims. Collective lobbying efforts with NGOs can be used as a tool for influencing regulatory landscapes and advocating for policies for sustainable dairy farming. Collective development of sustainability practices can enable and motivate farmers to adopt sustainable farming methods. Ensuring these farmer benefits should be borne in mind as they are crucial for fostering farmer participation in collaborative activities with NGOs.

7.2 NGOs

NGOs should at first decide which strategy they wish to adopt when engaging with dairy businesses: achieving large-scale impact by engaging with major dairy businesses, evoking competitive pressure by supporting small dairy initiatives, or pursuing a combination of both strategies. Once this strategy is formulated, NGOs can identify which dairy businesses are best suited to engage with. Factors to consider could involve the size of their farmer base, their current sustainability performance or formulated sustainability goals, as well as potential reputational risks for an NGO when partnering with a certain dairy business. For instance, reputational risks can arise if a dairy business fails to comply with agreements made with the NGO on certain sustainability interventions or fails to achieve its sustainability goals. To reduce

such risks, NGOs could argue for structural arrangements guiding the engagement that allow flexibility to terminate the engagement on short term when necessary.

When working on sustainability approaches with dairy businesses, NGOs should acknowledge the cruciality of realizing farmer benefits. Financial returns are key motivators for farmers to participate in sustainability initiatives, as these often require investments and additional efforts for adopting sustainability practices. Furthermore, NGOs should aim for farmer involvement whenever possible when developing sustainability practices. Such involvement can contribute to developing initiatives that are practical for farmers and in alignment with their interests. When involved in collective measurement, NGOs should establish clear expectations for sustainability indicators. This includes defining threshold values dairy businesses' KPIs should meet to adhere to NGOs' sustainability standards and formulating clear farm management arrangements farmers must comply with for receiving financial incentives or rewards. When involved in collective reporting, clear and legally binding agreements should be made that outline the conditions under which permission is granted for using the NGO's logo on product packaging. Considering occasional conflicting views regarding sustainability, NGOs should only engage in collective lobbying efforts with dairy businesses when shared goals can be identified. Only in this way, a collective front can be realized to exert influence on policy-making and influence the views of policymakers regarding dairy production.

7.3 Success factors and challenges for engagement

While this study leads to practical recommendations for both dairy businesses and NGOs, the success factors and challenges addressed in the interviews should be considered. These success factors and challenges are depicted in Table 10. It should be noted that these success factors and challenges were not analysed in depth, but dairy businesses and NGOs could consider them when opting for engagement. They provide basic guidance for dairy businesses and NGOs to recognize the factors that could contribute to effective engagement, as well as anticipate potential challenges when implementing the recommendations outlined in Chapter 7.

Table 10: Success factors and challenges in engagement between dairy businesses and NGOs for sustainability

Success Factors	Challenges
<p>Relationship Building and Fostering Trust</p> <ul style="list-style-type: none"> ● Fostering mutual trust through frequent contact ● Facilitating informal contact and building relationships based on trust. ● Having dairy businesses serve as liaisons when dealing with farmers sceptical towards NGOs. <p>Open Communication and Mutual Understanding</p> <ul style="list-style-type: none"> ● Engage in constructive dialogue ● Seeking for common ground rather than emphasizing conflicting views. ● Understand and respect differing perspectives on sustainability ● Round-table discussions between NGOs, dairy businesses and farmers for sharing perspectives and idea exchange <p>Farmer Involvement and pragmatic approach of sustainability approach</p> <ul style="list-style-type: none"> ● Involve farmers in designing sustainability initiatives ● Realize farmer participation in sustainability initiatives through word of mouth among farmers ● Focus on concrete solutions rather than teaching about theory in farmer workshops/consultation <p>Expectation management</p> <ul style="list-style-type: none"> ● Establish clear structural arrangements guiding the engagement ● Regular reflection on the purpose and objectives of the engagement ● Regular reflection on responsibilities and tasks of involved parties ● Realize a mutual understanding of both result obligations and effort obligations 	<p>Consumer Behavior, Market Demand, and Sectoral Uncertainty</p> <ul style="list-style-type: none"> ● Low willingness among consumers to pay a price premium for sustainably produced milk ● Demand for recognized sustainability certifications by customers rather than NGO endorsements. ● Balancing domestic sustainability expectations on sustainable dairy production with differing international market expectations ● Political uncertainties for the Dutch agrifood sector affect dairy businesses' willingness to engage/renew current engagement with NGOs <p>Farmer Attitude</p> <ul style="list-style-type: none"> ● Farmer reluctance to differ from conventional dairy production practices ● Negative farmer perception towards NGOs due to stereotypes ● Low intrinsic motivation of farmers in obligatory workshops <p>Sustainability approach implementation Hurdles</p> <ul style="list-style-type: none"> ● Creating a holistic sustainability monitoring system with minimal burden of farmer monitoring. ● Lack of transparency among farmers regarding the sustainability performance of their farms ● Trade-offs between nature conservation and climate impact reduction. <p>Collaboration and Communication</p> <ul style="list-style-type: none"> ● Lack of clear role division and conflicting working cultures. ● Lack of constructive dialogue <p>Stakeholder Friction</p> <ul style="list-style-type: none"> ● Conflicting views between dairy businesses and NGOs regarding sustainability. ● Friction between dairy farmers and NGOs over sustainability vs. financial viability. ● Internal scepticism from NGO employees regarding engagement with dairy businesses.

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Appendix

Appendix 1: Literature review search queries

Table 11: Used search queries during the literature review.

<p>Subresearch question 1: What are the different forms of engagement between North-Western European dairy businesses and NGOs?</p> <p>General keywords (business OR company OR firm OR for-profit OR corporation OR commercial OR enterprise) AND (non-profit OR nonprofit OR civil society OR social organization OR non-government OR nongovernment) AND (engagement OR alliance OR partnership OR cooperation OR collaboration OR involvement OR integration)</p> <p>SRQ1 specific keywords (form OR classification OR types OR categories OR arrangement)</p>
<p>Subresearch question 2: What are the motives for North-Western European dairy businesses and NGOs to engage for sustainability?</p> <p>General keywords (business OR company OR firm OR for-profit OR corporation OR commercial OR enterprise) AND (non-profit OR nonprofit OR civil society OR social organization OR non-government OR nongovernment) AND (engagement OR alliance OR partnership OR cooperation OR collaboration OR involvement OR integration)</p> <p>SRQ2 specific keywords (motivation OR motive OR driver OR benefit OR interest OR reason OR inspiration)</p>
<p>Subresearch question 3: For which sustainability approaches can North-Western European dairy businesses and NGOs engage?</p> <p>General keywords (business OR company OR firm OR for-profit OR corporation OR commercial OR enterprise) AND (non-profit OR nonprofit OR civil society OR social organization OR non-government OR nongovernment) AND (engagement OR alliance OR partnership OR cooperation OR collaboration OR involvement OR integration)</p> <p>SRQ3 specific keywords (initiative OR action OR activity OR approach OR plan OR decision)</p>
<p>Subresearch question 4: What are the outcomes of engagement between North-Western European dairy businesses and NGOs?</p> <p>General keywords (business OR company OR firm OR for-profit OR corporation OR commercial OR enterprise) AND (non-profit OR nonprofit OR civil society OR social organization OR non-government OR nongovernment) AND (engagement OR alliance OR partnership OR cooperation OR collaboration OR involvement OR integration)</p> <p>SRQ4 specific keywords (outcome OR result OR benefit OR advantage OR gain OR profit)</p>

Appendix 2: Interview guides

Interview guide for dairy businesses

XXX = bedrijfsnaam

Introductie en doel van het interview (5 minuten)

Ik ben Jesper Geers en studeer momenteel Sustainable Business and Innovation aan de Wageningen Universiteit. Voor mijn masterthesis richt ik me op de samenwerking tussen zuivelbedrijven in Noord-West Europa en NGO's voor duurzamere melkproductie. Duurzaamheid wordt hier opgevat als milieu duurzaamheid op zuivelboerderijen. Het interview zal gaan over de motieven voor de samenwerking, de vorm van de samenwerking, de duurzaamheidsaanpak en de resultaten van de samenwerking. Door deze interviews te analyseren kunnen betere inzichten verkregen (succes- en faalfactoren) waarmee de samenwerking tussen bedrijf en NGO versterkt kunnen worden. Er zal ook gekeken worden naar hoe verschillende soorten zuivelbedrijven (bijv. qua grootte of organisatiestructuur) invulling geven aan deze samenwerkingen.

U heeft te allen tijde de vrijheid om een interviewvraag over te slaan of om te beslissen het interview te beëindigen. Bovendien bestaat de optie om het interview anoniem te maken.

1. Heb ik uw toestemming om dit interview op te nemen? Deze opname kan helpen bij het analyseren van dit interview tijdens de volgende fase van mijn masterthesis.
2. Kunt u zichzelf en uw belangrijkste taken en verantwoordelijkheden binnen XXX kort introduceren?
3. Met welke NGO's heeft XXX samengewerkt voor het verbeteren van duurzaamheid in de zuivelketen?

Motieven voor samenwerking (10 minuten)

Mogelijke motieven om met NGO's samen te werken kunnen zijn:

- Toegang tot hulpbronnen
 - Het verbeteren van de legitimiteit van de duurzaamheidsprestaties van een bedrijf
 - Het vormen van nieuwe relaties voor werknemers en toegang krijgen tot netwerken van NGOs
4. Welke van deze motieven was een reden voor XXX om met NGO's samen te werken?
 5. Met welke NGO's werkt XXX samen op basis van deze motieven?
 6. Wat was het belangrijkste motief om met NGO's samen te werken?

Hulpbronnen

1. Welke hulpbronnen kon XXX verkrijgen door samen te werken met NGOs?
2. Waarom waren deze middelen belangrijk voor XXX?
3. Hoe vond het delen of het uitwisselen van hulpbronnen tussen XXX en NGOs plaats?

Legitimiteit

1. Van welke stakeholders ervaart XXX druk voor duurzaamheid?
2. Voor welke stakeholders is het belangrijk voor XXX om legitiem over te komen qua duurzaamheidsprestaties?
3. Hoe kon XXX zijn legitimiteit verbeteren door samen te werken met NGO's?
4. Welke concrete activiteiten waren ondernomen met NGOs om de legitimiteit van XXX te verbeteren?

Social capital

1. Hoe heeft het samenwerken met NGOs XXX geholpen bij het opbouwen van relaties voor zijn/haar werknemers?
 2. Hoe helpen deze opgebouwde relaties werknemers van XXX in hun werkzaamheden?
 3. Wat was het effect van samenwerkingen met NGOs op de tevredenheid van werknemers om voor XXX te werken?
 4. Hoe heeft de samenwerking met NGOs ervoor gezorgd dat werknemers van XXX meer toegewijd zijn voor het verbeteren van duurzaamheidsprestaties?
7. Wat waren de andere motieven van XXX om samen te werken met NGO's?

Vorm van de samenwerking (10 minuten)

8. Welke activiteiten waren betrokken bij deze samenwerkingen?
9. Wat voor soort medewerkers (functie, positie) van XXX waren betrokken in het contact met de NGO's?
10. Hoeveel interactie hadden deze medewerkers van XXX met NGO's?
11. Hoe communiceerden medewerkers van XXX en NGO's?
12. Hoe is de intensiteit van interactie tussen medewerkers van XXX en NGO's ontwikkeld gedurende de samenwerking?
13. Wat is het belang van deze samenwerkingen met NGO's voor de missie van XXX?

Duurzaamheidsaanpak (10 minuten)

Ik onderzoek drie aanpakken van bedrijven om duurzaamheidsprestaties te verbeteren door samen te werken met NGO's. Deze aanpakken zijn:

- A. Het samen ontwikkelen van duurzaamheidsinitiatieven gericht op het verbeteren van duurzaamheidsprestaties op boerderijniveau.
- B. Het gezamenlijk formuleren van prestatie-indicatoren voor het meten en beoordelen van duurzaamheidsprestaties op boerderijniveau.
- C. Het gezamenlijk rapporteren van duurzaamheidsprestaties op boerderijniveau om transparantie te waarborgen en geloofwaardigheid van deze prestaties te verbeteren.

14. In welke aanpak was XXX betrokken tijdens de samenwerking met NGO's?
15. Hoe heeft dit in de praktijk plaatsgevonden?
16. Bij welke concrete activiteiten waren de NGO's betrokken?
17. Wat was de rol van XXX in deze activiteiten?
18. Wat was de rol van NGO's in deze activiteiten?
19. Achteraf gezien, wat had er verbeterd kunnen worden tijdens de samenwerking van XXX en NGOs in deze activiteiten?
20. Bij welke andere aanpakken voor duurzaamheid op boerderijniveau waren NGO's betrokken?
21. Treden XXX en NGO's gezamenlijk op naar de buitenwereld? Bijvoorbeeld in de media of om landelijk beleid omtrent zuivelproductie te beïnvloeden?

Evaluatie (10 minuten)

Voor het evalueren van de samenwerking kan er een onderscheid gemaakt worden tussen resultaten voor de betrokken organisatie, zoals XXX, en de externe resultaten voor de rest van de maatschappij.

Interne resultaten

22. Wat heeft XXX als gehele organisatie gehad aan de samenwerkingen met NGO's XXX?
23. Wat hebben de werknemers van XXX gehad aan de samenwerkingen met NGO's?

24. Wat hebben de melkveehouders van XXX gehad aan de samenwerkingen met NGO's?
25. Wat was het resultaat van de samenwerking met NGO's voor duurzaamheidsprestaties op melkveehouderijen? Denk aan thema's zoals uitstoot van broeikasgassen, waterkwaliteit, biodiversiteit en bodemkwaliteit.
26. Hoe worden de opbrengsten van de samenwerking met NGO's geëvalueerd?
27. Wat waren de nadelen van de samenwerkingen tussen XXX en NGO's?

Externe resultaten

28. Wat hebben de samenwerkingen tussen XXX en NGO's opgeleverd voor de maatschappij?
29. Hoe worden deze opbrengsten geëvalueerd?
30. Wat waren de nadelen van de samenwerkingen tussen XXX en NGO's voor de maatschappij?

Conclusie (5 minuten)

31. Wilt u het eindproduct ontvangen?
32. Kan ik contact met u opnemen tijdens een latere fase van mijn onderzoek?
33. Heeft u suggesties voor andere contacten die ik voor dit onderzoek kan benaderen?

Interview guide for NGOs

XXX = naam van NGO

Introductie en doel van het interview (5 minuten)

Ik ben Jesper Geers en studeer momenteel Sustainable Business and Innovation aan de Wageningen Universiteit. Voor mijn masterthesis richt ik me op de samenwerking tussen zuivelbedrijven in Noord-West Europa en NGO's voor duurzamere melkproductie. Duurzaamheid wordt hier opgevat als milieu duurzaamheid op zuivelboerderijen. Het interview zal gaan over de motieven voor de samenwerking, de vorm van de samenwerking, de duurzaamheidsaanpak en de resultaten van de samenwerking. Door deze interviews te analyseren kunnen betere inzichten verkregen (succes- en faalfactoren) waarmee de samenwerking tussen bedrijf en NGO versterkt kunnen worden. Er zal ook gekeken worden naar hoe verschillende soorten zuivelbedrijven (bijv. qua grootte of organisatiestructuur) invulling geven aan deze samenwerkingen.

U heeft te allen tijde de vrijheid om een interviewvraag over te slaan of om te beslissen het interview te beëindigen. Bovendien bestaat de optie om het interview anoniem te maken.

1. Heb ik uw toestemming om dit interview op te nemen? Deze opname kan helpen bij het analyseren van dit interview tijdens de volgende fase van mijn masterthesis.
2. Kunt u zichzelf en uw belangrijkste taken en verantwoordelijkheden binnen XXX kort introduceren?
3. Met welke zuivelbedrijven heeft XXX samengewerkt voor het verbeteren van duurzaamheid in de zuivelketen?

Motieven voor samenwerking (10 minuten)

Mogelijke motieven om met bedrijven samen te werken kunnen zijn:

- Toegang tot hulpbronnen (financiering, expertise, technologie)
- Verbetering van legitimiteit door het tonen van een actieve bijdrage aan duurzaamheidstransities
- Het vormen van nieuwe relaties voor werknemers en toegang krijgen tot netwerken van bedrijven

4. Welke van deze motieven was een reden voor XXX om met zuivelbedrijven samen te werken?
5. Met welke zuivelbedrijven werkt XXX samen op basis van deze motieven?
6. Wat was het belangrijkste motief om met zuivelbedrijven samen te werken?

Hulpbronnen

1. Welke hulpbronnen kon XXX verkrijgen door samen te werken met zuivelbedrijven?
2. Waarom waren deze middelen belangrijk voor XXX?
3. Hoe vond het delen of het uitwisselen van hulpbronnen tussen XXX en zuivelbedrijven plaats?

Legitimiteit

1. Van welke stakeholders ervaart XXX druk om zich actief in te zetten voor duurzaamheid?
2. Voor welke stakeholders is het belangrijk voor XXX om toegewijd over te komen?
3. Hoe kan XXX zijn/haar legitimiteit verbeteren door samen te werken met zuivelbedrijven?
4. Welke concrete activiteiten worden of werden ondernomen met zuivelbedrijven om de legitimiteit van XXX te verbeteren?

Social capital

1. Hoe heeft het samenwerken met zuivelbedrijven XXX geholpen bij het opbouwen van relaties voor zijn/haar werknemers?
2. Hoe helpen deze opgebouwde relaties werknemers van XXX in hun werkzaamheden?
3. Wat was het effect van samenwerkingen met zuivelbedrijven op de tevredenheid van werknemers om voor XXX te werken?
4. Hoe heeft de samenwerking met zuivelbedrijven ervoor gezorgd dat werknemers van XXX meer toegewijd zijn voor het verbeteren van duurzaamheidsprestaties?

7. Wat waren de andere motieven van XXX om samen te werken met zuivelbedrijven?

Vorm van de samenwerking (10 minuten)

8. Welke activiteiten waren onderdeel van deze samenwerkingen?
9. Welke medewerkers (functie, positie) van XXX waren betrokken in het contact met de zuivelbedrijven?
10. Hoeveel interactie hadden deze medewerkers van XXX met zuivelbedrijven?
11. Hoe communcieerden medewerkers van XXX en zuivelbedrijven?
12. Hoe is de intensiteit van interactie tussen medewerkers van XXX en zuivelbedrijven ontwikkeld gedurende de samenwerking?
13. Wat is het belang van deze samenwerkingen met zuivelbedrijven voor de missie van XXX?

Duurzaamheidsaanpak (10 minuten)

Binnen samenwerkingen tussen zuivelbedrijven en NGO's onderzoek ik drie aanpakken om duurzaamheidsprestaties te verbeteren. Deze aanpakken zijn:

- A. Het samen ontwikkelen van duurzaamheidsinitiatieven gericht op het verbeteren van duurzaamheidsprestaties op boerderijniveau.
- B. Het gezamenlijk formuleren van prestatie-indicatoren voor het meten en beoordelen van duurzaamheidsprestaties op boerderijniveau.

C. Het gezamenlijk rapporteren van duurzaamheidsprestaties op boerderijniveau om transparantie te waarborgen en geloofwaardigheid van deze prestaties te verbeteren.

14. In welke aanpak was XXX betrokken tijdens de samenwerking met zuivelbedrijven?
15. Hoe heeft dit in de praktijk plaatsgevonden?
16. Bij welke concrete activiteiten was XXX betrokken?
17. Wat was de rol van XXX in deze activiteiten?
18. Wat was de rol van zuivelbedrijven in deze activiteiten?
19. Achteraf gezien, wat had er verbeterd kunnen worden tijdens de samenwerking van XXX en zuivelbedrijven in deze activiteiten?
20. Bij welke andere aanpakken voor duurzaamheid op boerderijniveau was XXX betrokken?
21. Treden XXX en zuivelbedrijven gezamenlijk op naar de buitenwereld? Bijvoorbeeld in de media of om landelijk beleid omtrent zuivelproductie te beïnvloeden?

Evaluatie (10 minuten)

Voor het evalueren van de samenwerking kan er een onderscheid gemaakt worden tussen resultaten voor de betrokken organisatie, zoals XXX, en de resultaten voor de maatschappij als geheel.

Interne resultaten

22. Wat heeft XXX als gehele organisatie gehad aan de samenwerkingen met zuivelbedrijven XXX?
23. Wat hebben de werknemers van XXX gehad aan de samenwerkingen met zuivelbedrijven?
24. Wat hebben melkveehouders gehad aan de samenwerkingen tussen XXX en zuivelbedrijven?
25. Wat was het resultaat van de samenwerking met zuivelbedrijven voor duurzaamheidsprestaties op melkveehouderijen? Denk aan thema's zoals uitstoot van broeikasgassen, waterkwaliteit, biodiversiteit en bodemkwaliteit.
26. Hoe worden de opbrengsten van de samenwerking met zuivelbedrijven geëvalueerd?
27. Wat waren de nadelen van de samenwerkingen tussen XXX en zuivelbedrijven?

Externe resultaten

28. Wat hebben de samenwerkingen tussen XXX en zuivelbedrijven opgeleverd voor de maatschappij?
29. Hoe worden deze opbrengsten geëvalueerd?
30. Wat waren de nadelen van de samenwerkingen tussen XXX en zuivelbedrijven voor de maatschappij?

Conclusie (5 minuten)

31. Wilt u het eindproduct ontvangen?
32. Kan ik contact met u opnemen tijdens een latere fase van mijn onderzoek?
33. Heeft u suggesties voor andere contacten die ik voor dit onderzoek kan benaderen?

Appendix 3: Used codes during data analysis

Deductive coding

Table 12: Used predetermined codes for sub-research question 1: What are the different forms of engagement between North-Western European dairy businesses and NGOs?

Code	NR.	Code group
Minimised interaction and communication	6	Philanthropic engagement
Monetary donations	6	Philanthropic engagement
No arrangement on the form of engagement	2	Philanthropic engagement
No involvement of top-level managers	1	Philanthropic engagement
Clear arrangement on form of engagement	40	Transactional engagement
Frequent interaction and communication	28	Transactional engagement
Involvement of top-level managers	13	Transactional engagement
Knowledge and asset sharing	11	Transactional engagement
Two-sided benefit distribution	3	Transactional engagement
High intensity of interaction and communication	4	Integrative engagement
Leadership by top-level managers	4	Integrative engagement
High importance to business mission	2	Integrative engagement
Knowledge, assets and capabilities sharing	1	Integrative engagement

Table 13: Used predetermined codes for sub-research question 2: What are the motives for North-Western European dairy businesses and NGOs to engage for sustainability?

Code	NR.	Code group
Specialized skills and knowledge	41	Resource dependency motives
Access to lacking resources	23	Resource dependency motives
Resource exchange/complementarity	16	Resource dependency motives
Access to instruments	5	Resource dependency motives
Avoiding costly internal development of knowledge	2	Resource dependency motives
Sustainability expectations from governments/consumers/customers	46	Institutional motives
Credibility of sustainability claims	38	Institutional motives
Commitment to sustainability	37	Institutional motives
Competitive pressure	30	Institutional motives
Sustainability labelling/certification	25	Institutional motives
Alignment with societal values	23	Institutional motives
Building social and interpersonal ties	8	Social capital motives
Employee satisfaction	3	Social capital motives

Table 14: Used predetermined codes for sub-research question 3: For which sustainability approaches can North-Western European dairy businesses and NGOs engage?

Code	NR.	Code group
Improvement of current practices for sustainability	16	Collective development of sustainability practices
Developing practices for sustainability performance	11	Collective development of sustainability practices
Promotion of adopting practices for sustainability	9	Collective development of sustainability practices
Evaluating sustainability performance	47	Collective measurement of sustainability performance
Setting up sustainability indicators/metrics	22	Collective measurement of sustainability performance
Designing and implementing performance measurement systems	18	Collective measurement of sustainability performance
Categorizing indicators into a systemic framework	9	Collective measurement of sustainability performance
Auditing by NGOs	1	Collective sustainability reporting
Facilitating institutional dialogue	11	Collective lobbying
Influencing policymakers	9	Collective lobbying
Connections between profit-and non-profit sector	8	Collective lobbying
Changing regulations	6	Collective lobbying

Table 15: Used predetermined codes for sub-research question 4: What are the outcomes of engagement between North-Western European dairy businesses and NGOs?

Code	NR.	Code group
Instrumental benefits	13	Internal value creation
Psychological benefits	12	Internal value creation
Associational value	9	Internal value creation
Interaction value	5	Internal value creation
synergistic value	5	Internal value creation
Transferred value	3	Internal value creation
Farmer benefits	41	External value creation
Reduced environmental impact	18	External value creation
Institutional change	7	External value creation
Organizations outside business-NGO engagement	1	External value creation

Inductive coding

Table 16: Most occurring codes through inductive coding

Code	Ground
Cruciality of realizing farmer benefits	61
Cruciality of farmer involvement	59
Presence of conflicting views	46
Need for constructive dialogue	42
Critical querying by NGOs	33
Influence organizational capacity on engagement	29
Need for mutual understanding	28
Mutual outwards communication of sustainability performance	27
Key role agricultural collectives	25
Importance of regional collaboration	25
Desire for increased brand awareness	24
Call for government interventions	22
Balancing sustainability and financial viability	21
Aim for concrete solutions for farmers	21
Narrow view of sustainability	21
Reward for sustainability performance	21
Broad view of sustainability	20
Large scale impact focus	20
Negative farmer perception	20
Realizing sectoral standards	19
Sectoral uncertainty	19
Commercial focus of businesses	18
Enabling farmers to make steps for sustainability	18
Importance expectation management	18
Importance of having sectoral knowledge	17
Importance sectoral collaboration	17

Appendix 4: Use of artificial Intelligence

The researcher only used artificial intelligence for spelling checking and grammar correction. This was done using Grammarly. Suggestions provided by Grammarly were implemented to enhance the writing style. No other forms of artificial intelligence were used in the research process.