



Oldenburg Discussion Papers in Business Administration and Business Education

# **Reputational Supply Chain Risks from the Perspective of a Non-Governmental Organization: An Empirical Investigation of Responsibility Attribution**

**Sina Duensing**

Department of Business Administration, Economics and Law  
Carl von Ossietzky University of Oldenburg  
Ammerländer Heerstr. 114-118, 26129 Oldenburg, Germany

Discussion Paper B-004-23

December 04<sup>th</sup>, 2023

## ABSTRACT

Reputational supply chain risks have emerged as a key challenge in today's business landscape, as stakeholders increasingly exert pressure on firms to improve the sustainability of their supply chain practices and operations. For example, fashion brand Shein was recently targeted by Greenpeace for its adverse impacts on ecosystems and human health. Or consider Unilever that was accused by Friends of the Earth, a federation of environmental organizations, of sourcing palm oil from a supplier in Indonesia tolerating human rights abuses and environmental harm. However, scholarship in supply chain risk management lacks knowledge about how stakeholders become aware of and assess potentially unsustainable conditions in global supply chains and how they decide whether or not to attribute responsibility to a firm and encourage negative reactions to the firm's behavior. This research adopts an inductive theorizing approach and interpretatively derives theory from 27 semi-structured interviews on the complex dynamics by which stakeholders, particularly non-governmental organizations, attribute responsibility to focal firms for unsustainable behavior within their global supply chains. This research contributes to the SCRM research domain by developing a decision-making process model that explains why certain issues and firms receive relatively more attention from NGOs, as well as why NGOs decide to engage in denouncing or cooperating reactions.

**Keywords:** *Environmental & social supply chain issues; reputational supply chain risk; stakeholder management; supply chain risk management; supply chain sustainability risk*

### **Acknowledgments:**

I express my gratitude to Quirin Lukas Schuierer for participating in the data collection process and for conferring the interviews he had conducted, and to Christian Busse for his guidance and constructive feedback, which significantly contributed to the improvement of this study. I am also very grateful to all those individuals and organizations who participated as interviewees in this research.

## INTRODUCTION

The growth of globalization has extended domestic manufacturing and service operations to international locations, resulting in the majority of today's supply chains crossing national borders and posing unique challenges for supply chain management (Meixell & Gargeya, 2005; Koberg & Longoni, 2019). In the last two decades, sustainability-related scandals such as the employment of children in Nike's supplier factories (Lim & Phillips, 2008), employee suicides at Apple's supplier Foxconn (Clarke & Boersma, 2017), and the presence of glyphosate-based products at a subsidiary of Bayer (Rebière & Mavoori, 2020) indicate that international operating firms in particular are struggling to ensure environmental and social outcomes within their supply chains (Giannakis & Papadopoulos, 2016; Koberg & Longoni, 2019).

In order to drive sustainability in global supply chains, stakeholders such as non-governmental organizations (NGOs) increasingly attribute responsibility to firms for socially and environmentally sustainable production and sourcing standards throughout their supply chains (Hofmann et al., 2014; Awasthi et al., 2018). This attribution of responsibility is primarily explained by a stakeholder's perception that focal firms are able to influence the behavior of their suppliers (Hofmann et al., 2014; Touboulic et al., 2014; Busse et al., 2016). However, if stakeholders' sustainability expectations are not met, firms are exposed to the risk of being de-legitimized through, for example, negative publicity (Busse et al., 2017b). Referred to as reputational supply chain risks (RSCR) in the literature (e.g., Roehrich et al., 2014; Petersen & Lemke, 2015), such de-legitimization leads to reputational (Foerstl et al., 2010; Hofmann et al., 2014; Rafi-Ul-Shan et al., 2018) and subsequently financial losses for the accused firm (Bregman et al., 2015; Kim & Wagner, 2021).

Despite a few exceptions (e.g., Mateska, 2020, investigates factors that affect medias' agenda setting in the context of RSCR), the pertinent supply chain risk management (SCRM) literature is predominantly concerned with “the identification, assessment, treatment, and monitoring of supply chain risks [...] to reduce vulnerability and ensure continuity coupled with profitability, leading to competitive advantage” (Fan & Stevenson, 2018, p. 7) and thus focuses on the focal firm in a strategic supply chain network (Carter et al., 2015). Scholarly attention has been directed, for example, to risk trade-offs (Busse, 2016), performance implications (Hallikas et al., 2020), stakeholder expectations surrounding sustainable supply chains (Foerstl et al., 2010; Gualandris et al., 2015), and appropriate proactive or reactive risk management strategies for focal firms (e.g., Foerstl et al., 2010; Hajmohammad & Vachon, 2016; Hallikas et al., 2019).

Although there is highly relevant and noteworthy scholarly work within the RSCR discourse, scholarship in the research domain of SCRM lacks empirical evidence on how stakeholders decide on a potentially unsustainable condition in a focal firm's supply chain. This lacuna is surprising, considering the scholarly evidence supporting the undeniable role of stakeholders in the manifestation process of RSCR, where stakeholders must: (1) become aware of potentially problematic issues in a focal firm's supply chain; (2) assess the event as unacceptable and unsustainable; (3) determine the focal firm to be responsible; and (4) deem their reaction appropriate (Hofmann et al., 2014). Because NGOs emerged as a key stakeholder group in prompting focal firms to reduce persistent environmental and social harm in their global supply chains (Emmelhainz & Adams, 1999; Gonzalez-Benito & Gonzalez-Benito, 2006; Ageron et al., 2012; Gualandris & Klassen, 2018), this research aims to answer the following research question: *How do NGOs determine which supply chain issues to follow up on as sustainability grievances?*

Following an inductive theory-building approach (Corbin & Strauss, 2014; Bansal et al., 2018), this research aims to provide empirical insights into how stakeholders become aware of and assess potentially problematic behavior and how stakeholders decide to punish certain firms while letting others off the hook. As an example, although several firms purchased from Indonesia's largest palm oil supplier Sinar Mas, including Unilever, Proctor & Gamble, and McDonald's (Greenpeace Southeast Asia, 2009), Greenpeace primarily scrutinized Nestlé in a campaign in 2009 for rainforest deforestation (Wolf, 2014). To this end, empirical data from 27 semi-structured interviews with NGO representatives from the European Union, Switzerland, the United Kingdom, and India were collected. During the data analysis, the author of this research interpretively develops theory from the data (e.g., Gioia et al., 2013).

According to corresponding literature, stakeholder behavior is generally influenced by a stakeholder's vision, expectations (e.g., of sustainability standards in global supply chains), and motives (i.e., self-regarding or reciprocal) (Hodge & Piccolo, 2005; Reimann et al., 2012; Bridoux & Stoelhorst, 2014). While seeking transformational change in sustainability standards, however, stakeholders face resource scarcity (Weisbrod, 1998; Kaplan, 2001). With this in mind, the present research assumes that stakeholders are somewhat boundedly rational in their decision-making (Cyert & March, 1963; March & Simon, 1958) regarding, for example, regarding the assessment of, and subsequent reaction to, potential sustainability misconduct. In this context, the recency of prior crises in the industry may influence how stakeholders become aware of the misconduct, the image of a firm may influence how stakeholders assess the misconduct, and opportunity costs may influence how stakeholders determine an appropriate reaction (Barnett, 2014). Such a cognitive view needs to be acknowledged in the research

domain of RSCR to gain insights about the position of stakeholders in relation to RSCR (Pournader et al., 2020).

This research primarily contributes to SCRM and sustainable supply chain management (SSCM) scholarship by developing a decision-making process model that explains why NGOs—and possibly also stakeholders in general—focus on certain sustainability issues and firms and why they subsequently decide to encourage a coercive or cooperative reaction. While this contribution is primarily theoretical in nature, practitioners can take advantage of the decision-making process model by implementing these findings into their sustainability-based SCRM processes to circumvent adverse stakeholder reaction and thus the occurrence of RSCR.

The remainder of this paper is structured as follows. The first section aims to provide an overview of prior RSCR research findings and to define key concepts. The following section depicts insights about NGOs as key stakeholders and their strategies for improving sustainability in global supply chains. Subsequently, the methodology section explains the choice of the research design as well as the data collection and analysis. Thereafter, the empirical findings on how NGOs assess potential unsustainable behavior and determine their reactions are described. Next, the discussion section delineates scholarly and practical implications as well as limitations and future research suggestions. In its conclusion, the paper offers a succinct summary.

### **REPUTATIONAL SUPPLY CHAIN RISK**

The nature of risks in global supply chains has been the subject of research for more than two decades (e.g., Ritchie & Brindley, 2000; Zsidisin et al., 2000) and many scholars have developed SCRM frameworks (e.g., Juettner et al., 2003; Ritchie & Brindley, 2007; Rao & Goldsby, 2009). While other disciplines (e.g., finance; Markowitz, 1952) describe risk with a certain variance, including a positive and negative deviation, SCM scholarship most commonly defines supply

chain risk as “the negative deviation from the expected value of a certain performance measure, (that result) [...] in negative consequences for the focal firm” (Wagner & Bode, 2006, p. 303). The pertinent literature considers a wide range of risk sources, ranging from production constraints, resource shortages, and regulatory barriers to natural disasters, which commonly cause supply chain disruption that subsequently results in negative effects for the focal firm (Kleindorfer & Saad, 2005; Manuj & Mentzer, 2008; Bode et al., 2011).

Apart from such traditional risks, RSCRs have received considerable scholarly attention in the SCRM discourse (e.g., Anderson & Anderson, 2009; Foerstl et al., 2010; Klassen & Vereecke, 2012). RSCR is defined as “a condition or a potentially occurring event [...] within a focal firm’s supply chain [...] that [...] provoke(s) harmful stakeholder reactions” (Hofmann et al., 2014, p. 168). To the detriment of the focal firm, RSCRs typically result in reputational (Foerstl et al., 2010; Roehrich et al., 2014; Hajmohammad & Vachon, 2016; Quarshi et al., 2016) and often subsequent financial (Hartmann & Moeller, 2014; Bregman et al., 2015; Busse, 2016; Awasthi et al., 2018) and market capitalization loss (Kim et al., 2019; Mateska et al., 2023). In this research, a focal firm is defined as a central product- or service-developing firm within a strategic supply chain network (Hofmann et al., 2014; Searcy, 2016).

By advocating, for example, consumer boycotts, bad publicity, community protests, activist campaigns, and even lawsuits, stakeholders de-legitimize focal firms in response to those firms’ social, environmental, and/or economic misconduct (Anderson, 2005; Parmigiani et al., 2011; Hartmann & Moeller, 2014; Davis & Moosmayer, 2014; Bregman et al., 2015; Lee & Vachon, 2016; Busse et al., 2017b; Xu et al., 2019). Typically, these issues in a focal firm’s supply chain relate to high greenhouse gas emissions, bad quality of shared ecosystems, human rights violations, corruption and other fraudulent behavior, cruel working conditions, non-

compliance with regulations, unethical behavior, and toxic products (Anderson & Anderson, 2009; Boiral et al., 2020; Mateska et al., 2023).

Previous research has highlighted that focal firms are held responsible not only for their own sustainability shortcomings but also for sustainability shortcomings further upstream in the supply chain and outside the direct operational control of the focal firm (Foerstl et al., 2010; Hartmann & Moeller, 2014; Grimm et al., 2014; Touboulic et al., 2014; Wilhelm et al., 2016; Hofmann et al., 2018). This is primarily explained by stakeholders' perception that focal firms are able to influence the development of sustainability in their supply chains through the use of supplier codes of conduct, supplier evaluation criteria, and audits (Carter & Rogers, 2008; Klassen & Vereecke, 2012; Touboulic et al., 2014; Busse et al., 2017b). The impact of a buyer's power on supplier performance is firmly established within the SSCM research field, as evidenced by earlier studies (e.g., Benton & Maloni, 2005; Terpend & Ashenbaum, 2012). Further, private actors tend to have more power than state actors to enforce sustainability in global supply chains (Brown & Kalegaonkar, 2002; Palazzo & Basu, 2007; Orsdemir et al., 2019), while other, more upstream firms (i.e., suppliers) are not as responsive to reported abuses as focal firms (Villena & Gioia, 2020).

However, adverse stakeholder reactions—and the inherent manifestation of RSCR—depend on a four-stage sequence of stakeholder decisions, in which the stakeholder becomes aware of potential unsustainable behavior in a focal firm's supply chain, assesses the behavior as unsustainable and the focal firm as responsible, and deems its subsequent detrimental reaction as appropriate (Hofmann et al., 2014). In that vein, RSCRs are often hidden in a focal firm's supply chain and only become apparent when addressed by stakeholders (Roehrich et al., 2014; Awasthi et al., 2018; Boiral et al., 2020).



To reduce the likelihood of RSCR occurrence, focal firms strive to implement risk management strategies (Foerst et al., 2010; Klasse & Vereecke, 2012; Freise & Seuring, 2015; Busse et al., 2016; Hajmohammad & Vachon, 2016; Grimm et al., 2016; Hajmohammad & Shevchenko, 2020). According to behavioral studies conducted in the SSCM research domain, the decision-making process surrounding specific risk management strategies depends on supply chain managers' cognition, their perception of the supply chain risk level and culpability, and the firm's dependence on the supplier (Hajmohammad & Vachon, 2016; Reimann et al., 2017; DuHadway et al., 2018; Polyviou et al., 2018). Nevertheless, identification of and adaptation to stakeholders' sustainability expectations are certainly important for effectively managing RSCR (Wu et al., 2014; Gualandris et al., 2015). However, given the diversity of stakeholder expectations nowadays, it is difficult for focal firms to comply with expectations from all stakeholders (Harwood & Humby, 2008; Meixell & Luoma, 2015; Canzaniello et al., 2017; Busse et al., 2017b; Xu et al., 2019). For this reason, scholars have taken up the challenge of developing concepts and frameworks to identify and assess the most important stakeholders (Gualandris et al., 2015; Busse, 2016; Busse et al., 2016; Meinschmidt et al., 2016; Busse et al., 2017b; Canzaniello et al., 2017).

Despite these scholarly advancements, the RSCR literature lacks empirical evidence on how stakeholders decide about potential sustainability grievances in global supply chains (i.e., whether to follow up on as sustainability grievances). As synthesized in Table 1, research on RSCR has primarily emphasized firm-related antecedents that increase the likelihood of stakeholder scrutiny, such as a sustainability-oriented corporate strategy (Busse et al., 2017a), a certain firm size or visibility (Parmigiani et al., 2011; Schmidt et al., 2017), and the location of the supplier base (Reuter et al., 2010). However, the pertinent literature lacks insights into how

stakeholders notice and assess potential sustainability abuses in global supply chains and how they decide to follow up on certain issues as sustainability grievances (i.e., why they perceive a coercive approach as promising for mitigating a particular sustainability issue). In that vein, in-depth knowledge of stakeholder behavior should allow scholars to better understand how different stakeholders react to unsustainable events, and why, and subsequently develop effective supply chain risk management strategies.

**TABLE 1**  
**Antecedents to Stakeholder Scrutiny**

<b>Firm-related Conditions</b>	<b>References</b>
Severity of misconduct (albeit contested)	Hartmann & Moeller, 2014; Comyns et al., 2022 (Mateska et al., 2023)
Stock market listing	Busse et al., 2017a
Sustainability-oriented corporate business strategy	Busse et al., 2017a
High levels of transparency	Schäfer et al., 2023
Firms' public attention/ visibility, size, and/ or supply chain position	Parmigiani et al., 2011; Grimm et al., 2016; Busse et al., 2017a; Schmidt et al., 2017
Supplier size and visibility	Bowen, 2002; Klassen & Vereecke, 2012
Leading supply chain position and brand ownership	Parmigiani et al., 2011; Awasthi et al., 2018; Roehrich et al., 2014; Kähkönen et al., 2023
Location of the supplier base	Reuter et al., 2010
Salience of concerned stakeholders	Parmigiani et al., 2011
Industry	Neef, 2004; Roehrich et al., 2014
Influence potential of the media related to country- and industry-level sustainability risks of the supplier	Mateska et al. 2023
Importance of the issue to the consumer	Klassen & Vereecke, 2012
Distance from the customers	Kähkönen et al., 2023
Ability to make independent decisions and to control the outcome	Parmigiani et al., 2011; Hartmann & Moeller, 2014
Activists' hostility	Markman et al., 2016
Supply chain actor's involvement rather than a force majeure	Hartmann & Moeller, 2014
Supply chain actor's involvement rather than an individual employee	Hartmann & Moeller, 2014

## NGOS AS A KEY STAKEHOLDER GROUP

Stakeholders such as governments, customers, suppliers, managers, employees, NGOs, local communities, and the media demand high sustainability standards and expect focal firms to adopt environmental and social standards in their operations (Donaldson & Preston, 1995; Zhu et al., 2005; Meixell & Luoma, 2015). According to Freeman (1984, p. 46) “a stakeholder [...] is any group or individual who can affect or is affected by the achievement of the organization’s objectives.” Following Clarkson (1995), stakeholders are differentiated according to their relationship with the focal firm. While primary stakeholders (e.g., suppliers and customers) have a contractual relationship with the focal firm, secondary stakeholders (e.g., NGOs and community groups) are not dependent on the focal firm and thus lack contractual power (Clarkson, 1995; Collier & Roberts, 2001). However, there is growing evidence that secondary stakeholders also exert significant pressure on focal firms and enforce sustainability standards through, for example, protests, civil litigations, and global campaigns (Eesley & Lenox, 2006; Doh & Teegen, 2002).

In 2019, for example, Mighty Earth published a report highlighting the unsustainable supply chain practices of Cargill, the largest soy exporter from Brazil and linked to the global food sector by supplying multinational consumer goods firms such as McDonald’s, Burger King, Aldi, Edeka, Walmart, Danone, Costco Wholesale, and Arla (Hurowitz et al., 2019; Sharma, 2020). According to their report, Cargill drives deforestation in South America to clear land for new soy animal feed plantations, even though the company had previously committed to source from suppliers who were not involved in deforestation for soy production (Hurowitz et al., 2019; Mighty Earth, 2019). Or consider the WWF Palm Oil Buyers Scorecard released in 2021, which points out to numerous buying firms that fall short in eliminating deforestation and human rights

violations from their supply chains (WWF, 2021). More recently, Greenpeace accused brands in the textile industry, including Nike, Ralph Lauren, and Diesel, of exposing workers in Cambodia to toxic fumes and microplastic fibers by shifting the garment waste problem onto countries in the Global South (Greenpeace, 2022).

Given the rapidly growing influence of NGOs and their relevance to the transition to more sustainable supply chains, this research focuses on NGOs as a key stakeholder group (Knox & Maklan, 2004; Gonzalez-Benito & Gonzalez-Benito, 2006; Matos & Hall, 2007; Hall & Matos, 2010; Park-Poaps & Rees, 2010; Schrader et al., 2012; Gualandris & Klassen, 2018; Schäfer et al., 2023). Defined as “self-governing, private, nonprofit distributing, voluntary organizations” (Gualandris & Klassen, 2018, p. 2), that can vary in size, purpose, and geographical scope (Doh & Teegen, 2002), NGOs follow a set of social, ethical, and environmental beliefs and are ambitious in encouraging transformational change towards greater sustainability in persisting structures (Guay et al., 2004; Nezakati et al., 2016; Gualandris & Klassen, 2018).

According to SSCM scholarship, stakeholders such as NGOs are often perceived as drivers (i.e., driving sustainability awareness and influencing other stakeholder groups), facilitators (i.e., providing resources and knowledge to focal firms), and inspectors (i.e., evaluating SSCM implementation) in their interactions with focal firms (Eichert, 2014; Meixell & Luoma, 2015; Köksal et al., 2017; Liu et al., 2018; Yakovleva et al., 2020; Carmagnac, 2021; Siems & Seuring, 2021; Menke et al., 2021). In this context, NGOs may adopt coercive or supportive strategies (Nezakati et al., 2016; Kourula, 2010) and subsequently punish unsustainable behavior (e.g., through boycotts) or reward sustainable behavior (e.g., through certificates) (Donaldson & Preston, 1995; Reuter et al., 2010).

In choosing appropriate strategies, stakeholders can be motivated by their own well-being (i.e., self-regarding stakeholders) or by their perception of how fairly others are treated (i.e., reciprocal stakeholders) (Bridoux & Stoelhorst, 2014). For example, NGOs often focus their sustainability efforts on industries that are highly visible in order to ensure their own legitimacy (Fineman & Clarke, 1996). In addition, prior research has emphasized that NGOs and stakeholders in general utilize leverages by targeting specific firms: branded firms because they fear reputational damage (Amaeshi et al., 2008; Seuring & Müller, 2008; Lee & Vachon, 2016; Wong, 2017), market-leading firms because they are able to influence other stakeholder groups (Rowley & Berman, 2000), firms of a certain size due to the potential of political influence or increased public attention towards the stakeholder (Kostova & Zaheer, 1999), firms with consumer proximity (Busse et al., 2017b), and firms that are relevant to the media (Bridoux & Stoelhorst, 2014).

While the aforementioned motivation strategies provide a partial explanation of why stakeholders focus on particular firms, the literature lacks empirical insights into how stakeholders become aware of and assess potentially unsustainable behavior and how they choose strategies to improve sustainability. Following the four-stage sequence of RSCR manifestation (Hofmann et al., 2014), stakeholders must first become aware of a potentially unsustainable condition before they can actually decide whether to punish firms (Weick et al., 2005). However, stakeholders' attention is limited on certain stimuli in their environment (Cyert & March, 1963; March & Simon, 1958). In that vein, the allocation of a stakeholder's attention can be influenced by a variety of individual and situational factors, including personal interests in particular sustainability issues, individual preferences regarding information sources (Barnett, 2014), and also the media in transmitting the information to the public (Hartmann, 2021).

Once stakeholders are aware of a potentially problematic event or behavior, they must evaluate the event's sustainability and the responsibility of the firm (Lange & Washburn, 2012). However, because stakeholders have divergent goals and opinions, interpretations may differ; in the literature, this phenomenon is called stakeholder ambiguity (Hall & Vredenburg, 2003). Such ambiguity is driven by the fact that stakeholders' assessments of environmental and social misconduct within global supply chains are subjective and to some extent conditional upon individual interpretations (Tost, 2011; Catlin et al., 2017), especially among secondary stakeholders (Freeman, 1984; Clarkson, 1995). For example, a firm's image, a stakeholder's first impression of the misconduct, and a stakeholder's mood can all influence the judgment surrounding firm misconduct (Barnett, 2014).

Even when stakeholders deem a situation unsustainable and the focal firm responsible, they may decide not to punish the focal firm for sustainability misconduct due to, for example, high opportunity costs or potential impacts (Barnett, 2014). NGOs are increasingly challenged by internal complexities related to division of labor, scarcity of resources, level of political stability and cultural norms (Lewis, 2014). In particular, their limited resource stability often forces NGOs to plan from project to project, making it difficult to expand social activities (Lewis, 2003; Lawrence, 2020). This hybridity of conflicting rules, goals, and norms surrounding the commercial and social activities of NGOs is at odds with the fact that NGOs are agents of change and therefore strive to achieve sustainability and to reduce the disparities between developed and developing countries (Clark, 1995; Arhin et al., 2018; Haigh & Hoffmann, 2012). In that vein, prior literature has emphasized the importance of social capital (i.e., the ability to access tangible and intangible resources from strategic partners) and associated deployment costs (Battilana & Lee, 2014; Pullman et al., 2018; Lashitew et al., 2022; Taylor & Rosca, 2022).

To summarize, NGOs have emerged as a key stakeholder group that de-legitimizes focal firms for unsustainable conditions within their supply chains. In this context, the present research aims to provide empirical evidence on *how NGOs determine which supply chain issues to follow up on as sustainability grievances*.

## **METHODOLOGY**

The present research examines the decisions made by NGOs in response to potential sustainability firm misconduct. Given the lack of research in SCRM scholarship on NGOs and their decisions in the context of RSCR, the present research seeks to capture patterns in the phenomenon of attributing responsibility to focal firms for unsustainable supply chain practices (e.g., by ultimately initiating adverse stakeholder reactions) and to provide an overview of the factors influencing NGOs' decisions, rather than depicting differences within the same NGO or between multiple NGOs. Against that background, an inductive theorizing approach was chosen due to its ability to study complex challenges of social phenomena in understudied empirical contexts and to expose new theoretical directions (Corbin & Strauss, 2014; Singh & Estefan, 2018; Bansal et al., 2018). To ensure methodological rigor, the following sections describe the alignment between the research question, data, and data analysis and explain the data collection and analysis (Bansal et al., 2018).

### **Sampling and Data Collection**

To capture NGOs' decisions surrounding sustainability grievances in global supply chains, qualitative data were collected from NGO representatives based in the European Union, Switzerland, United Kingdom, and India. In particular, interviews were conducted to obtain data for the research (Charmaz & Belgrave, 2012; Singh & Estefan, 2018; Conlon et al., 2020). The overall interview sample was not pre-determined. Rather, the starting point for the sampling was



intensive desk research of NGOs striving to improve supply chain sustainability. Based on suggestions from the interviewees, the sample of potentially knowledgeable contacts grew to a total of 94 organizations during the research process (Corbin & Strauss, 2014; Conlon et al., 2020).

The target interviewees for this research were informants with experience in the process of identifying potential sustainability issues in global supply chains and/or in the decision-making process regarding mitigation strategies related to sustainability issues (see Table 2 for the individual roles). Specifically, the interviews were conducted to gain insights regarding the mechanisms through which NGOs become aware of potential firm misconduct in global supply chains, decide to follow up on particular sustainability issues, and determine appropriate strategies to address these sustainability issues.

Aligned with the research objective of providing the variety of factors influencing NGOs and their decisions in the context of attributing responsibility to focal firms for unsustainable supply chain practices, a broad sampling approach was adopted, including interviewees from numerous NGOs to yield a comprehensive overview. The data comprise 27 interviews that were conducted anonymously with participants from 26 NGOs, all of which play a critical role in the development of sustainability in global supply chains. Table 2 offers an overview of the final database.

**TABLE 2**  
**Database**

<b>Non-Governmental Organization</b>	<b>Empirical Context of the Interviewee</b>	<b>Individual Role(s)</b>	<b>Interview Duration<sup>a</sup></b>	<b>Number of Codes Utilized</b>
A	Germany	Network Coordinator <sup>b</sup> (E.1) <sup>c</sup>	22:33	16
B	Germany	Campaign Officer (E.2)	47:38	39
C	Germany	Researcher on Climate Action & Supply Chain Law <sup>b</sup> (E.3)	22:44	16
D	Germany	Business & Human Rights Officer (E.4)	29:02	17
E	Switzerland	Campaign Manager & Campaign Manager on Decent Work <sup>bd</sup> (E.5)	34:31	23
F	Germany	Project Coordinator <sup>b</sup> (E.6)	30:20	17
G	France	Coordinator (E.7)	32:18	22
H	Germany	Campaigner & Global Trade Expert <sup>b</sup> (E.8)	48:42	41
I	United Kingdom	International Coordinator (E.9)	41:47	24
J	Netherlands	Lawyer & High-Risk Commodity Expert <sup>b</sup> (E.10)	34:52	12
K	Netherlands	Labor Rights Specialist and Manager <sup>b</sup> (E.11)	39:03	17
L	Germany	Employee in the Business & Human Rights Coordination Group (E.12)	38:50	17
M	Germany	Head of Communication & Public Affairs (E.13)	31:49	20
N	Germany	Project Coordinator in the Business and Human Rights Department (E.14)	44:43	22
O	Germany	Researcher on Social Misconduct (E.15)	38:27	18
P	India	Program and Advocacy Manager & Global Supply Chain Expert <sup>b</sup> (E.16)	43:42	26

**TABLE 2 (continued)**  
**Database**

<b>Non-Govern- mental Organization</b>	<b>Empirical Context of the Interviewee</b>	<b>Individual Role(s)</b>	<b>Interview Duration<sup>a</sup></b>	<b>Number of Codes Utilized</b>
Q	Germany	Senior Expert Deforestation & Global Supply Chains <sup>b</sup> (E.17)	40:24	30
R	Germany	Human Rights Lawyer <sup>b</sup> (E.18)	38:13	17
S	Germany	Campaign Coordinator (E.19)	25:53	29
			n.d. <sup>e</sup>	0 <sup>e</sup>
T	Germany	Supplier Evaluation Manager <sup>b</sup> (E.20)	08:55	12
	Germany	Political Campaigning Coordinator <sup>b</sup> (E.21)	n.d. <sup>e</sup>	13
U	Germany	Researcher & Campaign Assistant <sup>b</sup> (E.22)	42:12	23
V	Germany	Metal Resources Coordinator (E.23)	39:49	34
W	Germany	Global Trade Officer (E.24)	42:27	21
X	Germany	Managing Director & Founder (E.25)	52:10	33
Y	Belgium	Senior Policy Officer <sup>b</sup> (E.26)	33:13	21
Z	Germany	Sustainable Supply Chain Senior Manager (E.27)	45:02	39
			<b>15:49:19</b>	<b>619</b>

*Notes.*

<sup>a</sup> *Hours:Minutes:Seconds.*

<sup>b</sup> *Altered for the anonymization.*

<sup>c</sup> *The interviews are documented chronologically, with E.1 the first and E.27 the last interview conducted. E.1–E.11 were conducted by the graduate student, and E.12–E.27 were conducted by the author of this research.*

<sup>d</sup> *Two interviewees participated in the interview.*

<sup>e</sup> *The interviewee answered the questionnaire (additionally) in an e-mail.*

The data collection process consisted of two distinct periods, the first from January to March 2022 and the second from November 2022 to January 2023. Data collection in the first period was accomplished by a graduate student who conducted 11 interviews (i.e., E.1–E.11) under the supervision of the author of this research. The main objective of this initial data collection period was to shed light on the overall issue of stakeholder scrutiny (i.e., aspects that contribute to or diminish the likelihood of attributing responsibility to focal firms). However, the scope of this research was expanded, primarily because important questions about the decision-making process of NGOs leading up to the attribution of responsibility (or lack thereof) (e.g., how NGOs become aware of and assess potential unsustainable behavior) remained unanswered, as the analysis of the first data collection period indicated. To address these knowledge gaps and foster a more comprehensive understanding of RSCR from an NGO perspective, the author of this research undertook a supplementary data collection period and conducted 16 additional interviews (i.e., E.12–E.27). The second data collection was completed after a broad range of perspectives had been captured. In total, 15 hours and 50 minutes of interviews were recorded, with an average interview duration of 33 minutes, resulting in 247 pages of transcribed data. In both data collection periods, the interviews were conducted via phone or an open source web conferencing system in English or German. All interviews were audio-recorded with consent and subsequently transcribed using computer-assisted software. However, one participant answered the questions by email in addition to the interview (E.19), and another participant preferred to answer the questions by email only (E.21).

Using a semi-structured interview guideline, interviewees were asked about their experiences in making decisions about sustainability grievances. Given the lack of research in SCRM scholarship on factors influencing NGOs and their decisions, the questions in the

interview guideline were designed to be open to ensure flexibility for emerging topics. Addressed topics included information about the informant's role in mitigating sustainability grievances, the NGO's mission to develop sustainability in global supply chains, its activities to find out about potential firm misconduct, drivers that lead the NGO to its decision to follow up on a particular issue, strategies to mitigate a particular sustainability issue, and tensions around financial resources (see Appendix A for the latest version).

In line with insights gained from previous interviews, the semi-structured interview guideline was adapted during the course of this research (Corbin & Strauss, 2014). For example, as the second data collection period revealed that NGOs intensively draw on a network of several organizations to discover potential sustainability issues, questions were added about whether the organizations also employ a proactive strategy to gather information about potential sustainability issues. In doing so, the questions were adapted to emerging themes from the data (Gioia et al., 2013).

### **Analysis and Coding**

Aligned with the process of building theory inductively—similarly employed by recent SCM research (e.g., Sodero et al., 2019; Xiao et al., 2019; Quarshie & Leuschner, 2020)—, this research applies an interpretive approach to derive theory from the qualitative data (Gehman et al., 2018; Bansal et al., 2018). To understand the decisions made by NGOs surrounding sustainability grievances, an interpretive approach is most appropriate for two reasons. First, it can extract insights from informants' experiences and derive theories grounded in these experiences (Gehman et al., 2018). Second, interpretive approaches are able to depict the variability in informants' perspectives (Gehman et al., 2018; Bansal et al., 2018).

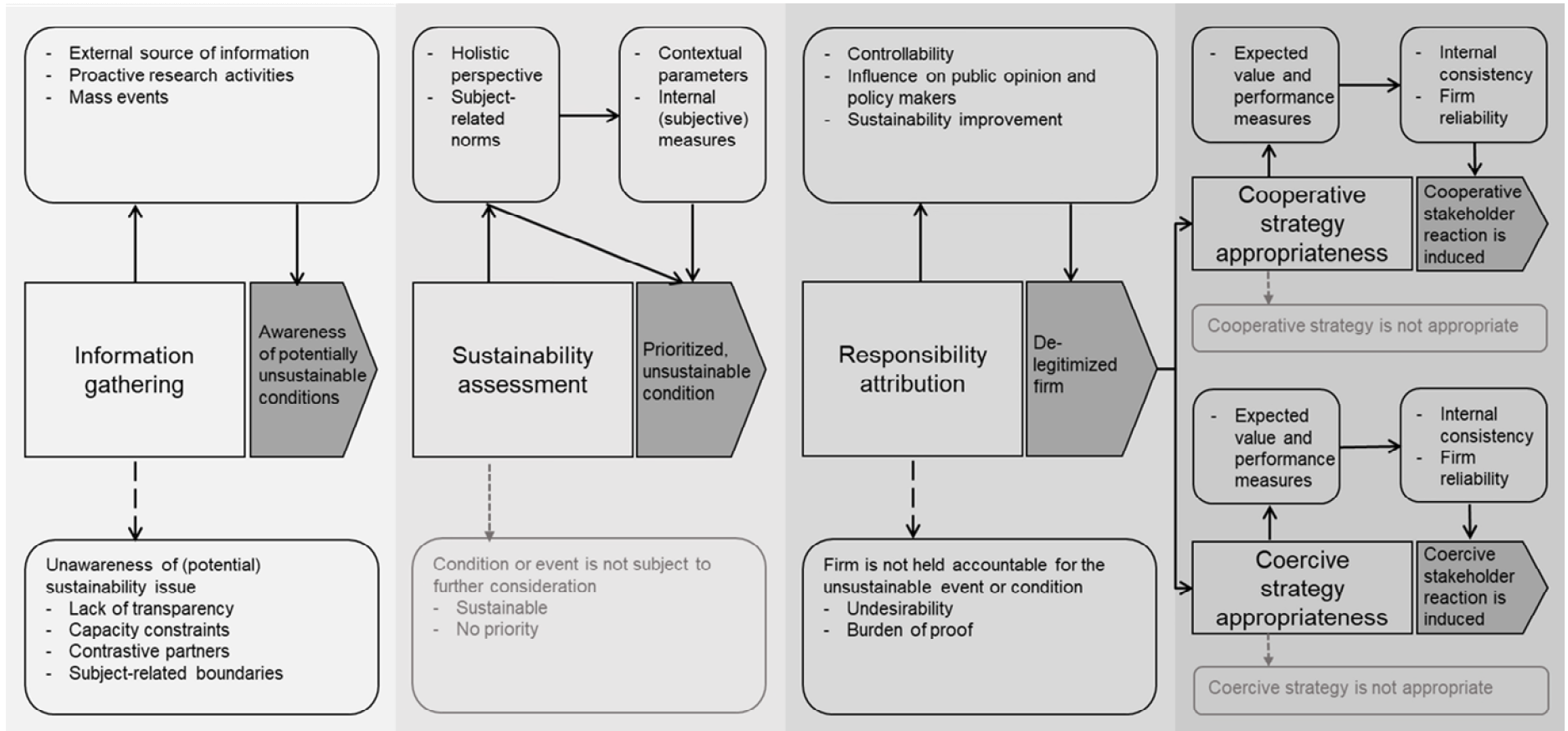
To begin the interpretive analysis, the interview transcripts were compared for recurring patterns related to informants' experiences with potential sustainability misconduct in a focal firm's supply chain and related internal procedures and decisions (Glaser, 1978). In total, 617 extracts were identified as relevant throughout the data analysis. Drawing on these experiences, higher-order concepts (Strauss & Corbin, 1998) were developed as part of the analysis to derive theory around NGOs' decision-making regarding potential unsustainable supply chain conditions and their strategies to mitigate them.

In order to better link the empirical findings with previous research (Eisenhardt & Graebner, 2007), the higher-order concepts were subsequently aggregated against the background of received RSCR research by assigning them to the four-stage sequence of RSCR manifestation (Hofmann et al., 2014). Against that backdrop, the concluding model (see Figure 1) adheres to the four-stage sequence of RSCR manifestation: (1) information gathering; (2) sustainability assessment; (3) responsibility attribution; and (4) strategy appropriateness. The author of this research remained flexible during the course of this progress to make adjustments if the four-stage sequence of RSCR manifestation does not fit the empirical data.

## **FINDINGS**

The final data structure contains the top-level codes of information gathering, sustainability assessments, responsibility attribution, and strategy appropriateness, as explained in the methodological section. These four top-level codes compose the center of the decision-making process model (as shown in Figure 1) and are explained in the forthcoming sub-sections.

**FIGURE 1**  
**Decision-Making Process Model of Stakeholder Reactions Towards Sustainability Grievances**



## **Information Gathering**

Based on the empirical data, seven higher-order concepts were identified (see Table 3) that affect the decision-making process by determining whether the NGO becomes aware of a potentially unsustainable event and whether the NGO gathers reliable information. Specifically, the data indicate that *external sources of information*, *proactive research activities*, and *mass events* facilitate the information-gathering process of stakeholders. Conversely, *a lack of transparency*, *capacity constraints*, *contrastive partners*, and *subject-related boundaries* hinder the flow of information. The following sections delve into a detailed explanation of these seven overarching concepts.



**TABLE 3**  
**Information Gathering**

<b>Coding</b>	<b>Supportive Quotes</b>
<i>External sources of information</i>	<p>“One common method to become [...] aware of these cases (sustainability issue) is, on the one hand, the networks in which we are active, in particular NGO networks, where such information is shared, and (on the other hand) media reports.” [E.4]</p> <p>“We also receive inquiries from companies that have already experienced negative publicity. So, the shitstorm (and) [...] the discriminating journalisms has already occurred. [...] (The firms) themselves have been informed about sustainability issues, child labor for example, in their supply chains, and the firm is now actively seeking a partnership to address these concerns.” [E.27]</p> <p>“We’ve (had) some cases where [...] workers [...] (approached) us saying [...] ‘oh look, I’m coming from this place (production site) and there are terrible consequences of the activity of this company, you should [...] (do) something to change it.” [E.7]</p>
<i>Proactive research activities</i>	<p>“Then we do research. [...] We did two studies on pesticides, [...] where we examined which pesticides go from (anonymized) to (anonymized) and come back in the form of residues [...]. And then we also do database research and see what information we can receive from there. So, we have a small research department in our organization.” [E.8]</p> <p>“We don’t [...] want to include a very [...] Western Eurocentric perspective. [...] There is research [...] (and) different tools [...] to understand the root causes. [...] Tools like child labor monitoring systems that are aimed at gathering data on which child is in child labor and which child is out of school and what are the possible reasons. [...] (Research) gives you the insights and realities on what exists at the informal level of the supply chain.” [E.16]</p>
<i>Mass events</i>	<p>“For example, the Uighurs, [...] this is also a minority that has unfortunately become more known in recent years, especially through these re-education camps, also through the Olympic Games, which has actually drawn my attention to it.” [E.2]</p>
<i>Lack of transparency</i>	<p>“(We) know [...], in Indonesia they produce shoes for Adidas. Also, in India they produce clothes for H&amp;M. But one problem is that we mainly have relationships with tier one suppliers. [...] For example, we have a case in India where they are also producing counterfeit products for Astida. [...] They don’t know who they’re producing for, whether it’s counterfeit or not, and that is very difficult for us. [...] Depending on the [...] (industry) and the company, we have more or less information. [...] And there are many companies where we have no clue (information) at all [...] about their suppliers.” [E.24]</p> <p>“Well, that’s the question, (the problem is) that, of course, you can’t look into those units (supply chains).” [E.2]</p>

**TABLE 3**  
**Information Gathering (continued)**

<b>Coding</b>	<b>Supportive Quotes</b>
<i>Capacity constraints</i>	<p>“When we receive (information on) cases (sustainability issues), we certainly follow up on it. But [...] it is possible, (that there are cases) where we [...] say ‘no, [...] we don’t have enough expertise to survey it (the sustainability issue) properly within the budget that we have’.” [E.15]</p> <p>“And then, of course, it (becoming aware of sustainability issues) depends upon the individuals in our team. For example, we had a colleague who organized a [...] project [...] on [...] palm oil. [...] She left (the NGO) now, [...] which means I wouldn’t [...] rush into the next palm oil project [...]. [...] It always depends on what financial resources do we have, where do we have experiences, and where do we have contacts.” [E.17]</p>
<i>Contrastive partners</i>	<p>“Data almost always comes from our partners, [...] who are independent trade unions. Simple to say ‘independent’ because some trade unions are not as independent as they might project themselves to be. In other words, the management can set up a trade union as well.” [E.9]</p> <p>“When we reach a point where it becomes necessary to look (gain insights into) what is actually happening in the supply chain [...] or in the industry [...] we identify organizations that are already actively working in that field (mitigating the issue) and have access to the information we need and, (above all), are willing to share them.” [E.14]</p>
<i>Subject-related boundaries</i>	<p>“For (anonymized) (us), it is of utmost importance that environmental due diligence is ingrained in legislation [...]. Without pitting this against human rights due diligence, which is also very important, [...] we emphasize the need [...] for independent environmental due diligence. [...] There are some companies that [...] are more suitable (of particular interest to us) because of the industry they belong to. [...] But you have to differentiate, because there are other actors that are not yet recognized in terms of their environmental impact, such as [...] banks.” [E.3]</p> <p>“In the end, we pursue cases either because our partner organizations [...] in the Global South inform us about the issue, which is the ideal case, [...] or because we have already selected a specific thematic area [...] as part of our ongoing process.” [E.6]</p> <p>“Because [...] the received amount of donations is relatively low, resulting in our independent funding [...] being limited to covering administrative expenses [...]. In the end, we have to define the thematic areas within financial constraints.” [E.15]</p>

**External Sources of Information.** Most interviewees highlighted the importance of networking in order to gain information regarding potentially problematic behavior within global supply chains. This emphasis stems from their experiences that organizations located in the Global South, where most of the sustainability issues occur, possess insightful knowledge. In this context, participants referred to alliances with (other) civil society organization and country-specific branches. In addition, respondents indicated that press releases serve as a valuable source of previously unknown sustainability practices, and that private sector firms themselves occasionally draw attention to unsustainable practices, aiming to collaboratively develop mitigation measures. *“(Firms) claim to be environmentally conscious because the tights are made from recycled plastic, but unfortunately the plastic is being collected by children, yet nobody has noticed that. ‘Die Zeit’ has now found out about this issue through an investigation.”* [E.18] Finally, the interviewed NGO representatives emphasized their reliance on whistleblowers (i.e., affected workers) to discover any environmental or social harm.

**Proactive Research Activities.** Drawing on statements from the respondents, NGOs are further engaged in web-based (e.g., databases and other publications) and field research activities to gain reliable information and a comprehensive understanding of the underlying causes associated with potential sustainability issues. *“We have another important tool, and that is the research studies that we do. [...] For example, there are questionnaires, asking questions [...] such as how much do you get paid per month, what are your average working hours, [...] what happens if you are pregnant?”* [E.24]. The informants emphasized that research activities are imperative for discovering ongoing sustainability abuses, for reflecting the reality of the situation rather than only Western expectation, and for exposing potential instances of sustainability grievances to enable proactive countermeasures before any misconduct occurs.

**Mass Events.** The empirical data further indicated, that, besides external sources of information and proactive research activities, mass events draw the attention of NGOs to certain potentially problematic behavior. In fact, events such as the World Cup and Olympics are initial starting points for NGOs to scrutinize the sustainability of associated industries and to examine potentially problematic behavior in associated supply chains. *“But sometimes it’s occasional, so let’s say the World Cup or the European Championship will be in Germany next year. Sportswear firms and (related) issues are now in the focus; (they) [...] exploit workers, but they still spend millions on sponsorship for this World Cup”* [E.19].

**Lack of Transparency.** A prevalent issue from respondents’ experiences is the lack of transparency in global supply chains, particularly in producing countries with political constraints, such as China, where governments hamper the information-gathering process concerning potential social or environmental misbehavior. *“Everything on the vessel is hard to track, and of course, considering land-based (chains), they (the firms) have a lot of production and processing in China, where it is even harder to get proper information”* [E.8]. Limited access to production sites and firms’ unwillingness to publish unsustainable operations standards and practices, including information about their up- and downstream supply chain partners, make it even more difficult to obtain information and to follow up on the worst sustainability misconducts in global supply chains.

**Capacity Constraints.** Through the interviews, the limited capacity of NGOs emerged as a significant challenge to their efforts to obtain reliable information independently. *“We do neither have the capacity nor the access to uncover all the (sustainability) abuses by ourselves. [...] Of course, if (anonymized) contacts us and says they have a (sustainability) problem and they want to fix it somehow, we would take care (of the issue), but we don’t have the capacity to*

*do any quality management or check whether it (the information about the unsustainable condition) is reliable” [E.14]. In particular, respondents claimed that the process of gathering (further) information about a potentially unsustainable behavior depends on the NGO’s financial and human resources. For example, individual employees predominantly possess valuable know-how and experiences, and this knowledge is often lost when they leave, compounding the challenges NGO face in maintaining resources (e.g., institutional expertise).*

***Contrastive Partners.*** While the majority of interviewees emphasized the importance of establishing a direct and transparent flow of information among various partners and organizations, some informants also acknowledged the potential risks and challenges of networking for NGOs. *“We maintain a close network with other NGOs, although there is of course a [...] perception of competition between the environmental organizations. But it has the advantage that [...] our colleagues keep us informed [...] (about issues) [...] we might otherwise not be aware of” [E.8]. In this context, interviewees raised the concern that a competition among NGOs and the behavior of disingenuous partners (i.e., network partners influenced by private sector firms because these firms are unwilling to disclose the truth about unsustainability in their supply chain practices) affects the quantity and quality of information received.*

***Subject-related Boundaries.*** Lastly, respondents referred to information gathering challenges arising from subject-related limitations. A majority of NGOs prioritize obtaining information about specific topics, mostly because (i) these topics are predetermined by the NGO’s objectives, or (ii) financial sponsorship; or (iii) the subject/industry is already associated with major sustainability issues (e.g., through prior stakeholder claims). *“For example, we’re looking at intensive animal farming [...] because we know that especially intensive animal farming is a particular model of production that’s heavily dependent on cheap soy imports for*

*pet shops. And we know that there's very clear links between cheap soy production and deforestation [...] in Brazil and Latin America"* [E.10].

### **Sustainability Assessment**

Continuing with the four-stage sequence pertaining to the manifestation of RSCR, the empirical data support four higher-order concepts for assessing sustainability (see Table 4), namely *holistic perspective*, *subject-related norms*, *contextual parameters*, and *internal measures*. Among these higher-order concepts, the first two relate to the sustainability assessment of global supply chain operations and standards, while the last two refer to the prioritization of specific sustainability issues among the multitude of present grievances. To aid in a better understanding of these categories, a detailed description of each follows.

**TABLE 4**  
**Sustainability Assessment**

<b>Coding</b>	<b>Supportive Quotes</b>
<i>Holistic perspective</i>	<p>“But for us, if you don’t talk about the prices, the wages, the externalities, then the transformation [...] is not sustainable.” [E.9]</p> <p>“To start a project, (we do) a ‘baseline’ study [...] ourselves [...], sometimes we need help if it is very complex (the issue); the aim is to clarify as precisely as possible the situation of affected children or young people [...]. The simplest criteria are push and pull factors, (for example), what pushes children into work and what pulls them into work. With the pull factors we always end up with companies and the economy. The push factors are [...] extreme poverty.” [E.13]</p> <p>“One criterion for us is that we need higher standards, human rights and ecological standards. [...] But we also have to talk about the massive consumption and [...] the fact that we have by no means closed the raw materials cycle, so it is not enough to set higher standards, [...] these are legitimate parts of a holistic perspective on the raw materials policy (in a supply chain).” [E.23]</p>
<i>Subject-related norms</i>	<p>“There is the Universal Declaration of Human Rights and the [...] internationally binding covenants. And that is the rule by which we assess a situation as an organization. And in many cases, it is not enough for a firm to say that it has complied with national legislation [...] if [...] the national legislation is designed in such a way that it does not comply with these international conventions that have also been ratified by the governments.” [E.12]</p> <p>“The problem is that our seas are overfished, too many fish are taken out and the fish are caught using the wrong methods. The fishing methods have a huge impact on the environment (because) they disturb the seabed.” [E.8]</p> <p>“I was just in Brazil, where maybe 1 or 2 per cent of the trees are chopped for selling them as valuable wood. Everything else is burned. [...] (They’re) not making pulp or pallets out of it. And this is often the case in the tropics, that (the wood) is burned and the forest cleared for new pasture [...] to seed soya and corn. [...] It is cheaper [...] to clear the area (forest) than to re-cultivate the old land in a sustainable way.” [E.17]</p>
<i>Contextual parameters</i>	<p>“At the time, I think Lidl was a pioneer in terms of social standards, at least as far as fish products were concerned. That doesn’t mean that they treat and pay their employees properly. And it doesn’t say anything about [...] how they treat their suppliers or put pressure on them to sell their products at almost net cost price. We haven’t taken any of that into account because other NGOs do that (focus on that).” [E.8]</p>

**TABLE 4**  
**Sustainability Assessment (continued)**

<b>Coding</b>	<b>Supportive Quotes</b>
<i>Internal (subjective) measures</i>	“It also depends on the local situation (in the country). In India, for example, there is the right to education. That means it is a window of opportunity (for us) [..]. Because there are government programs, there is political commitment, there is a budget for it (mitigation strategies).” [E.13]
	“To be fair [..], there is of course a tension. Because, as I said, from an NGO perspective, every child who works or whose rights are violated is an issue. But of course, we also have to make consider that it (the issue) is highly relevant to firms, because they will only react if [..] (they fear bad publicity). [...] We try to be pragmatic (the assessment), we consider especially the local situation. [..]” [E.27]
	“There are hundreds and thousands of issues, and the most difficult thing for us in our work [..] is to prioritize so that you don’t end up with a burnout because you don’t know where to start and where to end and that means you haven’t achieved anything. [...] The perspective [..] (determines) it (the focus), if you focus on climate policy, [...] then we have to look at and reduce aluminum, copper, and steel, [..] because that is where there are enormous emissions, especially in processing. So, let’s focus on that.” [E.23]
	“We have a certain amount of flexibility, but there are annual general meetings where we bring forward our work program (target subjects). (But) the members have to agree on those subjects. So, if I want to work on trade, but our members don’t support it (the subject), then I can’t really work on the issue. You need the support of the members and I think that also helps to set priorities.” [E.26]
	“The severity of the consequences of human rights abuses is very important to us. Unfortunately, there are only really severe abuses in the industry. [..] So it is obviously less severe to work overtime than working in a building that may soon [..] collapse. [...] When life is in danger, when someone has been sacked, when someone has been raped, then all other factors play a secondary role.” [E.24]



**Holistic Perspective.** To assess the sustainability of a recently observed event that has the potential to be unsustainable, experts emphasized the importance of taking a comprehensive perspective of the issue into account, from sourcing over manufacturing processes to end consumers. Key factors to be considered include the extraction and usage of raw materials, wages, prices and profits, externalities, root causes (e.g., mass production/consumption), and push and pull factors. One interviewee provided an example of such a holistic supply chain analysis within the context of the renewable energy transition: “*In the Democratic Republic of Congo, cobalt is mined for lithium batteries, for those rechargeable batteries that are now used in [...] electric cars. [...] The conditions are appalling. At the same time, we are very proud of our green transition here in Europe [...] and feel good about driving an electric car, not realizing that there are high social costs that we are simply externalizing*” [E.27].

**Subject-related Norms.** There was also broad agreement among the interviews on the importance of evaluating the potentially unsustainable event within a subject-specific context—for example, assessing trapping methods for fish, forest preservation efforts for biodiversity, and raw material usage in the context of deforestation. “*Sustainability is a controversial and not precisely defined term [...]. We [...] use a broad definition of sustainability, [...] which is based on the all-encompassing definition of human rights. [...] You cannot optimize economic growth beyond and outside planetary and social limits.*” [E.25] In the context of certain definitions, respondents often assess events in accordance with international regulations such as the Universal Declaration of Human Rights (1948), International Covenant on Civil and Political Rights (1976) and on Economic, Social and Cultural Rights (1976), International Labor Organization Covenant 182 (1999), and United Nations Framework Convention on Climate Change (1992).

**Contextual Parameters.** Various statements pointed toward contextual parameters that determine the prioritization of sustainability issues. In particular, respondents highlighted parameters such as the existence of a political commitment to particular sustainability issues, competitors' focus (e.g., unique selling point) on particular sustainability issues, the availability of external funding, the relevance of the issue for a private sector firm (e.g., the more severe the consequences of an incident, the higher the likelihood that the firm will engage in countermeasures because of potential risks it poses to the firm), the potential to influence external stakeholders, and the potential to raise awareness among the society at large. *“Well, when the abuses are huge, it’s always easier [...] to make people seeing the problem. It’s easier to go and ask for partnerships [...] because there is no doubt about the abuses.”* [E.7]

**Internal (Subjective) Measures.** While the parameters mentioned above are predetermined by the context in which the NGO operates, most respondents also agreed on internal and often subjective ranking criteria that influence NGOs' prioritization of prevailing sustainability issues. While a few statements suggest that the NGOs try not to pit issues against each other, most interviewees acknowledged that their subjective perception of the severity (i.e., in terms of consequences) of the issue and their individual preferences influence their decision of whether or not to pursue the issue. *“For us, it’s always about getting children out of the worst forms of child labor, because that’s the most severe human rights [...] violation. [...] And if you don’t care about it personally, then you’re not good anymore (at your job). I travel there and [...] it still bothers me. [...] I think that’s important, that subjectivity”* [E.13]. Another internal ranking criterion is set by the NGO's objectives and members (e.g., environmental issues are ranked above social issues given their internal missions).

## **Responsibility Attribution**

By drawing on recurring patterns related to informants' experiences, five higher-order concepts emerged, all of which contribute to an understanding of the mechanisms by which NGOs attribute or do not attribute responsibility to particular firms (see Table 5). These higher-order concepts are *controllability*, *influence on public opinion and policy makers*, *sustainability improvement*, *undesirability*, and *burden of proof*, which are explained in more detail in the following subsections.

**TABLE 5**  
**Responsibility Attribution**

<b>Coding</b>	<b>Supportive Quotes</b>
<i>Controllability</i>	<p>“The [...] problem is that very few issues of forced labor and child labor make it up to [...] criminal courts. You can take the example of Mondelez, where there was a case of children who were trafficked in Ivory Coast and they filed a case but at the end nothing happened.” [E.16]</p> <p>“Because size equates to power, and [...] power means that [...] the company can also enforce strict standards throughout its supply chain. [...] I think the decisive factors are the turnover of the company and its market influence. And especially in Germany, there exists a multitude of SMEs, [...] (and) family-owned companies, some of which generate billions of euros in revenue. And we believe, [...] that this (circumstance) comes with a special responsibility towards humanity and the environment. [...] To us, it is a moral responsibility that companies occupy, particularly those that generate high profits from their economic operations.” [E.3]</p> <p>“There’s also been well established voluntary sustainability initiatives for the palm oil sector, similar to kind of like cocoa and coffee. [...] But we still know there are systematic environmental and social issues in the palm oil sector and because of the size of say like (anonymized), they purchase a lot of palm oil, (and) just because of [...] (that) there is every chance that they are connected to a lot of those negative impacts. Of course, they’re making lots of efforts and that’s good. But all reports seem to indicate that that efforts are just insufficient and inadequate and something else needs to happen. And so that’s why we would consider targeting the industry leaders [...] to make the case that voluntary market initiatives are just not cutting it.” [E.10]</p>
<i>Influence on public opinion and policy makers</i>	<p>“Considering the Olympic Games, we only chose (anonymized) because it is based in Germany [...]. [...] If you have a connection to Germany, it’s always easier to communicate [...] that (issue). [...] They are somehow more tangible for the end customer. [...] Especially the level of visibility, I would say, is extremely [...] important.” [E.2]</p> <p>“I think that larger companies are somewhat more in the focus of public attention and therefore [...], cases of human rights abuses in their supply chains are more likely to be discussed and more likely to be noticed and therefore the companies are more likely to be targeted [...] to actually change things for the better.” [E.4]</p>

**TABLE 5**  
**Responsibility Attribution (continued)**

<b>Coding</b>	<b>Supportive Quotes</b>
<i>Sustainability improvement</i>	<p>“A second aspect is that there is a miscommunication between how a company presents itself and what it actually does. [...] Companies invest a lot [...] in greenwashing activities, or let’s say it more neutrally, in making all sorts of things they do look good. They often present themselves as problem solvers. But if you look closely, they often present themselves as problem solvers that (the problem) might not exist without them.” [E.11]</p> <p>“(Anonymized) is one of the most contributors to plastic waste. [...] And last year I had to make sense of [...] selecting consumer goods companies, due to my interest in the issue of plastic waste. [...] It was similar within the realm of chemicals where we had (anonymized) and (anonymized) [...] which is one of the dirtiest companies [...]. That is why I chose it. [...] Unfortunately, you can hardly find as much waste as from (anonymized) in the world [...]. Thus, we [...] chose them [...] because of their waste.” [E.6]</p> <p>“This means that these attributes (e.g., head office location) become less important when the grievance is really severe, because then it is simply a matter of identifying the company responsible for the issue. [...] Environmental protection and climate change are becoming more and more important, also to us. [...] If we know that a company is associated [...] with pollution, then that can be a trigger.” [E.5]</p> <p>“In selecting the cases for our initiative, it was important to us not to present the ‘typical polluters’ [...]. So how much awareness does this type of company already occupy in terms of certain civil society demands? Is this (the issue) perhaps something that we have not yet properly addressed [...] and that we can now draw attention to in our campaign? [...] This is a consideration of the extent to which certain companies have not been addressed and to what extent we can draw attention to their (unsustainable) practices [...]. There are certain industries that are not subject of many campaigns.” [E.3]</p>
<i>Undesirability</i>	<p>“Active collaboration [...] allows you to develop the ability to assess the credibility of a company’s actions. [...] I have experienced that some companies I am a bit more involved with would like to do something, but they have reached [...] their limits. For example, caoutchouc is of 85% organized on a small farmers basis. And implementing transparency in these supply chains [...] isn’t something that a company can implement in a very short period of time. [...] But that is a very subjective assessment. I believe in company (anonymized) [...], but for me that is not based on hard facts, it is really based on how I experience [...] how committed (the company) is to the process or how much they try to hinder our work.” [E.15]</p>

**TABLE 5**  
**Responsibility Attribution (continued)**

<b>Coding</b>	<b>Supportive Quotes</b>
<i>Burden of proof</i>	<p>“Reducing child labor in supply chains requires considerable [...] (efforts) and substantial support from policymakers. Companies on their own can achieve such change only to a very limited extent.” [E.25]</p> <p>“At the same time, there are many factors that make it very difficult for companies to improve (sustainability). [...] The Chinese actor in the middle of the supply chain is so powerful that the buying company can’t do anything. And there are too less alternatives on the global economy, so it is de facto impossible to source photovoltaic systems from anywhere else. So, you reluctantly accept it (the unsustainable conditions).” [E.27]</p> <p>“The accessibility of an actor is very important here. [...] Because it is a question of proving the interrelationship (with the issue at the supplier). [...] For example, [...] we might think that it would be interesting to address a company like (anonymized), but we can’t find any evidence (of collaborating with the supplier). [...] We know it, but we can’t prove that (anonymized) is directly involved in these supply chains. But maybe we can find [...] another company where we can prove [...] (the link). And then we have to limit (our campaign) to that company and maybe say [...] we know that bigger companies are also involved, but this is the one where it is obvious.” [E.5]</p> <p>“In practice, it is often the case that you look whether there is an opportunity. So, whether there is an opportunity to get reliant data, evidence that a company is involved in environmental or human rights violations.” [E.17]</p> <p>“As long as it can be proven. That is the difficulty, because if you look at the supply chain of cobalt or lithium, [...] the vast majority of lithium carbonate or lithium hydroxide is supplied to China as a raw material. And from there, battery components or complete batteries are then supplied. And that’s where the next difficulty comes in, the processing in China is something of a black hole for us.” [E.12]</p>

**Controllability.** The first category developed in this sequence of the RSCR manifestation process reflects informants' perception of firms to control sustainability improvements. Sustainability violations are in most cases not yet liable to prosecution, and voluntary firm efforts towards sustainable supply chain operations and standards often lack an éclat in the country of origin, NGO representatives stated that, to encourage industry-wide change, they attribute particular responsibility to firms that generate high profits despite their unsustainable practices, that are hesitant to employ countermeasures, and/or that occupy a powerful position in a supply chain network. *“Once you have decided to [...] involve the public, there are tactical aspects (to consider), [...] such as focusing on a company that you have experienced as being particularly uncooperative, or where you [...] (think) the company occupies an important leverage that it has not yet used to mitigate the human rights issue”* [E.11]. A powerful position is, for example, indicated by high trade volumes.

**Influence on Public Opinion and Policy Makers.** The informants also emphasized the significance of increasing civil society pressure and raising awareness of sustainability concerns by attributing responsibility to firms based on factors such as their visibility in society (e.g., proximity to consumers), size (e.g., relevance to policy makers and possession of substantial resources), head office (e.g., country-specific sensitization and linkages to society), and decoupling sustainability efforts (e.g., overstated sustainability efforts as an initial point of criticism, entailing an increased risk of reputational harm). *“When choosing a company as an example to highlight the challenges and issues of global trade to policymakers and society, [...] well-known companies and brands face a greater risk of being denounced [...] because of their visibility [...] to the public as well as to politicians”* [E.1]. Interestingly, respondents highlighted

that a firm's head office location is more important in their decision to assign responsibility than its size, societal visibility, or even its powerful position in a supply chain.

***Sustainability Improvement.*** An additional mechanism for attributing responsibility pertains to the overarching goal of improving sustainability, as frequently cited by respondents. Specifically, NGOs tend to scrutinize industries and firms that impede the achievement of NGOs' sustainability objectives, for example because the firm's supply chain practices are characterized by high levels of unsustainability (e.g., environmental damage): "*In particular, [...] we look at how the industry is structured in Germany, for example, where are the raw materials that we are talking about actually used? And [...] that is [...] the basic principle for scrutinizing certain sectors. [...] The automotive sector is one of the biggest buyers of metallic raw materials. So, that's where we have the most leverage to really make a difference if we can implement higher sustainability standards in that area (sector). [...] We need to look at who are the biggest drivers (polluters)*" [E.23]. Further, NGOs direct their attention toward firms operating in specific industries to raise awareness of supply chain practices in sectors characterized by major environmental and social repercussions, particularly where these have received less attention.

***Undesirability.*** At the same time, this research found broad agreement among the participants concerning factors that make an attribution of responsibility undesirable. In particular, respondents referred to sensitive sectors as being undesirable (e.g., the renewable energy industry and the procurement of photovoltaic cells), either because firms are highly dependent on suppliers in the country of origin or because civil society and policy makers sympathize with such industries. "*(Recently), we were interested in solar companies, a very difficult topic as we all want the energy transition, but for solar cells, silicon is used, which is sourced from China and is linked to forced labor of Uyghurs. And then we had to think about*



*whether we should address it at all*” [E.6]. Additionally, a lack of objectivity amongst NGO employees emerged as a salient concern, which may result from long-term cooperation of NGOs with a polluting firm.

***Burden of Proof.*** Besides the undesirability of attributing responsibility, respondents stressed that the burden of proof for substantiating firm misconduct makes an attribution of responsibility sometimes unfeasible. While a few interview statements expressed the idea that the culprit should prove its innocence, the prevailing perception among the experts is that an allegation only holds potential for high impact when accompanied by unequivocal evidence. *“It is very difficult for us to gain insights into the supply chain of a company. Unfortunately, there are no transparency obligations. [...] So we always have to start (within our strategy) with a formal request. [...] However, [...] companies often deny (working with) the identified suppliers. [...] We (have to) prove it, [...] but sometimes we don’t make progress.”* [E.24] In that vein, the difficulties inherent in gaining insights about supply chain structures and finishing processes often pose challenges to the onus of proof.

### **Strategy Appropriateness**

The empirical data substantiate, that NGOs opt for either a coercive or a cooperative reaction, depending on three main mechanisms. In that vein, NGOs determine the appropriateness and suitability of a particular reaction to firm misconduct based on six higher-order themes: *expected value and performance measures for coercive and cooperative reactions, firm reliability in the context of coercive and cooperative reactions, as well as internal consistency in the context of coercive and cooperative reactions* (see Table 6).

**TABLE 6**  
**Strategy Appropriateness**

<b>Coding</b>	<b>Supportive Quotes</b>
<i>Expected value and performance measures for coercive reactions</i>	<p>“One of the key strategic considerations is structural change because I think campaigning [...] takes a lot of time, consumes a lot of resources, sucks up a lot of attention that could be going to other work. So, the potential for change beyond the individual company or beyond the individual target [...] is a key consideration. [...] One assumption we have [...] is that if we target the most progressive companies in a sector and we can show [...] that even those companies [...] (are) messing up in a systematic way, then [...] (we can illustrate) that the entire sector is getting it wrong.” [E.10]</p> <p>“If the cases under consideration (firm misconduct) are highly relevant to the public, then we can exert pressure. Especially if the media follows up on these topics (issues). [...] The public opinion is very important. [...] And that’s why this NGO work of blaming and shaming is so important. Because there are no other opportunities to push (firms) for change.” [E.18]</p> <p>“And the decision whether or not we publicly denounce [...] is dependent on the question of whether anybody is interested in this. Can we attract [...] media attention? [...] Lobbying (for example), is done without publicity, because the public might not be interested. [...] At the moment, journalists say ‘go away with the textile industry, [...].’ But we continue with lobbying on these (issues in the textile industry).” [E.13]</p>
<i>Firm reliability in the context of coercive reactions</i>	<p>“The most [...] companies (we targeted) [...] were much more rejecting any responsibility and were somewhat uncooperative, and I think that was one of the reasons we started this public campaign.” [E.4]</p> <p>“Firms in the weapon industry (for example) usually decline a dialog. So, I write an e-mail but that ends up in the inbox, but [...] nothing (happens).” [E.6]</p> <p>“If you can win something with the leader of the market, then you will win it for all the market because all the other will follow. [...] When we see the campaign that we led against (anonymized), when you publish anything against (anonymized) [...] many media will relate much more than another company unknown. So, it helps for sure. Once again, it helps to make it known.” [E.7]</p>

**TABLE 6**  
**Strategy Appropriateness (continued)**

<b>Coding</b>	<b>Supportive Quotes</b>
<i>Internal consistency in the context of coercive reactions</i>	<p>“We link our issues to a topic that is already receiving attention [...] to make your overall topic [...] (visible). If you’re Greenpeace, an NGO that has completely different resources [...], they climb the ‘Brandenburger Tor’, [...] but we as a small NGO evaluate how we can link our topic to an issue [...], events, [...] (to utilize attention). [...] We have limited resources. We have to allocate our resources, and I would simply expect more success [...] if we would chose RWE or EON, who are of course also criticized for various other reasons on the issue of nuclear power, so it is not something completely new that we are coming up with now, but simply selecting them under the label of placeability.” [E.2]</p> <p>“It is always a denouncing approach [...], so denunciation in the sense of confrontation [...]. And we’ve also had a discussion with the targets (firms) after a denouncing campaign, because they wanted us to collaborate, but [...] it’s not our job to find a solution for them to improve their business.” [E.5]</p> <p>“I know [...] that in the past (anonymized) (we) didn’t collaborate with any companies, because we were always afraid that our own goals, our own (NGO) profile could be diluted.” [E.12]</p>
<i>Expected value and performance measures for cooperative reactions</i>	<p>“When addressing firms, I would say (our approach) is more on cooperative campaigns. I think especially in the area of [...] human rights it is necessary [...] for different actors to collaborate. [...] Because we have made the experience that we can achieve a higher impact or a greater conviction of the federal government if we can somehow show that it is not only us NGOs who are demanding this, but that companies also find it [...] useful.” [E.4]</p> <p>“We do not target specific companies [...]. This is [...] not viable because our campaigns are developed as part of an [...] education (approach) [...]. That is why we seek a balanced communication and refrain from pointing towards certain companies.” [E.21]</p> <p>“We want to achieve a kind of rethinking [...]. [...] The (collaborative) work [...] shows clearly that nobody does not want to have the energy transition, or that the alternative scenario we have right now is somehow better, which is certainly not true. I think it (the topic) is definitely more difficult and thus requires more cautiousness.” [E.6]</p>

**TABLE 6**  
**Strategy Appropriateness (continued)**

<b>Coding</b>	<b>Supportive Quotes</b>
<i>Firm reliability in the context of cooperative reactions</i>	<p>“Most companies, especially companies that are involved in the international production of consumer goods overseas, have some form of abuses and human rights violations in their supply chains. But there is now [...] a large proportion of companies that are somehow dealing with them in a reasonably open and transparent way, acknowledging that there is a problem, and willing to address them [...]. Those are the companies we seek to collaborate with.” [E.4]</p> <p>“For example, we work against children in armed conflicts and arms exports. And in this context, we denounce (anonymized) or other arms manufacturers who illegally supply weapons to (anonymized), which then often end up in the hands of children. [...] If we look at the textile industry, for example, [...] we first talked to the companies themselves, without publicity. And then [...] we engage in lobbying.” [E.13]</p>
<i>Internal consistency in the context of cooperative reactions</i>	<p>“When faced with a situation where an exploitation (of children) is not prohibited at all [...] then of course it is even more difficult. You have to invest even more time and resources. [...] And (considering) the political landscape, can we even make a difference? [...] And of course there is always the question, do we have enough financial resources? This, I believe, is one of the most challenging aspects of my job, having to say ‘no’ (when resources are limited). [...] But we don’t take money from everyone [...] because it can become a reputational risk for us, if we collaborate with a company.” [E.13]</p> <p>“It’s because of our core strategy (to use a certain leverage), [...] it’s always a bit strange but as an NGO we are trying to ensure a persistency with our ‘brand’ [...] and that’s why it is them (anonymized) (the chosen firm).” [E.6]</p> <p>“When we as an NGO consider a collaboration, especially with companies, [...] we always have to consider the impact of this cooperation on our donors and contributors [...]. [...] This is because [...] individual donors may express concerns and decide to withdraw their financial support.” [E.27]</p>

***Expected Value and Performance Measures for Coercive Reactions.*** As highlighted by the interviewees, the first consideration to be made in determining the appropriateness of a coercive reaction pertains to the question of whether the NGOs' chosen reaction is compatible with the expected value and performance measures. In the context of coercive strategies, NGO representatives agreed that they opt for a coercive reaction to gather media attention and increase the visibility of the sustainability misconduct (i.e., to society, firms in the same industry, and policy makers), especially in the case of the most awful sustainability issues. Coercive reactions are similarly deemed appropriate to intensify pressure on responsible firms. However, the participants also made it clear that it is important to ensure that the reaction effectively addresses the issue while remaining aligned with the demands of the victims: *“(They were) talking about the situation (working conditions) in China, but at the same time they said that they have never actually been there. [...] So, I think that’s how situations arise where local people may not be heard. But it is an important perspective, the local victims. Because [...] they have individual demands“* [E.22].

***Firm Reliability in the Context of Coercive Reactions.*** If the coercive reaction is congruent with an NGO's expected value and performance measures, respondents emphasized the need to reassess the extent to which a particular firm that has been determined responsible for unsustainable behavior is suitable for achieving the aforementioned expected values in the context of a denouncing reaction. For example, there is broad agreement among the participants that a coercive reaction is adopted for firms in industries that refuse to engage in dialogue regarding sustainability improvements (e.g., the weapon industry) and for firms that are in a powerful position to change the identified condition (i.e., influence the sector and raise awareness about the issue). *“We direct our criticism and protest mainly towards companies [...]*

*that have the ability to make a difference politically, but also in the industry, and to improve the situation globally” [E.1].*

***Internal Consistency in the Context of Coercive Reactions.*** During the data analysis, consistency with internal factors emerged as a criterion for assessing the appropriateness of a coercive reaction. For example, the availability of resources determines the design and the accomplishment of a coercive reaction. In this context, NGOs with limited resources often focus their efforts towards coercive reactions that increase the visibility of the sustainability misconduct (e.g., link the identified and chosen unsustainable event to an issue that has already gained public attention). The interviewed NGO representatives also referred to the feasibility (i.e., assessing NGOs’ risk exposure within a political context) and the estimated success of a coercive reaction. *“Let’s continue with China and the textile (industry). [...] China is different from other countries. We have an office in China but it is not registered as an NGO and it’s under constant threat [...]. And thus, they decided it is the easiest way to change that (issue) through European companies.” [E.8]* Lastly, the interview experts highlighted the consistency of the coercive reaction with NGOs’ respective roles.

***Expected Value and Performance Measures for Cooperative Reactions.*** In the context of cooperative reactions to unsustainable events within global supply chains, the empirical data indicates that NGOs’ strategic choice to employ such approaches is driven by the objectives of persuading other stakeholders (e.g., policy makers), advancing political advocacy, and facilitating educational initiatives. Similarly, the interviewees consider a cooperative reaction appropriate when a sensitive approach is required (e.g., in certain industries) to minimize public attention. As with coercive reactions, there is broad agreement among participants on the need to assess the effectiveness of a cooperative reaction in mitigating harm and addressing victims’

needs. “*We do not adhere to the ‘denounce and condemn’ approach. The reason for that is based on our project experience. If you adopt (an) excessively aggressive (approach), either locally or here, it tends to result in closed doors. Your access to the factories becomes restricted. And then you can’t reach the affected (anonymized) (victims)*” [E.13].

***Firm Reliability in the Context of Cooperative Reactions.*** When assessing firm reliability regarding cooperative reactions, the interview statements pointed towards firms that are operating in certain industries (e.g., those that require advocacy initiatives or collaborative approach). Further, as exemplified by the following statement, NGOs cooperate the small firms located in sourcing/ production countries, which typically do not occupy a powerful position the supply chain: “*We worked a lot with small and medium-sized firms, with farmers, for example, [...] who were concerned about [...] certain standards, [...] but more in a cooperative way*” [E.1]. In general, the majority of respondents opt for a cooperative approach with firms that acknowledge unsustainable conditions within their supply chains and are committed to implementing countermeasures.

***Internal Consistency in the Context of Cooperative Reactions.*** The interviewees made it clear that the NGOs’ internal policy, and specifically their approach to initiating dialogue as a first step, often determines the appropriateness of a cooperative strategy. “*When we notice an issue, we always first reach out to the company [...] and today [...] they usually react and then we really try [...] to find a solution bilaterally without publicity. If we get the feeling that nothing happens, then we reach out to the public*” [E.19]. NGOs with such a ‘dialogue-first’ policy are careful to preserve their own ‘brands.’ Similar to coercive strategies, NGOs assess the appropriateness of their reaction in consideration of available resources (e.g., time and money) and the feasibility of the reaction. Prior to any collaboration, NGOs representatives agreed on

evaluating whether a partnership (i.e., collaborating with a culprit) could potentially have adverse repercussions for the NGO, such as a reduction in donations from other contributors.

## **DISCUSSION**

### **Scholarly Implications**

Although the literature has recognized stakeholders' key role in sustainable SCM and SCRM (e.g., Foerstl et al., 2010; Hofmann et al., 2014; Busse et al., 2017b; Awasthi et al., 2018; Kim & Wagner, 2021), empirical evidence on how stakeholders actually decide how to respond to the presence of such a condition in a focal firm's supply chain is lacking. In that vein, this research contributes to the SCRM research domain by developing a decision-making process model that explains (1) why certain issues and firms receive relatively more or less attention from NGOs and (2) why NGOs decide to engage in coercive or cooperative reactions.

First, the empirical findings highlight that a lack of transparency, capacity constraints, contrastive partners, and subject-related boundaries hinder the information gathering process of NGOs, resulting in potentially unsustainable conditions in a focal firm's supply chain being overlooked. Yet, only subject-related boundaries have been highlighted by prior research. For example, primary stakeholders focus on issues that are most aligned with their goals and on issues within industries that are already associated with major sustainability issues (Barnett, 2014). Further, the findings of this research show that NGOs become aware of potentially unsustainable behavior through external sources such as press releases (cf. Deephouse, 2000). However, press releases may draw the attention of NGOs primarily to issues that are favoured by the media, such as those with high marketability (Barnett, 2014). Similarly, the empirical data in this research highlight that mass events draw an NGO's attention to certain potentially



unsustainable conditions. However, such events can also draw a stakeholder's attention away from other issues (Barnett, 2014).

Further, the data show that NGOs are limited in their decisions to follow up on sustainability issues regarding contextual parameters (e.g., external funding) and internal (subjective) measures. For example, subject-related funding guidelines may limit the flexibility of NGOs to address a wide range of sustainability issues and risk setting an agenda that is politically influenced. Considering internal (subjective) measures, the findings highlight that NGOs' subjective perceptions of the severity of an incident's consequences influence their decision of whether or not to pursue the issue. While severity has already been recognized in the context of stakeholder scrutiny in prior studies (Hartmann & Moeller, 2014; Comyns et al., 2022), Mateska et al. (2023, p. 1) contest that the "*severity of the incident does not predict the magnitude of the stock price reaction*". While the reported severity of the consequences of a supplier's transgression may not be an indicator for the magnitude of investors' reaction, the empirical findings of this research indicate that it is an indicator for NGOs' prioritization on certain sustainability issues. This indicates that the research findings relate to different sequences within the RSCR manifestation process. For example, media's reporting on an issue is already an indicator for investors, given that the media itself engages in a framing (Benford & Snow, 2000; Mateska et al., 2023), whereas NGOs most often gather information from various sources, thereby becoming aware of several conditions that necessitate sustainability assessments and subsequent prioritization.

Moreover, the results indicate that NGOs attribute responsibility to firms because they perceive firms' controllability to enhance sustainability as relatively high, seek to increase civil society pressure, raise awareness of sustainability concerns, and aim to improve sustainability. In

that vein, they target firms that generate high profits but fail to address unsustainable conditions, that are hesitant to engage in mitigation measures, and that hold a powerful supply chain position. Similarly, the visibility in society, firm's size, decoupled sustainability efforts, and firm's business in certain industries are expected to intensify scrutiny from NGOs. However, NGOs that focus on issues in specific industries may thereby neglect other supply chain actors that are equally involved in sustainability issues (e.g., financial actors).

Prior research has already identified firm-related factors that intensify scrutiny from stakeholders (see Table 1). In line with the findings of this research, it has been observed that firms that grow in size tend to possess more resources, enabling them to effectively implement sustainability standards (Gallo & Christensen, 2011; Haddock-Fraser, 2012). Against this backdrop, NGOs specifically target firms of a certain size.

Regarding the second contribution of the decision-making process model, the findings highlight that the expected value and performance measure, firm reliability, and internal consistency determine whether an NGO adopts a coercive or cooperative reaction to a firm's unsustainable behavior. While coercive approaches are adopted to gather media attention, increase the visibility of the sustainability misconduct, and intensify pressure on firms that are determined to be responsible for unsustainable behavior, cooperative strategies are employed to convince other stakeholder groups of engaging in countermeasures (especially policy makers), advance political advocacy, and foster educational initiatives. Further, cooperative reactions are also employed when NGOs deem a cautious approach to be most suitable.

Further, coercive reactions are adopted for firms in industries that refuse to engage in dialogue on sustainability improvements and firms that are in a powerful position to make a difference (e.g., influence the sector). Indeed, scholars have highlighted that a reaction by

primary stakeholders to firm misconduct is influenced by the firm's communication and sensegiving efforts surrounding the misconduct (Barnett, 2014) and that firms need to employ effective responses to avoid negative consumer reactions (Hartmann et al., 2022). In contrast, a cooperative reaction seems more appropriate for firms that operate in industries that either require advocacy initiatives or demand a more tentative approach, firms that are based in production and sourcing (i.e., small firms that lack a powerful position in the supply chain), and firms that acknowledge sustainability grievances and demonstrate a commitment to implementing countermeasures.

Lastly, the design and accomplishment of coercive/cooperative strategies is influenced by internal factors, such as the availability of resources. In the context of coercive strategies, NGOs with limited resources often focus their efforts on coercive reactions that are anticipated to yield high performance (e.g., in the form of increased visibility of the sustainability misconduct or in the form of increased pressure) and those that align with an issue that has already gained substantial attention. Further, interviewees also referred to the feasibility (e.g., assessing NGOs' risk exposure within a political context) and expected success of a coercive reaction. The latter consideration aligns with prior research that has emphasized the role of success as a determinant for stakeholders' decisions in driving change, particularly for the media as a stakeholder (Mateska, 2020) and for primary stakeholders (Barnett, 2014). The decision of whether to adopt a coercive strategy also depends on its alignment with the role and mission of the NGO.

When considering cooperative reactions, the most frequently cited determinant by NGOs in assessing the appropriateness of their reaction is their commitment to adhere to the internal policy of initiating a dialogue with the firm and thus to uphold their own brand. Analogous to the evaluation of coercive reactions, NGOs evaluate the suitability of the cooperative strategy,

considering the availability of resources as well as the feasibility and probable effects of their intended reaction. Such an evaluation includes an assessment of whether a collaboration with a firm might have adverse consequences for the NGO, such as a reduction in donations from other contributors. These observations align with previous research findings that highlight the process of primary stakeholders in conducting a cost-benefit analysis (Barnett, 2014).

### **Practical Implications**

The managerial implications of this research revolve around its contribution to the understanding—and possibly even the prediction—of the responsibility attributions made by NGOs. Given the multitude of example cases in which focal firms have been accused of unsustainable behavior and events in their global supply chains, including recent examples such as those of the fashion brand Shein (Wohlgemuth, 2022) and the consumer goods company Unilever (Friends of the Earth, 2023), an in-depth investigation of the attribution of responsibility is long overdue to help practitioners in effectively managing RSCR.

Drawing on the empirical data, this research implies that supply chain managers should prioritize the most severe abuses when identifying RSCR, as NGOs seek to mitigate sustainability grievances with severe consequences immediately. Further, as NGOs aim to raise awareness among the society at large and other stakeholders, major grievances are typically not impugned by stakeholders. To detect issues that are of particular interest to NGOs, practitioners can assess the sustainability of their supply chain practices holistically (e.g., extraction and usage of raw materials, prices and profits, externalities, root causes, and push/pull factors) and consider international legislation on sustainability. Further, indicators of reputational risk exposure may emerge from sustainability issues that are of particular concern to policy makers. Given that scholars have already emphasized the importance of firms identifying their key stakeholders

(Gualandris et al., 2015; Busse, 2016; Busse et al., 2016; Meinschmidt et al., 2016; Busse et al., 2017b; Canzaniello et al., 2017) and that the empirical findings of this research indicate that NGOs specifically target firms and industries that obstruct the attainment of their sustainability objectives, practitioners can leverage this approach to compile a list of NGOs dedicated to addressing these critical issues of concern. While this is primarily a practical implication, it also contributes to the scholarly discourse on stakeholders' sustainability expectations (Wu et al., 2014; Gualandris et al., 2015).

As indicated by the findings of this research, NGOs' attribution of responsibility depends on their perception of a firm's controllability towards sustainability and their aim to influence public opinion and other stakeholders. In this context, firms that generate high profits but fail to prevent unsustainable practices, show hesitancy in adopting countermeasures, and hold a powerful position within a supply chain network are likely to be scrutinized for unsustainable behavior. Further, factors such as size, proximity to consumers, head office location, and decoupled sustainability efforts emerged as relevant criteria within the NGOs' decision-making process of attributing responsibility. While the former three factors are often beyond firms' direct control, the latter can be actively managed by firms. In that vein, firms need to be cautious not to overstate their sustainability efforts, as decoupled sustainability efforts are an ideal access point for criticism. ng civil society pressure and raising awareness of sustainability concerns

Lastly, although the findings of this research suggest that firms operating in industries associated with major sustainability issues are more likely to face scrutiny from NGOs—a finding that aligns with prior research results (e.g., Roehrich et al., 2014; Mateska, 2020; Mateska et al., 2023)—it is important to acknowledge that a high risk exposure is not always a burden for firms (Zavyalova et al., 2016). Indeed, prior research found that firms can prevent

reputational damage by implementing proactive strategies (Mateska, 2020) and positive moral capital (Barnett, 2014). These observations are in line with the empirical findings of the present research, as they indicate that firms that are aware of a high risk exposure can seek collaborations with NGOs to explain their difficulties and challenges in achieving sustainability. Such a proactive engagement is also worthwhile as NGOs tend to focus on firms and industries that refuse to engage in dialogue on sustainability improvements and deny unsustainable behavior or events in their supply chains.

### **Limitations and Future Research**

While this research offers significant empirical insights to increase the scientific understanding of responsibility attribution by stakeholders, it has certain limitations that may impact the interpretation of the findings. First, while the research objective and the paucity of research related to NGO behavior in the corresponding reputational risk literature strongly supported the adoption of a broad sampling approach in this research, the identified patterns surrounding the decision-making process of NGOs concerning potential sustainability issues may diverge when considering different decision-makers *within* the same organization. This research rather acknowledged a wide range of factors influencing NGOs and their decisions in the context of RSCR (Hall & Vredenburg, 2003) to offer a differentiated perspective. Consequently, future research should extend the sampling approach to conduct multiple interviews with informants from the same NGO to include intra-organizational analysis.

In a similar vein, NGO decision-making merits a multi-case study to examine how NGOs differ in their decisions surrounding unsustainable supply chain practices. The model of the present research explains why certain issues receive relatively more or less attention from NGOs

and why NGOs decide to engage in coercive or cooperative reactions, thus providing a variety of factors influencing NGO decisions. Nevertheless, future research should elaborate on the decision-making process model by examining the differences among multiple NGOs. For example, by selecting multiple cases of NGOs adopting a coercive/cooperative strategy, scholars can analyze whether there are differences in (i) the overall process (e.g., from gathering information to assessing the appropriateness of a strategy), and (ii) the individual factors influencing the decisions (e.g., proactive research activities), and why.

Second, the aim of this research was to study the decisions made by NGOs surrounding firms' potential sustainability misconduct and to offer new theoretical directions (Corbin & Strauss, 2014; Singh & Estefan, 2018; Bansal et al., 2018). However, since qualitative research often involves smaller sample sizes due to the intensive and iterative nature of the data collection and analysis (Makri & Neely, 2021), it is challenging to generalize the findings of this research. This limitation presents several research opportunities to empirically validate this research's results from the perspective of different stakeholders, including consumers and the media. For example, similar to the findings of this research, Mateska (2020) shows that firms of a certain size and firms operating in a certain industry with a high risk of sustainability abuses receive more media attention. Empirical insights into how the media prioritize and portrays issues (e.g., marketability; Barnett, 2014) can offer further in-depth knowledge into the prioritization of sustainability issues by NGOs, as they seek to attract media attention through their coercive strategies.

Lastly, a holistic understanding of stakeholders' decisions-making concerning potentially unsustainable firm behavior requires further large-scale data analysis. Based on the findings of this research, the author encourages scholars to examine whether stakeholders later report firms'

sustainability improvements. Such research can lead to insights about stakeholders' influence on how firms recover from RSCR. Prior research has highlighted that factors such as a stakeholder's business determine whether the stakeholder will attempt to correct initial impressions (Gilbert et al., 1988; Barnett, 2014).

## **CONCLUSION**

In response to the widespread presence of social and environmental grievances within global supply chains, including human rights violations, inhumane working conditions, and environmental pollution, stakeholders such as NGOs attribute responsibility to focal firms to ensure the implementation of sustainable production and sourcing standards throughout their supply chains (Hofmann et al., 2014; Busse et al., 2016; Awasthi et al., 2018). This research empirically examined the manifestation process of RSCR and the complex dynamics associated with NGOs' attribution of responsibility. Employing an inductive theorizing approach, this research explains how NGOs become aware of potentially unsustainable behavior, assess whether the observed behavior is (un)sustainable and determine which sustainability issues to follow up on, decide whether to attribute responsibility to a particular firm, and assess the appropriateness of their reaction. In that vein, the contributions of this research to the RSCR research domain and SCRM scholarship stem from an overarching decision-making process model that explains why certain issues and firms are the primary targets of stakeholder scrutiny and why NGOs adopt a coercive or cooperative strategy.



## REFERENCES

- Aerts, W., Cormier, D., & Magnan, M. (2008). Corporate environmental disclosure, financial markets and the media: An international perspective. *Ecological Economics*, 64 (3), 643–659.
- Ageron, B., Gunasekaran, A., & Spalanzani, A. (2012). Sustainable supply chain management: An empirical study. *International Journal of Production Economics*, 140 (1), 168–182.
- Amaeshi, K.M., Osuji, O.K., & Nnodim, P. (2008). Corporate social responsibility in supply chains of global brands: A boundaryless responsibility? Clarifications, exceptions and implications. *Journal of Business Ethics*, 81 (1), 223–234.
- Anderson, D.R. (2005). *Corporate survival: The critical importance of sustainability risk management*. Universe Publishing, New York.
- Anderson, D.R. & Anderson, K.E. (2009). Sustainability risk management. *Risk Management & Insurance Review*, 12 (1), 25–38.
- Anonymized Authors (2023). Anonymized title. *Journal of Supply Chain Management*. Under review.
- Arhin, A.A., Kumi, E., & Adam, M.-A-S. (2018). Facing the bullet? Non-governmental organizations' (NGOs') responses to the changing aid landscape in Ghana. *Voluntas*, 29, 348–360.
- Awasthi, A., Govindan, K., & Gold, S. (2018). Multi-tier sustainable global supplier selection using a fuzzy AHP-VIKOR based approach. *International Journal of Production Economics*, 195, 106–117.
- Bansal, P., Smith, W.K., & Vaara, E. (2018). New ways of seeing through qualitative research. *Academy of Management Journal*, 61 (4), 1189–1195.
- Barnett, M.L. (2014). Why stakeholders ignore firm misconduct. *Journal of Management*, 40 (3), 676–702.
- Battilana, J., & Lee, M. (2014). Advancing research on hybrid organizing – Insights from the study of social enterprises. *Academy of Management Annals*, 8 (1), 397–441.
- Benford, R.D., & Snow, D.A. (2000). Framing processes and social movements: An overview and assessment. *Annual Review of Sociology*, 26 (1), 611–639.
- Benton, W.C., & Maloni, M. (2005). The influence of power driven buyer/seller relationships on supply chain satisfaction. *Journal of Operations Management*, 23 (1), 1–22.
- Bode, C., Wagner, S.M., Petersen, K.J., & Ellram, L.M. (2011). Understanding responses to supply chain disruptions: Insights from information processing and resource dependence perspectives. *Academy of Management Journal*, 54 (4), 833–856.
- Boiral, O., Talbot, D., & Brotherton, M.-C. (2020). Measuring sustainability risks: A literature rational myth? *Business Strategy & the Environment*, 29 (6), 2557–2571.
- Bowen, F.E. (2002). Does size matter? Organizational slack and visibility as alternative explanations for environmental responsiveness. *Business & Society*, 41 (1), 118–124.
- Brammer, S., & Pavelin, S. (2008). Factors influencing the quality of corporate environmental disclosure. *Business Strategy & the Environment*, 17 (2), 120–136.
- Bregman, R., Peng, D.X., & Chin, W. (2015). The effects of controversial global sourcing practices on the ethical judgements and intentions of U.S. consumers. *Journal of Operations Management*, 36 (1), 229–243.
- Bridoux, F., & Stoelhorst, J. W. (2014). Microfoundations for stakeholder theory: Managing stakeholders with heterogeneous motives. *Strategic Management Journal*, 35 (1), 107–125.

- Brown, L.D., & Kalegaonkar, A. (2002). Support organizations and the evolution of the NGO sector. *Nonprofit & Voluntary Sector Quarterly*, 31 (3), 231–258.
- Busse, C. (2016). Doing well by doing good? The self-interest of buying firms and sustainable supply chain management. *Journal of Supply Chain Management*, 52 (2), 107–125.
- Busse, C., Kach, P.K., & Bode, C. (2016). Sustainability and the false sense of legitimacy: How institutional distance augments risk in global supply chains. *Journal of Business Logistics*, 37 (4), 312–328.
- Busse, C., Meinlschmidt, J., & Foerstl, K. (2017a). Managing information processing needs in global supply chains: A prerequisite to sustainable supply chain management. *Journal of Supply Chain Management*, 53 (1), 87–113.
- Busse, C., Schleper, M.C., Weilenmann, J., & Wagner, S.M. (2017b). Extending the supply chain visibility boundary: Utilizing stakeholders for identifying supply chain sustainability risks. *International Journal of Physical Distribution & Logistics Management*, 47 (1), 18–40.
- Canzaniello, A., Hartmann, E., & Fifka M.S. (2017). Intra-industry strategic alliances for managing sustainability-related supplier risks. Motivation and outcome. *International Journal of Physical Distribution & Logistics Management*, 47 (5), 387–409.
- Carmagnac, L. (2021). Expanding the boundaries of SSCM: The role of non-traditional actors. *Supply Chain Forum: An International Journal*, 22 (3), 192–204.
- Carter, C.R., & Rogers, D.S. (2008). A framework of sustainable supply chain management: Moving toward new theory. *International Journal of Physical Distribution & Logistics Management*, 38 (5), 360–387.
- Carter, C.R., Rogers, D.S., & Choi, T.Y. (2015). Toward the theory of the supply chain. *Journal of Supply Chain Management*, 51 (2), 89–97.
- Catlin, J.R., Luchs, M.G., & Phipps, M. (2017). Consumer perceptions of the social vs. environmental dimensions of sustainability. *Journal of Consumer Policy*, 40 (3), 245–277.
- Charmaz, K. & Belgrave, L.L. (2012). Qualitative interviewing and grounded theory analysis. In J.F. Gubrium, J.A. Holstein, A.B. Marvasti, & K.D. McKinney (Eds.), *The SAGE Handbook of interview research: The complexity of the craft*. Thousand Oaks, CA, Sage.
- Conlon, C., Timonen, V., O’Dare, C.E., O’Keefe, S., & Foley, G. (2020). Confused about theoretical sampling? Engaging theoretical sampling in diverse grounded theory studies. *Qualitative Health Research*, 30 (6), 1–39.
- Clark, A.M. (1995). Non-governmental organizations and their influence on international society. *Journal of International Affairs*, 48 (2), 507–525.
- Clarke, T., & Boersma, M. (2017). The governance of global value chains: Unresolved human rights, environmental and ethical dilemmas in the Apple supply chain. *Journal of Business Ethics*, 143, 111–131.
- Clarkson, M.E. (1995). A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of Management Review*, 20 (1), 92–117.
- Collier, J., & Roberts, J. (2001). An ethic for corporate governance? *Business Ethics Quarterly*, 11 (1), 67–71.
- Comyns, B., Meschi, P.-X., & Norheim-Hansen, A. (2022). Cut them loose? Firms’ response strategies to environmental misconduct by supplying firms. *Organization & Environment*, 35 (3), 335–364.
- Corbin, J., & Strauss, A. (2014). *Basics of qualitative research*. Thousand Oaks, CA, Sage.
- Cyert, R., & March, J. (1963). *A behavioral theory of the firm*. Prentice-Hall, NJ, Englewood Cliffs.

- Davis, S.M., & Moosmayer, D.C. (2014). Greening the field? How NGOs are shaping corporate social responsibility in china. *Journal of Current Chinese Affairs*, 43 (4), 75–110.
- Deephouse, D. (2000). Media reputation as a strategic resource: An integration of mass communication and resource based theories. *Journal of Management*, 26, 1091–1112.
- Doh, J., & Teegen, H. (2002). Nongovernmental organizations as institutional actors in international business: Theory and implications. *International Business Review*, 11, 665–684.
- Donaldson, T., & Preston, L.E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review*, 20 (1), 65–91.
- DuHadway, S., Carnovale, S., & Kannan, V.R. (2018). Organizational communication and individual behavior: Implications for supply chain risk management. *Journal of Supply Chain Management*, 54 (4), 3–19.
- Eesley, C., & Lenox, M.J. (2006). Firm response to secondary stakeholder action. *Strategic Management Journal*, 27 (8), 765–781.
- Eichert, S. (2014). NGOs as strategic actors in the promotion of sustainable dam development. In W. Scheumann, & O. Hensengerth (Eds.), *Evolution of dam policies*. Springer, Berlin.
- Eisenhardt, K.M., & Graebner, M.E. (2007). Theory building from cases: Opportunities and challenges. *Academy of Management Journal*, 50, 25–32.
- Emmelhainz, M.A., & Adams, R.J. (1999). The apparel industry response to ‘sweatshop’ concerns: A review and analysis of codes of conduct. *Journal of Supply Chain Management*, 35 (3), 51–57.
- Fan, Y., & Stevenson, M. (2018). A review of supply chain risk management: Definition, theory, and research agenda. *International Journal of Physical Distribution & Logistics Management*, 48 (3), 205–230.
- Fineman, S., & Clarke, K. (1996). Green stakeholders: Industry interpretations and response. *Journal of Management Studies*, 33 (6), 715–730.
- Foerstl, K., Reuter, C., Hartmann, E., & Blome, C. (2010). Managing supplier sustainability risks in a dynamically changing environment: Sustainable supplier management in the chemical industry. *Journal of Purchasing & Supply Management*, 16 (2), 118–130.
- Freeman, E.R. (1984). *Strategic management: A stakeholder approach*. Pitman Publishing, Boston.
- Freise, M., & Seuring, S. (2015). Social and environmental risk management in supply chains: A survey in the clothing industry. *Logistic Research*, 8 (2), 1–12.
- Friends of the Earth (2023), Holding Unilever responsible for its conflict palm oil, <https://friendsoftheearth.uk/nature/holding-unilever-responsible-its-conflict-palm-oil>, accessed September 06, 2023.
- Gallo, P.J., & Christensen, L.J. (2011). Firm size matters: An empirical investigation of organizational size and ownership on sustainability-related behaviors. *Business & Society*, 50 (2), 315–349.
- Gehman, J., Glaser, V. L., Eisenhardt, K. M., Gioia, D., Langley, A., & Corley, K. G. (2018). Finding theory-method fit: A comparison of three qualitative approaches to theory building. *Journal of Management Inquiry*, 27 (3), 284–300.
- Giannakis, M., & Papadopoulos, T. (2016). Supply chain sustainability risks: A risk management approach. *International Journal of Production Economics*, 171, 455–470.
- Gilbert, D., Pelham, B., & Krull, D. (1988). On cognitive busyness: When person perceivers meet persons perceived. *Journal of Personality & Social Psychology*, 54, 733–739.

- Gioia, D.A., Corley, K.G., & Hamilton, A.L. (2013). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational Research Methods*, 16, 15–31.
- Glaser, B.G. (1978). *Theoretical sensitivity*. Sociology Press, CA, Mill Valley.
- Gonzalez-Benito, J., & Gonzalez-Benito, O. (2006). The role of stakeholder pressure and managerial values in the implementation of environmental logistics practices. *International Journal of Production Research*, 44 (7), 1353–1373.
- Greenpeace (2022), Cambodia workers pay the price of Fast Fashion’s supply chain waste problem, <https://www.greenpeace.org/international/story/55134/cambodia-workers-pay-the-price-of-fast-fashions-supply-chain-waste-problem/>, accessed November 02, 2022.
- Greenpeace Southeast Asia (2009). Sinar Mas: Indonesian palm oil menace, <https://www.greenpeace.org/usa/wp-content/uploads/legacy/Global/usa/report/2009/3/sinar-mas-indonesian-palm-oi.pdf>, accessed October 22, 2023.
- Grimm, J.H., Hofstetter, J.S., & Sarkis, J. (2014). Critical factors for sub-supplier management: A sustainable food supply chain perspective. *International Journal of Production Economics*, 152, 159–173.
- Grimm, J.H., Hofstetter, J.S., & Sarkis, J. (2016). Exploring sub-suppliers’ compliance with corporate sustainability standards. *Journal of Cleaner Production*, 112 (3), 1971–1984.
- Gualandris, J., Klassen, R.D., Vachon, S., & Kalchschmidt, M. (2015). Sustainable evaluation and verification in supply chains: Aligning and leveraging accountability to stakeholders. *Journal of Operations Management*, 38, 1–13.
- Gualandris, J., & Klassen, R.D. (2018). Emerging discourse incubator: Delivering transformational change: Aligning supply chains and stakeholders in non-governmental organizations. *Journal of Supply Chain Management*, 54 (2), 34–48.
- Guay, T., Doh, J.P., & Sinclair, G. (2004). Non-governmental organizations, shareholder activism, and socially responsible investments: Ethical, strategic, and governance implications. *Journal of Business Ethics*, 52 (1), 125–139.
- Haddock-Fraser, J. (2012). The role of the news media in influencing corporate environmental sustainable development: An alternative methodology to assess stakeholder engagement. *Corporate Social Responsibility & Environmental Management*, 19, 327–342.
- Haddock-Fraser, J., & Fraser, I. (2008). Assessing corporate environmental reporting motivations: Differences between ‘close-to-market’ and ‘business-to-business’ companies. *Corporate Social Responsibility & Environmental Management*, 15 (3), 140–155.
- Haigh, N., & Hoffman, A.J. (2012). Hybrid organizations: The next chapter of sustainable business. *Organizational Dynamics*, 41 (2), 126–134.
- Hajmohammad, S., & Vachon, S. (2016). Mitigation, avoidance, or acceptance? Managing supplier sustainability risk. *Journal of Supply Chain Management*, 52 (2), 48–65.
- Hajmohammad, S., & Shevchenko, A. (2020). Mitigating sustainability risk in supplier populations: An agent-based simulations study. *International Journal of Operations & Production Management*, 40 (7/8), 897–920.
- Hall, J., & Vredenburg, H. (2003). The challenges of innovating for sustainable development. *MIT Sloan Management Review*, 45 (1), 61–68.
- Hall, J., & Matos, S. (2010). Incorporating impoverished communities in sustainable supply chains. *International Journal of Physical Distribution & Logistics Management*, 40 (1/2), 124–147.

- Hallikas, J., Lintukangas, K., & Grudinschi, D. (2019). Sustainability risk management in supply chain. In G.A. Zsidisin, & M. Henke (Eds.), *Springer series in supply chain management. Revisiting supply chain risk*, Springer International Publishing.
- Hallikas, J., Lintukangas, K., & Kähkönen, A.-K. (2020). The effects of sustainability practices on the performance of risk management and purchasing. *Journal of Cleaner Production*, 263, 1–11.
- Hartmann, J., & Moeller, S. (2014). Chain liability in multitier supply chains? Responsibility attributions for unsustainable supplier behavior. *Journal of Operations Management*, 32, 281–294.
- Hartmann, J. (2021). Toward a more complete theory of sustainable supply chain management: the role of media attention. *Supply Chain Management: An International Journal*, 26 (4), 532–547.
- Hartmann, J., Forkmann, S., Benoit, S., & Henneberg, S.C. (2022). A consumer perspective on managing the consequences of chain liability. *Journal of Supply Chain Management*, 58 (4), 58–89.
- Harwood, I., & Humby, S. (2008). Embedding corporate responsibility into supply: A snapshot of progress. *European Management Journal*, 26 (3), 166–174.
- Hodge, M.H., & Piccolo, R.F. (2005). Funding source, board involvement techniques, and financial vulnerability in nonprofit organizations. A test of resource dependence. *Nonprofit Management & Leadership*, 16 (2), 171–190.
- Hofmann, H., Busse, C., Bode, C., & Henke, M. (2014). Sustainability-related supply chain risks: Conceptualization and management. *Business Strategy & the Environment*, 23, 160–172.
- Hofmann, H., Schleper, M.C., & Blome, C. (2018). Conflict minerals and supply chain due diligence: An exploratory study of multi-tier supply chains. *Journal of Business Ethics*, 147, 115–141.
- Hurowitz, G., Jacobson, M., Higonnet, E., & von Reusner, L. (2019). The companies behind the burning of the Amazon, <https://stories.mightyearth.org/amazonfires/index.html>, accessed October 22, 2023.
- Juettner, U., Peck, H., & Christopher, M. (2003). Supply chain risk management: Outlining an agenda for future research. *International Journal of Logistics: Research & Applications*, 6 (4), 197–210.
- Kähkönen, A.-K., Marttinen, K., Kontio, A., & Lintukangas, K. (2023). Practices and strategies for sustainability-related risk management in multi-tier supply chains. *Journal of Purchasing & Supply Management*, 29 (3).
- Kaplan, R.S. (2001). Strategic performance measurement and management in nonprofit organizations. *Nonprofit Management & Leadership*, 11 (3), 353–370.
- Kim, S., Wagner, S.M., & Colicchia, C. (2019). The impact of supplier sustainability risk on shareholder value. *Journal of Supply Chain Management*, 55 (1), 71–87.
- Kim, S., & Wagner, S.M. (2021). Examining the stock price effect of corruption risk in the supply chain. *Decision Sciences*, 52 (4), 833–865.
- Klassen, R.D., & Vereecke, A. (2012). Social issues in supply chains: Capabilities link responsibility, risk (opportunity), and performance. *International Journal of Production Economics*, 140 (1), 103–115.
- Kleindorfer, P.R., & Saad, G.H. (2005). Managing disruption risks in supply chains. *Production & Operations Management*, 14 (1), 53–68.

- Knox, S., & Maklan, S. (2004). Corporate social responsibility. *European Management Journal*, 22 (5), 508–516.
- Koberg, E., & Longoni, A. (2019). A systematic review of sustainable supply chain management in global supply chains. *Journal of Cleaner Production*, 207, 1084–1098.
- Köksal, D., Strähle, J., Müller, M., & Freise, M. (2017). Social sustainable supply chain management in the textile and apparel industry: A literature review. *Sustainability*, 9 (1), 1–32.
- Kostova, T., & Zaheer, S. (1999). Organizational legitimacy under conditions of complexity: The case of the multinational enterprise. *Academy of Management Review*, 24 (1), 64–81.
- Kourula, A. (2010). Corporate engagement with non-governmental organizations in different institutional contexts – A case study of a forest products company. *Journal of World Business*, 45 (4), 395–404.
- Lange, D., & Washburn, N.T. (2012). Understanding attributions of corporate social irresponsibility. *The Academy of Management Review*, 37 (2), 300–326.
- Lashitew, A.A., Narayan, S., Rosca, E., & Bals, L. (2022). Creating social value for the “base of the pyramid”: An integrative review and research agenda. *Journal of Business Ethics*, 178, 445–466.
- Lawrence, A.M. (2020). Assessing challenges and opportunities in resource mobilization and fundraising for non-governmental organizations in Narok Town, Kenya. *European Journal of Social Sciences Studies*, 5 (6), 40–60.
- Lee, K., & Vachon, S. (2016). *Supply chain sustainability risk. Business value and sustainability: An integrated supply network perspective*. Palgrave Macmillan, UK, London.
- Lewis, D. (2003). Theorizing the organization and management of non-governmental development organizations. *Public Management Review*, 5 (3), 325–344.
- Lewis, D. (2014). *Non-governmental organizations, magement and development*. Routledge, NY, New York.
- Lim, S.-J., & Phillips, J. (2008). Embedding CSR values: The global footwear industry’s evolving governance structure. *Journal of Business Ethics*, 81, 143–156.
- Liu, L., Zhang, M., Hendry, L.C., Bu, M., & Wang, S. (2018). Supplier development practices for sustainability: A multi-stakeholder perspective. *Business Strategy & the Environment*, 27 (1), 100–116.
- Makri, C., & Neely, A. (2021). Grounded theory: A guide for explanatory studies in management research. *International Journal of Qualitative Methods*, 20.
- Manuj, I., & Mentzer, J.T. (2008). Global supply chain risk management. *Journal of Business Logistics*, 29 (1), 133–155.
- March, J., & Simon, H. (1958). *Organizations*. Wiley, NY.
- Markman, G., Waldron, T., & Panagopoulos, A. (2016). Organizational hostility: A framework of atypical competitive engagements. *Academy of Management Perspectives*, 30 (1), 74–92.
- Markowitz, H. (1952). Portfolio selection. *The Journal of Finance*, 7 (1), 77–91.
- Mateska, I. (2020). The role of risk avoidance mechanisms on media-reported environmental supply chain sustainability risks. 51st Annual Meeting of Decision Sciences Institute, November 20–23.
- Mateska, I., Busse, C., Kach, A.P., & Wagner, S.M. (2023). Sustainability-related transgressions in global supply chains: When do legitimacy spillovers hurt buying firms the most? *Journal of Supply Chain Management*, forthcoming.

- Matos, S., & Hall, J. (2007). Integrating sustainable development in the supply chain: The case of life cycle assessment in oil and gas and agricultural biotechnology. *Journal of Operations Management*, 25 (6), 1083–1102.
- Meinlschmidt, J., Foerstl, K., & Kirchoff, J. (2016). The role of absorptive capacity and desorptive capacity (ACDC) in sustainable supply management: A longitudinal analysis. *International Journal of Physical Distribution & Logistics Management*, 46 (3), 177–211.
- Meixell, M.J., & Gargeya, V.B. (2005). Global supply chain design: A literature review and critique. *Transportation Research Part E*, 41, 531–550.
- Meixell, M.J., & Luoma, P. (2015). Stakeholder pressure in sustainable supply chain management. A systematic review. *International Journal of Physical Distribution & Logistics Management*, 45 (1/2), 69–89.
- Menke, C., Hüsemann, M., & Siems, E. (2021). Stakeholder influence on sustainable supply chain management: A case study of a German apparel frontrunner. *Frontiers in Sustainability*, 2, 735123.
- Mighty Earth (2019). Cargill: The worst company in the world, <https://stories.mightyearth.org/cargill-worst-company-in-the-world/index.html>, accessed October 22, 2023.
- Neef, D. (2004). *The supply chain imperative: How to ensure ethical behavior in your global suppliers*. American Management Association, NY, New York.
- Nezakati, H., Fereidouni, M.A., Bojei, J., & Ann, H.J. (2016). Coercive or supportive: An assessment of non-governmental organizations role in sustainable supply chains adoption. *International Journal of Economics & Financial Issues*, 6 (6), 27–30.
- Orsdemir, A., Hu, B., & Deshpande, V. (2019). Ensuring corporate social and environmental responsibility through vertical integration and horizontal sourcing. *Manufacturing & Service Operations Management*, 21 (2), 251–477.
- Pagell, M., Fugate, B., & Flynn, B. (2018). From the editors: Introduction to the emerging discourse incubator on the topic of research where the focal actor in the network is not a for-profit firm. *Journal of Supply Chain Management*, 54 (2), 1–2.
- Palazzo, G., & Basu, K. (2007). The ethical backlash of corporate branding. *Journal of Business Ethics*, 73 (4), 333–346.
- Park-Poaps, H., & Rees, K. (2010). Stakeholder forces of socially responsible supply chain management orientation. *Journal of Business Ethics*, 92 (2), 305–322.
- Parmigiani, A., Klassen, R.D., & Russo, M.V. (2011). Efficiency meets accountability: Performance implications of supply chain configuration, control, and capabilities. *Journal of Operations Management*, 29 (3), 212–223.
- Petersen, H.L., & Lemke, F. (2015). Mitigating reputational risks in supply chains. *Journal of Supply Chain Management*, 20 (5), 495–510.
- Polyviou, M., Rungtusanatham, M.J., Reczek, R.W., & Knemeyer, A.M. (2018). Supplier non-retention post disruption: What role does anger play? *Journal of Operations Management*, 61 (1), 1–14.
- Pournader, M., Kach, A., & Talluri, S. (2020). A review of the existing and emerging topics in the supply chain risk management literature. *Decision Sciences*, 51 (4), 867–919.
- Pullman, M., Longoni, A., & Luzzini, D. (2018). The roles of institutional complexity and hybridity in social impact supply chain management. *Journal of Supply Chain Management*, 54 (2), 3–20.

- Quarshie, A.M., Salmi, A., & Leuschner, R. (2016). Sustainability and corporate social responsibility in supply chains: The state of research in supply chain management and business ethics journals. *Journal of Purchasing & Supply Management*, 22 (2), 82–97.
- Quarshie, A.M., & Leuschner, R. (2020). Interorganizational interaction in disaster response networks: A government perspective. *Journal of Supply Chain Management*, 56 (3), 3–25.
- Rafi-Ul-Shan, P.M., Grant, D.B., Perry, P., & Ahmed, S. (2018). Relationship between sustainability and risk management in fashion supply chains. *International Journal of Retail & Distribution Management*, 46 (5), 466–486.
- Rao, H., Davis, G.F., & Ward, A. (2000). Embeddedness, social identity and mobility: Why firms leave the NASDAQ and join the New York Stock Exchange. *Administrative Science Quarterly*, 45 (2), 268–292.
- Rao, S., & Goldsby, T. J. (2009). Supply chain risks: A review and typology. *International Journal of Logistics Management*, 20 (1), 97–123.
- Rebière, P., & Mavoori, H. (2020). The Bayer–Monsanto fusion: Countering brand tarnishment and rebuilding reputation. *Journal of Business Strategy*, 41 (1), 27–37.
- Reimann, F., Ehrgott, M., Kaufmann, L., & Carter, C.R. (2012). Local stakeholders and local legitimacy: MNEs’ social strategies in emerging economies. *Journal of International Management*, 18 (1), 1–17.
- Reimann, F., Kosmol, T., & Kaufmann, L. (2017). Responses to supplier-induced disruptions: A fuzzy-set analysis. *Journal of Supply Chain Management*, 53 (4), 37–66.
- Reuter, C., Foerstl, K.A., Hartmann, E.V., & Blome, C. (2010). Sustainable global supplier management: The role of dynamic capabilities in achieving competitive advantage. *Journal of Supply Chain Management*, 46 (2), 45–63.
- Ritchie, B., & Brindley, C. (2000). Disintermediation, disintegration and risk in the SME global supply chain. *Management Decision*, 38 (8), 575–583.
- Ritchie, B., & Brindley, C. (2007). Supply chain risk management and performance – A guiding framework for future development. *International Journal of Operations & Production Management*, 27 (3), 302–322.
- Roehrich, J.K., Grosvold, J., & Hoejmoose, S.U. (2014). Reputational risks and sustainable supply chain management: Decision making under bounded rationality. *International Journal of Operations & Production Management*, 34 (5), 695–719.
- Rowley, T., & Berman, S. (2000). A brand new brand of corporate social performance. *Business & Society*, 39 (4), 397–418.
- Schäfer, N., Petersen, L., & Hörisch, J. (2023). The interplay between supply chain transparency and NGO pressure: A quantitative analysis in the fashion industry context. *Journal of Business Ethics*. Advance online publications.
- Schmidt, C., Foerstl, K., & Schaltenbrand, B. (2017). The supply chain position paradox: Green practices and firm performance. *Journal of Supply Chain Management*, 53 (1), 3–25.
- Schrader, C., Freimann, J., & Seuring, S. (2012). Business strategy at the base of the pyramid. *Business Strategy & the Environment*, 21 (5), 281–298.
- Searcy, C. (2016). Measuring enterprise sustainability. *Business Strategy & the Environment*, 25, 120–133.
- Seuring, S., & Müller, M. (2008). From a literature review to a conceptual framework for sustainable supply chain management. *Journal of Cleaner Production*, 16 (15), 1699–1710.



- Sharma, A. (2020). Cargill hides its deforestation impacts in misleading report, <https://www.mightyearth.org/Cargill-Hides-its-Deforestation-Impacts-in-Misleading-Report>, accessed October 22, 2023.
- Siems, E., & Seuring, S. (2021). Stakeholder management in sustainable supply chains: A case study of the bioenergy industry. *Business Strategy & the Environment*, 30 (7), 3105–3119.
- Singh, S., & Estefan, A. (2018). Selecting a grounded theory approach for nursing research. *Global Qualitative Nursing Research*, 5, 1–9.
- Sodero, A., Jin, Y.H., & Barratt, M. (2019). The social process of Big Data and predictive analytics use for logistics and supply chain management. *International Journal of Physical Distribution & Logistics Management*, 49 (7), 706–726.
- Strauss, A.L., & Corbin, J. (1998). *Basics of qualitative research*. Sage, CA, Thousand Oaks.
- Taylor, K.M., & Rosca, E. (2022). Sink, swim, or drift: How social enterprises use supply chain social capital to balance tensions between impact and viability. *Journal of Supply Chain Management*, 59 (2), 62–86.
- Terpend, R., & Ashenbaum, B. (2012). The intersection of power, trust and supplier network size: Implications for supplier performance. *Journal of Supply Chain Management*, 48 (3), 52–77.
- Tost, L.P. (2011). An integrative model of legitimacy judgments. *Academy of Management Review*, 36 (4), 686–710.
- Touboulic, A., Chicksand, D., & Walker, H. (2014). Managing imbalanced supply chain relationships for sustainability: A power perspective. *Decision Sciences*, 45 (4), 577–619.
- Villena, V.H. & Gioia, D.A. (2020). A more sustainable supply chain. *Harvard Business Review*, 84–93.
- Waddock, S.A., & Graves, S.B. (1997). The corporate social performance-financial performance link. *Strategic Management Journal*, 18 (4), 303–319.
- Wagner, S.M. & Bode, C. (2006). An empirical investigation into supply chain vulnerability. *Journal of Purchasing & Supply Chain Management*, 12, 301–312.
- Weick, K., Sutcliffe, K., & Obstfeld, D. (2005). Organizing and the process of sensemaking. *Organization Science*, 16, 409–421.
- Weisbrod, B.A. (1998). Guest editor's introduction: The nonprofit mission and its financing. *Journal of Policy Analysis & Management*, 17 (2), 165–174.
- Wilhelm, M.M., Blome, C., Bhakoo, V., & Paulraj, A. (2016). Sustainability in multi-tier supply chains: Understanding the double agency role of first-tier supplier. *Journal of Operations Management*, 41, 42–60.
- Wohlgemuth, V. (2022), Ultrafast fashion giant Shein takes greenwashing to a new low: charitywash, <https://www.greenpeace.org/international/story/54429/ultrafast-fashion-giant-shein-takes-greenwashing-to-new-low-charitywash/>, accessed September 06, 2023.
- Wolf, J. (2014). The relationship between sustainable supply chain management, stakeholder pressure and corporate sustainability performance. *Journal of Business Ethics*, 119 (3), 317–328.
- Wong, C.Y. (2017). Risk, resilience and corporate social responsibility. In D.B. Grant, A. Trautrim, & C.Y. Wong (Eds.), *Sustainable logistics & supply chain management: Principles and practices for sustainable operations and management*, KoganPage.
- Wu, Z., Ellram, L.M., & Schuchard, R. (2014). Understanding the role of government and buyers in supplier energy efficiency initiatives. *Journal of Supply Chain Management*, 50 (2), 84–105.

- WWF (2021). Palm oil buyers scorecard: Measuring the progress of palm oil buyers as we kick off a decade of action for nature, [https://palmoilscorecard.panda.org/uploads/WWF\\_2021\\_Palm\\_Oil\\_Buyers\\_Scorecard\\_Full\\_Report.pdf](https://palmoilscorecard.panda.org/uploads/WWF_2021_Palm_Oil_Buyers_Scorecard_Full_Report.pdf), accessed October 22, 2023.
- Xiao, C., Wilhelm, M., van der Vaart, T., & van Donk, D.P. (2019). Inside the buying firm: Exploring responses to paradoxical tensions in sustainable supply chain management. *Journal of Supply Chain Management*, 55 (1), 3–20.
- Xu, M., Chui, Y., Hu, M., Xu, X., Zhang, Z., Liang, S., & Qu, S. (2019). Supply chain sustainability risk and assessment. *Journal of Cleaner Production*, 225, 857–867.
- Yakovleva, N., Vazquez-Brust, D.A., & Gavrilieva, T. (2020). The role of NGOs in promoting salience of stakeholders and social issues. British Academy of Management Conference, September.
- Zavyalova, A., Pfarrer, M.D., Reger, R.K., & Hubbard, T.D. (2016). Reputation as a benefit and a burden? How stakeholders' organizational identification affects the role of reputation following a negative event. *Academy of Management Journal*, 59 (1), 253–276.
- Zhu, Q., Sarkis, J., & Geng, Y. (2005). Green supply chain management in China: Pressures, practices and performance. *International Journal of Operations & Production Management*, 25 (5), 449–468.
- Zsidisin, G.A., Panelli, A., & Upton, R. (2000). Purchasing organization involvements in risk assessment, contingency plans, and risk management: An exploratory study. *Supply Chain Management: An International Journal*, 5 (4), 187–197.

## **APPENDIX A**

### **Interview Guideline (*anonymized*)**

This study deals with sustainability issues in global supply chains and strategies to mitigate these grievances from the perspective of an NGO. The author (*anonymized*) is working on this research at the (*anonymized*) university. The results are anonymized so that no conclusions can be drawn about you or your organization and will be used only for scientific purposes. To facilitate the analysis of the content, I would like to record our conversation if you agree.

1. How do you personally encounter your role in fostering socially and/or environmentally sustainable behavior in global supply chains?
2. With respect to the information gathering process, how do you and/or your organization find out about social and/or environmental grievances in global supply chains?
3. Are you proactively looking for particular sustainability topics, and if so, how and for which ones?
4. With multiple grievances in global supply chains, how do you or your organization decide to follow up on a particular sustainability issue?
5. In your opinion, what are the key drivers for this decision-making?
6. What criteria do you consider assessing the sustainability of, for example, certain production and procurement standards in global supply chains?
7. Can you explain at what point a situation becomes socially and/or environmentally unacceptable to you?
8. How do you assess the severity of a sustainability issue and to what extent does the severity influence your decision-making when following up on a particular sustainability topic?
9. How do you decide how to deal with a particular sustainability issue?
10. What strategies have you used in the past to mitigate sustainability issues, and what were your reasons for choosing those strategies?
11. In your opinion, what are the key drivers for choosing an appropriate strategy to mitigate sustainability grievances?
12. How does your organization obtain funding?
13. In that vein, how does the funding affect your choice to follow up on a sustainability topic and/or the choice to opt for a particular strategy to mitigate sustainability grievances?
14. Do you encounter any areas of tension in obtaining financial resources and if so, how do you resolve them?

We have reached the end of the interview. Thank you very much for the information you have provided and the time you have invested!