Should I stay or should I go? Understanding stakeholder dis/engagement for deforestation-free palm oil


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Should I stay or should I go? Understanding stakeholder dis/engagement for deforestation-free palm oil

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Abstract
Addressing tropical deforestation in the palm oil sector involves a diverse range of stakeholders who engage or disengage with each other. Palm oil global value chain (GVC) firms (plantation companies, traders and processors, and consumer goods manufacturers and retailers), as well as nongovernmental organisations, financial institutions, consultancies and certification bodies, pursue their respective organisations’ agendas through engagement practices, including through coalitions, in a palm oil sustainability network (POSN). Building on interviews with different stakeholder groups, this qualitative study characterises and critically analyses ‘stakeholder engagement’ by examining (1) the priority targets for engagement among different POSN stakeholders, (2) how mechanisms and tools are used in POSN stakeholder engagement or disengagement for addressing deforestation, and (3) the implications of stakeholder engagement or disengagement for addressing deforestation. Engagement and disengagement practices are shaped by and reshape GVC governance, with powerful stakeholders emerging as knowledge brokers and norm setters, raising important challenges for how deforestation is addressed.

KEYWORDS
deforestation, global value chain governance, multistakeholder initiatives, palm oil, sustainability, transparency and disclosure

1 | INTRODUCTION
The destruction of the world’s forests continues, with a loss of 11.1 million hectares of tree cover in the tropics in 2021 alone (Global Forest Watch, 2022). Palm oil production is contributing to this loss, with the conversion of tropical forests to oil palm monoculture threatening biodiversity (Curtis et al., 2018; Meijaard et al., 2020) and producing greenhouse gas emissions (Vijay et al., 2016). Activists have targeted palm oil-producing and palm oil-consuming companies to address environmental and social concerns associated with palm oil production (Ayompe et al., 2021; Lyons-White & Knight, 2018). In response, there has been an increase in the number of private sector ‘no
deforestation’ commitments, and broader pledges to no planting on peatland, no deforestation, and no exploitation (NPDE) in the palm oil global value chain (GVC) (Garrett et al., 2019; Larsen et al., 2018; Lyons-White et al., 2020).

Diverse GVC stakeholders are involved in private governance initiatives that aim to eradicate negative impacts of palm oil production and consumption (Grabs & Carodenuto, 2021). These stakeholders usually comprise plantation companies, traders and processors, and consumer goods manufacturers (CGMs) and retailers, who engage with nongovernmental organisations (NGOs), investors and specialist consultancies. Private governance initiatives seek common values and establish rules for operating, with legitimacy sought through participation of multiple stakeholder groups (Bernstein & Cashore, 2007). Multiple private governance initiatives have emerged in the palm oil sector and together can be considered a ‘palm oil sustainability network’ (PSN), that is, an assemblage of actors, objects, procedures and relations coalescing around addressing or managing social and/or environmental aspects of commodity production, processing, exchange and consumption’ (Ponte & Cheyns, 2013, p. 460). Through different engagement and disengagement practices, stakeholders in the PSN participate in multistakeholder initiatives (MSIs, e.g., the Roundtable on Sustainable Palm Oil (RSPO)), accompanying labelling and certification, or the use of disclosure, transparency and traceability tools such as the Zoological Society of London’s Sustainability Policy Transparency Toolkit (SPOTT), Global Canopy’s ‘Trase’ tool and the World Resource Institute’s Global Forest Watch platform, with the aim of transitioning to deforestation-free palm oil or to eradicate palm oil use altogether.

However, despite some exceptions (e.g., Dauvergne, 2017; Dzhengiz et al., 2021; Ryuyschaert & Salles, 2016), research around disengagement in sustainability networks is still nascent (de Lange et al., 2016), especially regarding palm oil and deforestation. By characterising and critically analysing the concept of ‘stakeholder engagement’, we contribute to three academic debates: first, by unpacking the concept of stakeholder engagement, we examine not only practices of engagement but also those of ‘disengagement’. Little research attention has been focused on situations where stakeholder networks are deconstructed, for example, through processes of stakeholder disengagement (de Lange et al., 2016), in relation to corporate sustainability practices, including what processes may lead to termination such as divestment, supplier deselection, NGO ‘walkouts’ and NGO-led consumer boycotts. Most previous research on global commodity chains has studied how commodities are ‘incorporated’ into global supply chains and is therefore subject to an ‘inclusionary bias’ (Bair & Werner, 2011). In contrast, our research seeks to shed light on the actual terms and practices of incorporation and exclusion by firms and investors and the effects of these practices on addressing the problem of deforestation in GVCs.

Second, our research contributes to the growing literature on firm–NGO interactions in supply chains (Moosmayer & Davis, 2016; Perez-Aleman & Sandilands, 2008; Rodriguez et al., 2016). NGOs have been described as key secondary stakeholders (Burchell & Cook, 2013); however, their relationship with firms remains one of the most under-research topics in supply chain sustainability studies (Peng et al., 2022). Recently, researchers have begun examining these relationships beyond the typical firm-centric perspective only. Moshtari and Vanpoucke (2021) highlighted the role of social capital in mitigating tensions among NGOs and private actors and in building effective and efficient relationships between them. Chatain and Plaskenoka (2019) confirmed that firms benefit from collaborations with NGOs, especially when establishing new supply chains, depending on the situation. They identified dynamics through which firms could end up in a ‘valley of frustration’ when ‘capturing just enough value to justify establishing the new supply chain, but without hope of capturing more than this minimum amount of value’ (Chatain & Plaskenoka, 2019, p. 626). In these situations, disengagement with some NGOs and new engagement with other NGOs might occur. Furthermore, the literature on firm–NGO interaction highlights the ‘radical flank effect’ and the need to have oppositional NGOs that drive firms into the arms of more collaborative NGOs, thus producing ‘strategic repositioning’ (Burchell & Cook, 2013) and resembling ‘good cop/bad cop’ scenarios (Elkington & Beloe, 2010). Saunders et al. (2019) highlight the role of secondary stakeholders, such as NGOs, as ‘network exchange brokers’, contributing to variability in the approaches adopted by different NGOs. These findings align with Idemudia (2017, p. 267) who refers to Ahlström and Sjöström (2005) and differentiates between collaborative insider NGOs, which ‘[seek] to and work closely with corporations to develop and implement socially responsible programs and projects’ and confrontational outsider NGOs, which ‘are sceptical of such collaboration and instead favour public pressure and other confrontational strategies in their engagement with business’. The study also finds a bridging role of NGOs that can decrease or avoid tensions between stakeholders (Idemudia, 2017).

Third, we contribute to debates on MSIs for sustainability, which are described by de Bakker et al. (2019) as central nodes in sustainability networks (Figure 1). MSIs focusing on sustainability operate outside traditional domestic and international policy-making processes (Cashore, 2002), with implications for reshaping GVC governance (Barrientos et al., 2011).

Our perspective differs in two aspects from existing global commodity chain and GVC analyses. First, prior research has primarily focused on relations between different firms—particularly between buyers and suppliers—to identify opportunities for ‘upgrading’ towards higher value-added activities (Gereffi et al., 2005). Moving from a linear view of value chains to a focus on network interactions in global production networks (GPNs; Havice & Campling, 2013) helps uncover the complex dynamics value chain boundaries, inter-relationships and perspectives (Canevari-Luzardo et al., 2020; Lyons-White & Knight, 2018), cognisant of the wider institutional context and its dynamics (McCarthy et al., 2012). Shifting to a focus on GPNs also attends to the relative power of stakeholders, including firms, in the network and how these dynamics result in shifts in GVC governance over time (Coe et al., 2008). Second, our perspective follows Whelan’s (2013) call for more ‘dissensual’ research on sustainability and corporate social responsibility (CSR), which does not neglect
confrontational relationships among stakeholders. For example, while consensus-seeking research examines factors such as the capacity for deliberative processes in MSIs (Soundararajan et al., 2019), agonistic approaches include contest as a means of empowering the disempowered (Dawkins, 2015). Fougère and Solitander (2020) investigate the RSPO and the Bangladesh Accord on Fire and Building Safety and frame MSIs through agonistic pluralism and identify different adversarial relations linked to the issues meant to be governed by these MSIs. Schormair and Gilbert (2021) claim that neither existing consensus nor dissensus approaches are suitable to create value for all stakeholders. What is required is an integrative approach ‘that is neither overly oriented toward dissensus nor consensus’ (Schormair & Gilbert, 2021, p. 2, in reference to Levy et al., 2016).

Given the research gap on the dis/engagement of stakeholders from firm and concerns related to the effectiveness of ‘sustainable’ palm oil governance (Dauvergne, 2018), our study aims to address the following questions: (1) Who are the priority targets for engagement among different POSN stakeholders? (2) How are mechanisms and tools used in POSN stakeholder engagement or disengagement for addressing deforestation? (3) What are the implications of stakeholder engagement or disengagement for addressing deforestation?

2 | THEORETICAL FRAMEWORK ON STAKEHOLDER DIS/ENGAGEMENT

Freeman (1984, p. 46) defines a stakeholder ‘as any group or individual who can affect or is affected by the achievement of [an] organization’s objectives.’ Stakeholder theory includes various elaborations on this core around how a focal firm engages with its stakeholders. These elaborations include three strands of research focused on being descriptive (what firms do), instrumental (how firms create benefits) and normative (what is the ‘right’ thing to do) (Donaldson & Preston, 1995). Distinguishing different stakeholders according to their level of power over a company, their legitimacy and urgency has been considered in terms of stakeholder salience (Mitchell et al., 1997). Stakeholder theory corresponds with sustainability management in terms of concern for impacts outside of the traditional, limited model of the firm as concerned only with customers, suppliers, investors and employees (Hörisch et al., 2014). In general, stakeholders have been found to be external facilitators of sustainability in supply chains (Peng et al., 2022).

Building on stakeholder theory, engagement has been considered a strategy to deliver benefits to stakeholders through firms’ actions (Greenwood, 2007). Of course, stakeholder engagement can also operate the other way, with organisations other than firms—including NGOs and/or government—seeking to influence firms or each other. The notion of ‘creating shared value’ (Porter & Kramer, 2011) recognises that cooperation between firms and their stakeholders is necessary for social and environmental sustainability (Strand & Freeman, 2015; Teegen et al., 2004). Despite this recognition of the need for cooperation for sustainability, there is a gap in the literature about which engagement approaches between which stakeholders are effective and under what conditions.

In this article, we examine international processes of stakeholder engagement adopted by professional stakeholders with agency to drive change in GVC governance. We consider a non-firm-centric network of diverse stakeholders who engage with each other, bilaterally, multilaterally and sometimes collectively. Prior research has promoted navigating away from the narrow view of value creation for firms,
towards a more nuanced and sophisticated understanding of value creation from a stakeholder perspective (Harrison & Wicks, 2013). In this sense, engagement may include stakeholders speaking ‘at’ each other, interacting with one another, collaborating in informal or formal ways or building one other’s capacity. Organisations have strategies, or ‘theories of change’ (in NGO contexts) that identify which stakeholders should be priority targets for engagement, and such engagements use different mechanisms. Mechanisms include institutions (i.e., rules that humans use when interacting within a wide variety of repetitive and structured situations at multiple levels of analysis [Ostrom, 2005]), procedures or games for determining outcomes (Gunningham & Young, 1997; Maskin, 2008). Tools may be used with, and support mechanisms, and include software and remotely-sensed imagery that process data and information. Some organisations’ strategies include disengaging from their stakeholders, for example, through boycotts and divestment (Ramdani & Lounela, 2020; Teng et al., 2020).

Hörisch et al. (2014) detail how aligning and empowering stakeholders through engagement is important to achieve sustainability outcomes, but broad mutual interests in ‘sustainability’ may mask divergence within and between different stakeholder groups. For some firms, certain (secondary) stakeholders will be of greater significance and are deemed more important to engage with than others. We are interested in how engagement may be used by stakeholders in different ways to achieve deforestation-free palm oil, as opposed to considering engagement as an end unto itself.

3 | CASE STUDY ON THE PALM OIL GVC AND DEFORESTATION

In the CSR and corporate sustainability literatures, considerable research attention has focused on establishing sustainability standards in the palm oil sector (Schouten & Glasbergen, 2011; Von Geibler, 2013), and on the adoption of these standards by firms to guide biodiversity management, improve stakeholder relationships and promote stakeholder well-being (Boiral et al., 2018). The disciplines of land systems science, conservation science and environmental policy have considered the effectiveness of ‘zero deforestation’ commitments and sustainability certification supply chain policies in addressing deforestation (Garrett et al., 2019, 2021; Lambin et al., 2018; Lyons-White & Knight, 2018).

Examining how particular mechanisms and tools for stakeholder engagement shape deforestation is important for research and practice because engagements between stakeholders involve the shaping of norms and knowledge politics—whereby knowledge claims are used instrumentally to achieve political goals (Beck, 1992). Given the complexities of (1) deforestation, (2) the palm oil GVC and (3) engagement, certain approaches may have unintended consequences (Guerrero et al., 2021; Matos et al., 2020). For example, participation in deforestation-free palm oil initiatives may be influenced by selection biases, whereby producers who are already compliant, or close to complying due to prior deforestation (Winters et al., 2015), as well as those sufficiently wealthy who can afford the costs of adoption (McDermott, 2013), are more likely to participate. This can lead to unintended social consequences by fixing the position of powerful stakeholders with access to capital and technology, while marginalising and excluding poorer producers unable to participate (Grabs et al., 2021; Newton & Benzeev, 2018).

An example of unintended consequences of GVC policies displacing impacts was seen following the implementation of the Brazilian Soy Moratorium in 2006, which has been influential in motivating private sector initiatives aimed at reducing deforestation (FAO, 2018). The moratorium has been linked to negative impacts in the Cerrado, displacing the positive impacts of reduced deforestation that occurred in the Amazon (Dou et al., 2018). An extension of the Soy Moratorium to the Cerrado was hypothesised to potentially result in ‘panic clearing’ and further deforestation (Guerrero et al., 2021). Exclusion of noncompliant suppliers by lead firms is not unusual. Although this may demonstrate commitment from the lead firm, exclusion may have unintended consequences, as the supplier may continue to sell to ‘leakage markets’ (Alix-Garcia & Gibbs, 2017; Wilman, 2019). This concern around the effects of engagement, is also mirrored in the finance sector, where there are increasing concerns about the impacts of engaging or divesting; and how to ‘divest responsibly’ (UN PRI, 2022), with recognition that in certain contexts, divestment may lead to lenders with less stringent requirements investing in palm oil companies, providing little incentive to produce deforestation-free palm oil. Depending on where commodity production is shifted, such spillover impacts could outweigh the conservation value of the initial deforestation reduction (Carrasco et al., 2014).

Previous research has examined barriers to achieving deforestation-free production in the palm oil GVC (Larsen et al., 2018; Lyons-White & Knight, 2018), including problems with tracing palm oil consignments through supply chains (Gardner et al., 2019) and disconnects, complementarities and synergies between government regulations and private standards (Pacheco et al., 2020). However, a specific effort to characterise and critically analyse the politics of engagement and disengagement strategies in the POSN, and their implications for achieving a deforestation-free palm oil GVC, remains lacking. It is therefore important to examine the complex policies and politics of engagement practices used by diverse POSN stakeholders, alignment and tensions between these stakeholders in implementing initiatives for achieving deforestation-free palm oil, and the implications of these engagements for addressing deforestation.

4 | METHODOLOGY

We applied an exploratory, qualitative approach, drawing upon a range of stakeholders’ perspectives to examine stakeholder dis/engagement. We deemed this approach as suitable to study complex and under-researched phenomena to gather new theoretical insights (Bansal et al., 2018; Denk et al., 2012).

The data collection adopted a purposive sampling approach. Participants were selected according to their roles in the POSN (Table 1),
and the ways in which they engaged with other stakeholders in the network. We created a list of POSN members including palm oil producers, CGMs, retailers, investors, NGOs and consultants. All participants were identified via internet search (e.g., LinkedIn) and through links to existing contacts arising from the authors’ involvement in RSPO and ZSL SPOTT, who were contacted via email. Equal numbers of participants from each stakeholder group were invited to take part in the study. In some cases, participants’ colleagues joined interviews at the invited interviewees’ request (hence seven investors were interviewed, but four CGM representatives). Additional participants were also identified through snowball sampling during interviews (Miles et al., 2018). Sampling continued until thematic saturation was estimated to be achieved (i.e., by the repetition of similar themes and lack of emergence of new themes) (Saunders et al., 2019). The final sample comprised 32 participants from 27 interviews, which lasted between 45 and 90 min. All interviews were conducted in English, either through video or audio conferencing (Zoom and Skype) between February and August 2020. The geographic locations of participants depended on organisations’ headquarters, with palm oil producers based in palm oil-producing countries (i.e., Indonesia, Malaysia and Democratic Republic of the Congo [DRC]), and major palm oil buying CGM and retail companies with interests in deforestation and sustainability based in the United Kingdom and the Netherlands, for example.

All data were collected using a semistructured interview guideline (Appendix A) focused upon engagement on deforestation in the palm

<table>
<thead>
<tr>
<th>Participant</th>
<th>Job title</th>
<th>Sector</th>
<th>Location</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Responsible sourcing manager</td>
<td>Consumer goods/retail</td>
<td>UK</td>
<td>Audio</td>
</tr>
<tr>
<td>2</td>
<td>Head of environment</td>
<td>Consumer goods/retail</td>
<td>UK</td>
<td>Video</td>
</tr>
<tr>
<td>3</td>
<td>Senior manager engagement</td>
<td>Investment</td>
<td>Netherlands</td>
<td>Video</td>
</tr>
<tr>
<td>4</td>
<td>Senior ESG analyst</td>
<td>Investment</td>
<td>UK</td>
<td>Audio</td>
</tr>
<tr>
<td>5</td>
<td>Sustainable sourcing manager</td>
<td>Consumer goods/retail</td>
<td>UK</td>
<td>Video</td>
</tr>
<tr>
<td>6</td>
<td>Managing director</td>
<td>Consultancy</td>
<td>UK</td>
<td>Video</td>
</tr>
<tr>
<td>7</td>
<td>Programme director</td>
<td>Consultancy</td>
<td>Indonesia</td>
<td>Video</td>
</tr>
<tr>
<td>8</td>
<td>Senior responsible investment specialist</td>
<td>Investment</td>
<td>Netherlands</td>
<td>Video</td>
</tr>
<tr>
<td>9</td>
<td>Conservation advisor</td>
<td>Palm oil company</td>
<td>Malaysia</td>
<td>Audio</td>
</tr>
<tr>
<td>10</td>
<td>Senior manager sustainability communications</td>
<td>Palm oil company</td>
<td>Malaysia</td>
<td>Audio</td>
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<tr>
<td>11</td>
<td>Conservation lead</td>
<td>Palm oil company</td>
<td>Malaysia</td>
<td>Audio</td>
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<tr>
<td>12</td>
<td>Manager, environment and conservation</td>
<td>Palm oil company</td>
<td>Indonesia</td>
<td>Audio</td>
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<tr>
<td>13</td>
<td>Deputy director sustainable development</td>
<td>Palm oil company</td>
<td>DRC</td>
<td>Audio</td>
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<td>Managing director</td>
<td>Palm oil company</td>
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<tr>
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<td>Associate director</td>
<td>Investment</td>
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<td>Video</td>
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<tr>
<td>16</td>
<td>Engagement equity ownership services</td>
<td>Investment</td>
<td>Video</td>
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<td>Associate director, engagement</td>
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<td>Conservation director</td>
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<td>Forests campaigner</td>
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<td>Vice president product</td>
<td>Consumer goods/retail</td>
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<td>Video</td>
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<td>Video</td>
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<td>Policy director</td>
<td>NGO</td>
<td>UK</td>
<td>Video</td>
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<td>26</td>
<td>Sustainable finance specialist</td>
<td>NGO</td>
<td>UK</td>
<td>Video</td>
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<tr>
<td>27</td>
<td>Senior manager, company network</td>
<td>NGO</td>
<td>USA</td>
<td>Video</td>
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<tr>
<td>28</td>
<td>Senior consultant</td>
<td>Consultancy</td>
<td>Spain</td>
<td>Video</td>
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<tr>
<td>29</td>
<td>Director of institutional development</td>
<td>NGO</td>
<td>Peru</td>
<td>Audio</td>
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<tr>
<td>30</td>
<td>Director and chief sustainability officer</td>
<td>Consultancy</td>
<td>Singapore</td>
<td>Video</td>
</tr>
<tr>
<td>31</td>
<td>Researcher</td>
<td>Research institute</td>
<td>Peru</td>
<td>Video</td>
</tr>
<tr>
<td>32</td>
<td>Consultant</td>
<td>Intergovernmental organisation</td>
<td>Peru</td>
<td>Video</td>
</tr>
</tbody>
</table>

Abbreviation: NGO, nongovernmental organisation.
<table>
<thead>
<tr>
<th>Palm oil sustainability network stakeholders</th>
<th>Priority targets for engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Smallholders</td>
</tr>
<tr>
<td>Palm oil companies/traders</td>
<td>X</td>
</tr>
<tr>
<td>Consumer goods manufacturers</td>
<td>X</td>
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<tr>
<td>Retailers</td>
<td>X</td>
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<tr>
<td>Oppositional NGOs</td>
<td>X</td>
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<td>Supportive NGOs</td>
<td>X</td>
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<tr>
<td>Investors/financiers</td>
<td>X</td>
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<td>Consultancies</td>
<td>X</td>
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</tbody>
</table>

Abbreviation: NGO, nongovernmental organisation.
oil GVC. The interviews were conducted by Delabre and Veggeberg. Whenever new perspectives emerged, the research team discussed these intermediary results and adjusted the guideline accordingly (Yin, 2003). All interviews were recorded, transcribed, and transferred to NVivo software (March 2020 version) to help sort, analyse, and retrieve information and undertake thematic coding (Bazeley & Jackson, 2013). The methodology was approved by the University of Sussex Social Sciences & Arts Research Ethics Committee.

Our research benefits from our first-hand experience of working with firms and their stakeholders in a POSN (in an environmental NGO aimed at investor engagement and a membership-based technical advisory network). Although it may be considered that our personal experiences may have resulted in more sympathetic or critical analysis of stakeholders’ engagement practices, Touboulic et al. (2020) describe how ‘engaged research’ extends conceptual boundaries by including the collective social understandings in practitioner organisations. Researchers with industry experience can have more honest and frank communication with research participants because the researcher is seen as a peer and equal partner, with a deeper understanding of the nature of their work than an outsider (Vaughan, 2013).

5 | RESULTS AND DISCUSSION

Diverse palm oil GVC stakeholders adopted a range of different engagement mechanisms (Figure 1), depending on their stakeholder group, particular organisational strategy and individual worldviews and values (Biggs et al., 2011). Participants were found to have priority targets for engagement (Table 2): stakeholders in the POSN with whom participants reported actively engaging or desiring to engage. The predominant mechanisms and tools for engagement used by different stakeholder groups are briefly summarised in Table 3 (illustrative quotations in Appendix 8). For example, while consumer goods companies and investors primarily reported using multistakeholder conference calls to discuss policy with producers and traders, some traders reported using ‘suspend and engage’ policies in an attempt to directly change noncompliant suppliers’ behaviours (Table 3), a process we identified as ‘disengagement for engagement’. Our analysis revealed six key themes.

5.1 | The role of MSIs

MSIs such as the RSPO, Global Resources Initiative, Palm Oil Transparency Coalition, and Consumer Goods Forum (CGF) are important as mechanisms for norms setting and knowledge production, through which deforestation and its governance was framed. Such initiatives were discussed as though they were POSN stakeholders in their own right (‘we engage with the RSPO’), and also as mechanisms for engagement and knowledge production between stakeholders (‘we are able to network through the RSPO’). For example, referring to the RSPO, a palm oil company representative operating in Indonesia (Participant...
12) stated ‘I’m aware now that having a roundtable is extremely difficult, extremely long [yet] it is a huge benefit to have access to [other stakeholders], like now if I have a question, I can directly ask people.’ An advantage of participation in MSIs was access to other stakeholders and the information they can provide. Despite the time-consuming processes of long-term participation in the RSPO, the participant perceived it offered a useful mechanism for obtaining information.

Consultancies used MSIs for close engagement with companies, and are opportunistic and flexible in tailoring their approaches to different types of POSN stakeholder (see Table 2). Consultancies had an important role as conduits for engagement activities. For example, Earthworm (formerly ‘The Forest Trust’) brokered engagement between Golden-Agri Resources and Greenpeace, giving rise to the High Carbon Stock Approach (HCSA) (Poynton, 2014). The HCSA methodology, which distinguishes forest areas for protection from degraded lands with low carbon and biodiversity values, has become established as an organisation in its own right. The HCSA Steering Group has its own secretariat, steering committee, working groups and taskforces, including commodity producers and buyers, NGOs and consultancies, and thus created another mechanism for engagement in the POSN.

Engagement through MSIs may allow for joint learning and the co-creation of knowledge and creative approaches to problem solving (Dentoni et al., 2016; Valente & Oliver, 2018). However, it may also dilute empirical evidence-based decision making with expert-based decision making through consensus (of what is considered to be acceptable, pragmatic and/or financially feasible), and foster the homogenisation of norms, in which stakeholders adopt similar behaviours that they believe (but do not necessarily) lead to more sustainable outcomes.

Lead firms responded to perceived success or failure of MSIs through engagement or disengagement, to enhance power, secure support and/or maintain autonomy when facing strategic tensions (Pinkse et al., 2019). Consequently, some lead firms used MSIs at arms’ length to diffuse responsibility and accountability, thereby appearing to achieve sustainability despite stimulating continued production, consumption, and resource use (Newell & Paterson, 2010; Ponte, 2019).

5.2 | The role of transparency tools and platforms

Transparency and disclosure are, rather than being ends in themselves, mechanisms for engagement between different POSN stakeholders. The most-cited transparency, disclosure and traceability tools that supported mechanisms for engagement were the Carbon Disclosure Project’s (CDP) Forests programme, Trase, Forest500 and the Ceres reporting framework (Table 2).

Such mechanisms were perceived as increasingly important for POSN stakeholders, with transparency bringing confidence and trust, which constituted part of a foundation for engagement. According to Participant 10, a representative of a palm oil company, ‘As much as we have been accused of greenwashing, when we share too much, we are just as guilty of what I would call ‘green muting’, which is we also don’t say enough.’ The representative of a specialist consultancy (Participant 23) perceived transparency as core to achieving sustainability in the palm oil GVC: ‘I think transparency very much is at the heart of this, because a lot of the times, we now have well intentioned companies, but they don’t necessarily have the visibility that they need, within their supply base to kind of put those principles into action [...] As you get greater transparency, you can see where that’s true and where that’s not true.’

NGOs saw value in the use of disclosure and transparency tools by other non-state POSN stakeholders and had important roles in developing these tools. ZSL SPOTT, Carbon Disclosure Project (CDP) Forests, Forest500, Trase and the Ceres reporting framework were all developed by NGOs. For these NGOs, research into the development of these tools was a process of engagement, through consultation with private sector stakeholders and other NGOs on draft reports and methodologies.

Transparency was valued across stakeholder groups due to the time-saving opportunities it offered. According to a forest campaigner at a more ‘oppositional’ NGO (Participant 21), ‘If it’s out there and more transparent, it reduces time it takes for us to sort out information in the first place.’ As well as disclosure tools, corporate disclosure of supplier mills (e.g., by Unilever) was mentioned as another valuable tool for engagement, representing a shift in firms’ previously strategically secretive approaches to openness with information (Marshall et al., 2016). Transparency was perceived as a ‘time saver’ by one retailer (Participant 22): ‘By pre-empting the questions that you would get from stakeholders by opening up, it will probably at the end of the day save us all time. I think stakeholders like to see us being very transparent.’

In the POSN, certain norms were created and promoted using transparency tools and mechanisms for engagement. Offermans and Glasbergen (2015) found that scientific knowledge within the RSPO was weak, an emphasis instead placed on expert knowledge to provide guidance and training to implement RSPO requirements, such as transparent certification procedures. This prioritisation of expert knowledge, which was exemplified in mechanisms and tools to enhance transparency, may lead to dissenting voices being marginalised and thus exclude more radical approaches for addressing deforestation (Von Geibler, 2013).

5.3 | The role of the finance sector

A common theme was the increasingly active and recognised role of engagement with, and by, the finance sector. Although banks have been involved in the RSPO since 2004 (RSPO, 2022), investors and asset managers have recently also engaged, spending time and resources interacting with the RSPO. NGOs have increasingly highlighted the role of investors and lenders in financing companies linked to deforestation (e.g., Greenpeace’s ‘Dirty Bankers’ report in 2017 and Rainforest Action Network’s Forests and Finance platform...
[https://forestsandfinance.org] exposing the links between financiers and high-deforestation risk companies). This has put pressure on financial sector participants to assist with defining and championing sustainability expectations for the sector. A consultant based in Indonesia (Participant 7) stated that ‘Queries come from banks now rather than NGOs, because banks are starting to have these policies and really trying to apply them.’

An NGO interviewee (Participant 26) described the way in which their organisation engages closely with the finance sector through the Principles for Responsible Investment (PRI; a UN-supported network of investors, working to promote sustainable investment) Palm Oil Working Group, which in turn also motivates investee companies to engage with NGOs: ‘Interacting with initiatives such as the PRI Palm Oil Working Group, which has been doing engagement in the palm oil sector, is very important because, on the one hand we can help them in their work by telling them what issues they might need to be looking at if they’re not already or by socialising more difficult conservation or environmental issues, or try to bring a bit more clarity into implementation difficulties or technical concepts. But conversely, their engagement and their showing their interest will motivate companies to be more open to talking with NGOs like us.’

Despite enthusiasm from different stakeholders about the role of the finance sector in supporting deforestation-free palm oil, a UK retailer (Participant 2) expressed frustration that investors do not have ‘consistent’ deforestation strategies: ‘Investors are definitely playing catch up, getting much more attuned to the sustainability agenda, but they are still being driven by a lot of subjectivity within their own organisations […]. Which means that the investor conversations you have a very dictated by what’s in the public domain and what’s public interest.’ In contrast to this view, the PRI facilitates a signatory-driven mechanism for palm oil sector engagement to create and extend expectations with diverse stakeholder groups including traders, retailers and banks, therefore showing an awareness of the systemic nature of the issue of deforestation, and recognition of the value of a multistakeholder approach. Furthermore, in 2021 the PRI Palm Oil Working Group was merged with other working groups on soy and cattle, acknowledging that deforestation is driven by trade in multiple commodities (PRI, 2021).

Disengaging with noncompliant companies by divesting from them was seen as a ‘last resort’ by investors, as other financial institutions without sustainability policies could fill the gap in investing in palm oil companies. These replacement lenders may lack the leverage or interest to incentivise change. For example, according to an investor (Participant 3), ‘We strongly believe that [engagement] has more of an impact than divestment.’ Some NGOs were also aligned with the perspective of ‘engaging rather than excluding’, and a whole range of stakeholders are involved in initiatives to discourage divestment and disengagement. For example, Participant 26 explained: ‘[We are involved in RSPO’s] Taskforce for Resolution 6D, to discourage companies from divesting from units that may be subject to complaints and discourage companies from self-suspending from the RSPO. So, this taskforce involves companies, financial institutions as well, all the stakeholders, and the goal is to try to find a way to encourage companies to address issues for as long as possible [they] make the last resort decision of divesting.’

The investment company for which Participant 8 works positions itself as a leader in sustainability and is well-resourced to undertake in-depth one-to-one meetings with palm oil companies themselves: ‘We see a very clear link between climate change and the impact that deforestation has, and biodiversity loss, and those are two of the major planetary boundaries that that we’re currently already in overdraft […] We have, as an investor, very serious concerns on what that means for the future, [also] in terms of volatility of our investment. So, that’s really the key message that we continue to bring to companies.’ Although some investment companies may have dedicated resources for in-depth engagement activities, this is not representative of all financiers, thus leading to divergent approaches in engagement and disengagement (or avoidance of exposure to the palm oil sector altogether). More poorly resourced financial institutions may have fewer options to engage noncompliant suppliers and might resort to avoidance strategies through exclusion or screening practices.

The evidence used to check compliance with investors’, lenders’, and companies’ policies is far removed from particular sites of palm oil production, and local ecologies, making the decision to exclude or engage reliant on documentary forms of proof (e.g., NGO reports and audit reports) (Silva-Castañeda, 2012). Recognising this challenge, research by NGO Forest Peoples Programme and Norway’s International Climate and Forest Initiative (2020) (involving interviews with investors) called for companies and investors to use ‘ground-truthing’ (in this case, to enable better human rights due diligence). Our research found that there are indeed instances of investors engaging with locally based NGOs to try to gather evidence on deforestation, but such efforts are resource-intensive, which give rise to asymmetries in information between NGOs at different levels and companies.

Although it was reported by POSN stakeholders that it is better to engage than disengage, divest or exit relationships, a perceived credible threat of divestment or exclusion from the market is an important condition for meaningful engagement. Consequently, disengagement remains an important tool alongside engagement (or the other side of the same coin) to promote a shift towards deforestation-free palm oil production, but not necessarily to address the underlying drivers of deforestation more broadly.

5.4 | The oppositional/supportive nature of NGOs

NGOs emerged as powerful stakeholders, but there was frustration about their ‘theories of change’ conflicting with other POSN stakeholders’ strategies. For example, a CGM representative (Participant 5) stated ‘NGOs are key stakeholders to try to work with, but some are more open [than others]. There are different types of NGOs—some want to change the world and it is very black and white to them, when actually it is many shades of grey.’ Likewise, a palm oil company (Participant 14) stated ‘There are three personalities of stakeholders, the chihuahua is always on your lap, it’s typically very easy to engage,
it’s very amicable. They are open to listening to you. There is the middle one [that is] more like a labrador, it’s more critical, but it still gives a space for dialogue. But there are the rottweilers, that no matter how good you are, or what is your experience in sustainability, it’s very tough to engage and I have to be brutal and totally honest with you, we tend to stay away from rottweiler side.’ The notion of ‘staying away’ (or disengaging) from stakeholders perceived to be more difficult suggests a barrier to effective engagement, and a tension between theories of change for how deforestation-free palm oil should be achieved.

The antagonistic, oppositional approach adopted by some NGOs generated divergent responses among participants even within the same stakeholder group. For example, one investor (Participant 4) described opponent NGOs as being important in raising public awareness and mobilising action: ‘Greenpeace are effective in raising public awareness and targeting consumer brands. If they hadn’t got people to care in the first place, this wouldn’t have started, [for example] in that Nestlé campaign. Everyone has their role to play in this ecosystem.’ This perspective aligns well with the notion that the palm oil GVC is networked and relational and that surprising alignments may occur, such as between investors and traditionally anti-capitalist/activist NGOs. However, another participant from the financial sector expressed frustration (Participant 30): ‘NGOs are very good at throwing rocks from a fence […] they just keep saying we want the industry to do this and this and this. And the industry turns around and says, well, how do you implement it? And that’s the moment where the NGOs just walk out of the room.’

Even from the perspective of an NGO (Participant 20), the diverse strategies undertaken by NGOs was seen as problematic, due to companies being able to ‘take advantage’ of the mixed messaging from NGOs and use it as an excuse for inaction: ‘There’s lots of NGOs that are engaging with the same companies with slightly different messages […] there’s different scorecards, guidance […] companies sometimes take advantage of sort of that mixed messaging.’

In our findings, NGOs emerge as powerful stakeholders in the POSN. NGOs develop research and methodologies to benchmark, expose and hold companies to account (either directly or by mobilising other stakeholders of the POSN), demonstrate flexibility and opportunism in their approaches to stakeholder engagement and engage with a wide variety of stakeholder groups.

According to the ‘radical flank effect’, the division between confrontational and collaborative NGOs might be a necessary and positive tool to engage firms to participate and commit to stronger sustainability practices (Burchell & Cook, 2013). However, the data also suggest that an opposite negative radical flank effect can occur which might lead to a disengagement of various stakeholders. This effect might be particularly strong, if private actors do not foresee a sufficient value capture from their interactions with NGOs and other stakeholders (Chatain & Plaskenova, 2019).

Furthermore, a key role of NGOs is to act as knowledge brokers and norms setters (Saunders et al., 2019). In the case of the HCSA, for example, consultancies such as Earthworm played an important role in formalising definitions of forests between multiple stakeholders (Cheyns et al., 2020), and facilitating engagements between previously opposed GVC stakeholders such as Greenpeace and Golden Agri-Resources (Poynton, 2014). The work of NGOs in framing sustainability (through framing unsustainability in campaign and benchmarking activities) represents another form of expert knowledge and norms setting in the POSN. Through such engagements and resulting mechanisms of implementation (e.g., the HCSA), notions of ‘green growth’ may be reinforced. It may be considered that NGOs are adopting green growth narratives to use the current system to drive at least some progress while also being aware of the need for a system change and the fact that there is no silver bullet to addressing the complex political economic problem of deforestation.

Processes of engagement between NGOs and private sector stakeholders in the POSN require NGOs to be well-resourced (Peng et al., 2022) to ensure meaningful participation in, for example, the RSPO taskforce to implement Resolution 6D (‘Discouraging RSPO Members Subject to Complaints from Avoiding Their Obligations by Divestment or withdrawing their Membership’), which included a legal assessment to explore the feasibility of the resolution (RSPO, 2020). Furthermore, even though NGOs are involved in such initiatives due to the conservation or social concerns they represent, they need to be skilled in communicating with and relating to private sector stakeholders, expressing or tactically adopting a ‘pragmatic’ stance and a managerial, financial and legal rationality. NGOs are now hiring former financial sector employees and building technical capacity to meet corporates on their own playing field (e.g., WWF Singapore’s Sustainable Finance programme, Oxfam Novib’s Transparent and Accountable Finance work). Therefore, there is a flow of people, skills and rationalities between stakeholder groups. Djama et al. (2011) highlight how the rationalities and practices of corporate management have spread into NGOs, who increasingly incorporate concepts from accounting (e.g., accountability and transparency) into their operations. ‘Managerialism’ has emerged in recent years, where the collection of knowledge and practices intended for corporate management are being systematically aimed at increasing the efficiency of collective action (Townley, 2002 cited in Djama et al., 2011). Through this managerialism, the boundaries between NGOs and other organisations in the POSN become less clear, with certain positions and types of knowledge thus being represented. This may lead to the exclusion of alternative—and potentially more radical or systemic—routes to addressing deforestation.

5.5 Costs of implementation

A critical tension between the stakeholders in the palm oil GVC related to who bears the costs of implementing initiatives aimed to shift towards deforestation-free palm oil. A consultant based in Singapore (Participant 30) expressed concern that downstream stakeholders in the palm oil GVC make zero deforestation commitments while passing on responsibility to their suppliers: ‘[…] Everybody is really quite pissed off with the retailers because actually they don’t
want to pay for any of it. This concern was echoed in relation to buyers and traders in the GVC, by a consultant based in Indonesia (Participant 7): ‘What’s great about the palm oil industry is that you’ve got thousands of growers. You’ve got thousands of manufacturers and consumer goods companies, but you don’t have that many traders in the middle. The industry bottleneck is in the middle [...] The traders is where you can make the most impact, because of the way the market works and there’s so few buyers.’ The consultant further described the tensions felt by the traders with whom his organisation works: ‘The traders get really annoyed [...] they’re always saying “why are we the ones that have to do all this work and pay for everything and the brands just don’t do anything.” They [brands] just send a message to traders saying, “we don’t want to have oil from this company”, but they’re not willing to pay for the segregated supply and are not willing to pay for a premium.’ These findings highlight the practice of lead firms in GVCs (e.g., CGMs and retailers) extracting demands from their suppliers and promoting further consolidation of their supply base while failing to pay for implementation may be described as a ‘sustainability-driven supplier squeeze’ (Ponte, 2019, p. 18). Previous research on sustainability transitions and sustainable supply chain management literature has flagged cost-sharing as a key issue (Bogdanov et al., 2021; Govindan et al., 2021). For example, in their study on cost and value sharing mechanisms of supply chain due diligence, Schleper et al. (2022) find that implementation costs are disproportionately born by powerless upstream actors. They call for a bottom-up view for cost-sharing mechanisms for sustainability to ensure that upstream suppliers are not squeezed by more powerful supply chain players downstream (Schleper et al., 2022).

From the perspective of a retailer (Participant 2), the issue of scale was an important barrier for more ‘meaningful’ engagement: ‘Deforestation is a tough one because, yes, obviously it’s linked to your products, but very often it’s quite remote from where we are in the supply chain as a retailer. So, the only thing we can [do to] actually achieve something is to find others who can help. You can work together to work on the topic, that can range from retailer groupings to roundtables like RSPO or RTRS, to all kinds of other groups that can help you?’ Engagement through MSIs can support efficient, cost-effective interactions with ‘others who can help’, and from the perspective of the retailer, can potentially have a more significant ‘impact’ (at scale) than bilateral and seemingly distant supply chain interactions.

A consultant convening a UK-based initiative for sustainable commodity sourcing stated that a large problem in meaningful engagement is that of misleading communication (Participant 23): ‘I think the biggest [challenge] is that people aren’t very clear about what cards they’re putting on the table and what they’re willing to do [...] People will say things in the room, and then they won’t do them when they leave the room [...] It creates misleading progress.’ This echoes a criticism of engagement (from NGOs or more radical investors) in relation to certain sectors like fossil fuels: that engagement unintentionally delays radical action or intentionally masks cynical strategies to stay invested in the company or lucrative sector as long as possible (PRI, 2022).

### 5.6 The role of government

Across stakeholder groups, participants highlighted the importance of local, regional and national governments, of both producing and consuming countries, in moving towards deforestation-free palm oil, and in addressing deforestation more broadly. Out of all the stakeholder groups, palm oil companies put most emphasis on the need for producer/producing country government engagement due to private sector initiatives for deforestation-free palm oil being (or appearing to be) adhering to stricter environmental and governance standard than what is required by state regulation. Participant 9 stated that engagements with the government revealed tensions between corporations’ sustainability policies and those of the government: ‘Usually when we come up with these [sustainability] policies, [the government] ends up being completely confused or get very agitated at why we’re undercutting their policies.’

Participant 4, a representative of an investment company, stated that it had historically been ‘very difficult’ to engage with the Indonesian government, but claimed there was a need for investors and consuming countries to engage more with producing country governments on deforestation: ‘I think historically we’ve always been quite reluctant to engage with governments. We’ve done some work during a palm oil trip to Indonesia to engage with the government, but it has been very difficult [...] I think what is really interesting is to look at that connection between sort of the bilateral engagement between countries, in terms of more sort of diplomatic relations and how investors, who have always been separated from that, could be more connected [...] That is really an interesting area where there is a lot of room for driving a joint agenda.’

Although some NGOs have been critiqued for their alignment with corporate objectives and neoliberal mechanisms for conservation (Dauvergne, 2017), some claimed to play an important role in strengthening public regulation by governments, while concurrently promoting enhanced transparency and voluntary approaches. For example, according to Participant 26 (an NGO representative), ‘We clearly see that there is a role for regulation to increase the mandate and the sense of urgency that either financiers or companies have in addressing environmental and social governance issues [...] So, we try to use market approaches to improve corporate transparency and behaviour, but we are aware of that the demand also depends very much on the level of the playing field and on what is obligatory versus voluntary.’ A consultant from Peru (Participant 28) stated that ‘there is not much expertise [within the private sector] in collaborating with public sector institutions, for example. With NGOs there’s a lot of experience there [...] I think collaborating with the public sector has not been something companies have been very keen to explore in the past, and now they’re recognising that there’s no way out of this one without collaborating with the public sector [...] It’s challenging because [the] public sector is under-resourced, under-financed, too, in developing countries [...] There’s corruption, there’s self-interest.’

Government engagement was also seen by NGOs as critical for achieving their conservation aims, for example ‘Increasingly, for us it’s
about engaging, not just with national governments about setting the right standards and planning or production standards, but working with local and regional governments in terms of better spatial planning [through] identifying high conservation value areas, high carbon stock areas, looking at the water basin and looking at different land use models, looking at productivity for habitats, looking at restoration options’ (Participant 19). This more holistic approach to land use planning has given rise to attention to ‘jurisdictional’ or ‘landscape’ approaches, which necessitates a broader approach than can be achieved in the POSN alone, involving other commodities and industries beyond palm oil. There is a need to engage with government to examine alternatives to palm oil production in certain landscapes, as palm oil companies are generally concerned with a single commodity: ‘You can’t really convince a palm oil company, ‘we don’t want palm oil to be there, that area is not appropriate for palm that’s going to result in significant deforestation or peatland loss, degradation. It should be another commodity’ [...] but which palm oil company in a roundtable is going to tell you what those alternatives can be? You have to work with the government to look at different options’ (Participant 19). Through such approaches, multiple stakeholders may be engaged at once, which may be considered a cost-effective form of engagement; as well as ensuring a more sustainable (or lower risk) sourcing area.

Engagement with governments is critical to address deforestation. In common with our study, Begemann et al. (2021) found that participants perceived state stakeholders as key in providing supportive regulatory frameworks for reducing deforestation in palm oil production. While participants in Begemann et al.’s (2021) study did not report that supporting regulatory frameworks would be established at the global scale and pointed to the need for regional and inter-regional coalitions to innovate global forest governance, participants in our study frequently mentioned the need for improved engagement between producing and consuming governments. An example of disengagement was the EU’s restrictions on palm oil and oil palm crop-based biofuels from Indonesia, which led to a World Trade Organization complaint against the EU (WTO, 2019). In the context of deforestation in the soy supply chain, Guerrero et al. (2021, p. 130) further emphasise the need for NGO-government engagement as governments ‘can play a key role in creating financial, and other, incentives for companies globally, and in supporting and incentivising producers locally’.

Stronger state regulations may support in shifting power dynamics back towards smaller producers rather than buyers and thus support more equitable relations in the palm oil GVC (Grabs et al., 2020). However, without improved forest governance beyond the palm oil GVC, any efforts to ‘clean it up’ will be limited, as market mechanisms can exacerbate local income inequalities and power asymmetries in contexts of weak forestland governance (Delabre & Okereke, 2020). Furthermore, the dominance of the corporate and entrepreneurial states in globalised commodity production and trade (Harvey, 2005) means that neoliberal states support free markets and free trade, protect corporate property rights and maintain the status quo.

6 | CONCLUSIONS

By examining the multiple and dynamic uses of mechanisms and tools for engagement and disengagement in the POSN, we have tried to address the inclusion bias in global commodity chains research. We have further demonstrated how engagement and disengagement are two sides of the same coin: the threat of disengagement (including divestment or supplier deselection) must be credible to both promote engagement itself and to incentivise changes to practices. Notably, however, in the absence of favourable political economic conditions, disengagement may neither necessarily nor consistently produce desirable outcomes in terms of reducing deforestation.

We have also contributed to the scholarly debates on firm–NGO interactions, highlighting how firms and NGOs interact directly but also collectively, in complex ways through mechanisms and tools for engagement and disengagement, and in particular MSIs. While stakeholders in the POSN are diverse, the boundaries between stakeholder groups become blurred as certain norms and knowledge claims circulate in the network. Knowledge politics between different stakeholders influence, shape and reshape GVC governance through the promotion or exclusion of particular approaches to deforestation-free palm oil. For example, the knowledge claim that ‘engaging rather than excluding suppliers or investees was more effective in addressing deforestation’ was used by stakeholders to make further sustainability demands of suppliers or investees; and the knowledge claim about what actually constitutes a forest (e.g., through HCSA), which is legitimised by stakeholders, risks ‘rendering technical’ the problem of deforestation (Li, 2007), to the exclusion of other potentially more sustainable approaches. However, different stakeholder groups represent multiple forms of knowledge, which can be mobilised at different times and for different purposes, promoting both market-based solutions while simultaneously appreciating the need to strengthen the role of public regulation.

Wide-ranging mechanisms and tools for engagement and disengagement are employed by different stakeholders in the POSN. Recurring themes in our interviews included the role of MSIs in engagement processes, the role of transparency tools and platforms for enabling engagement, the role of the finance sector, the oppositional/supportive nature of NGOs, the issue of who pays for implementing ‘no deforestation’ and the role of government.

Powerful stakeholders and initiatives emerged as important in knowledge production and norms setting in the POSN, with consultancies positioned as producers of ‘expert’ knowledge, and NGOs—both confrontational and collaborative—generating norms. Rather than ‘seeking alignment’ or accommodation between stakeholders in the POSN as targeted through consensus-building in the RSPO, it may be more effective for stakeholders to make their positions and assumptions explicit. This could avoid ‘misleading progress’, occurring when stakeholders use rhetorical devices during their engagement practices, and later demonstrate a lack of commitment. Consequently, there needs to be a re-politicisation of the problem of deforestation and its solutions beyond a single commodity focus and technical fixes. This study emphasises the importance of engaging in holistic and
often complex conceptions of deforestation and effects of engagement and disengagement, and recognising plural and heterogeneous perspectives, to support more progressive strategies to address deforestation in the palm oil GVC. Future research could examine engagement strategies in multicommodity forums or jurisdictional approaches to identify parallel forces at work in sustainability governance and the leverage points for sustainable change in GVCs.

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CONFLICT OF INTEREST STATEMENT

The authors declare no conflict of interest.

REFERENCES


APPENDIX A

Semistructured interview guide

1. Please could you describe your professional background?
2. What are your motivations for undertaking this role?
3. For your organisation, who are the most important stakeholders to engage with in relation to (a) ESG, and (b) deforestation?
4. What are the most important drivers for stakeholder engagement on (a) ESG and (b) deforestation, from your organisation’s perspective?
5. What are the main ways in which your organisation engages with the stakeholders (mentioned in Q1) in relation to (a) ESG issues and (b) deforestation?
6. Within your organisation, who or what department is responsible for stakeholder engagement on (a) ESG issues and (b) deforestation?
7. What are the most significant challenges you face in relation to engagement processes?
8. What might support you in addressing these challenges?
9. Are there tools or initiatives that support you in your engagement processes? If yes, please specify which ones and how they are used.
10. Does your organisation participate in multistakeholder initiatives in relation to (a) ESG issues, and (b) deforestation? If yes, please specify which ones.

## APPENDIX B

Predominant mechanisms and tools for engagement and disengagement (expanded).

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Predominant mechanisms for engagement and disengagement</th>
<th>Predominant tools for engagement and disengagement</th>
<th>Illustrative quotes</th>
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</thead>
<tbody>
<tr>
<td>NGO</td>
<td>Campaigns, Roundtable for Sustainable Palm Oil (RSPO), High Carbon Stock Approach (HCSA), High Conservation Value (HCV) Network, Tropical Forest Alliance (TFA)</td>
<td>Disclosure and transparency tools (e.g., ZSL SPOTT [Zoological Society of London's Sustainability Policy Transparency Toolkit], CDP Forests, Forest500), traceability tools (e.g., Trase), satellite monitoring technologies (e.g., Global Forest Watch), lists of supplier mills (e.g., Unilever)</td>
<td>‘[...] Using [Global Forest Watch and Trase] a lot [...] commissioning some of our own research [...]’ [Participant 20] ‘[...] Explaining our data and methods, so through presentations or webinars or one on one meetings.’ [Participant 25] ‘[...] Used SPOTT as an engagement tool ... other satellite analysis that might have been done by other NGOs ... Anything that increases transparency is good [...]’ [Participant 21]</td>
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<tr>
<td>Palm oil producer/trader</td>
<td>RSPO, HCSA, HCV Network, TFA, specialist consultancies, grievance mechanisms, suspend and engage policies</td>
<td>Satellite monitoring technologies (e.g., Global Forest Watch),</td>
<td>‘When we engage with our suppliers, and we just realized that actually definition[s] of forests are different - what we understand may not be what the stakeholders understand. So, through that engagement actually it improved a lot and it makes them understand what is the requirements and what is the HCV and HCSA assessment, things like that. So, I would say you're making changes on the ground. And we manage to stop a lot of deforestation because of our NDPE policy and then our stakeholder engagement increases to raise awareness on the deforestation issue.’ [Participant 11] ‘Since January 2019 we've implemented the ‘suspend and engage’ policy. So we would go on the ground and [...] we will verify the case we will check whether [there is] actual deforestation or actual non-compliance to our policy, and in cases where that has happened, we will suspend trade with their group. And then engage with them to get them back on board.’ [Participant 11]</td>
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<tr>
<td>Consumer goods manufacturer</td>
<td>Global Resources Initiative, Palm Oil Transparency Coalition (POTC), Consumer Foods Forum (CGF), TFA, New York Declaration on Forests, specialist consultancies (e.g., Earthworm), RSPO</td>
<td>Disclosure and transparency tools (e.g., SPOTT, CDP Forests), satellite monitoring technologies (e.g., Global Forest Watch)</td>
<td>‘CGF and POTC and things like that are, have been [...] the most active and also hugely time consuming, very resource intensive because of the nature of it. So, for example [for the] CGF, there are weekly calls [...] It's almost a full-time job and then when you get on these calls, you'll have 25 different company representatives, you have to start with the anti-trust calls every meeting. Then you have your agenda and you work through it. And [...] you're very mindful that that's a forum where you want to be having open dialogue, but at the same time, you're competitors [...] and you're [...] bound by competition law to not share certain things.’ [Participant 2] ‘I suppose the roundtables to help you to find those other organisations, because after all, they are virtual roundtables. Virtually you sit with many different companies, organisations, governmental representatives at the table.’ [Participant 22]</td>
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</tr>
</thead>
<tbody>
<tr>
<td>Investor</td>
<td>RSPO, specialist consultancies (e.g., Satelligence), Principles for Responsible Investment (PRI) Palm Oil Working Group</td>
<td>Disclosure and transparency tools (e.g., SPOTT, CDP Forests), traceability tools (e.g., Trase), satellite monitoring technologies (e.g., Global Forest Watch)</td>
<td>‘We engage with companies through meetings, email, telephone etc. and we engage with NGOs in similar ways. We also engage with other investors through the UN PRI group whereby we approach companies with three or four investors and get others on board.’ [Participant 4] ‘[…] A lot of interaction with civil society […] as well. They provide a lot of research that we use. Be it through benchmarks, which they set up, be it through other ways of providing research, they’re often sort of the critical voices following companies on the ground and it’s our role of sustainability specialist to translate their findings into how we can connect on those as an investor.’ [Participant 8] ‘Nowadays it’s a Zoom and Teams calls predominantly. Prior to that, there was actually a lot of conference calls with most companies. Management meetings, when they come by on the road show when they would come to the come to our office. Meeting at conferences, sometimes with specific trips [where] we would arrange to meet a couple of companies in one day in one city with a group of investors, but that’s more by exception, because that’s very time intensive and costly to set up, but with some of the palm oil companies. [RSPO is] obviously a very great place for all of the companies that are RSPO members are also represented […] the PRI palm oil working group is very important […] we’re very active members there […]. So, there’s various groups where we are active to collaborate with other investors […]. [Which are] very important platforms to collaborate, share knowledge and also find ways to disseminate our, our message jointly to other groups in the system.’ [Participant 8]</td>
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<tr>
<td>Consultancies</td>
<td>RSPO, Global Resources Initiative, POTC, NGO campaigns, grievance mechanisms.</td>
<td>Disclosure and transparency tools (e.g., SPOTT, Forest500, CDP Forests), traceability tools (e.g., Trase), satellite monitoring technologies (e.g., Global Forest Watch)</td>
<td>‘Having something public is really, really useful just to kick the companies. You can say, ‘Look, Rainforest Action Network are going to open to use this case in a public campaign, they will name you as a buyer’, they suddenly are panicking, and they will take action.’ [Participant 7] ‘I always see [RSPO] more as a forum to discuss. When we go to its conferences, a lot of people don’t even go to the presentations. They use it as a networking opportunity. I do still think it really has its place and particularly for using the complaint system.’ [Participant 7]</td>
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Abbreviations: CGF, Consumer Goods Forum; CDP forests, Carbon Disclosure Project forests; HCSA, high carbon stock approach; HCV Network, High Conservation Value Network; NDPE, No Deforestation, no Peat, no Exploitation; POTC, Palm Oil Transparency Coalition; PRI, Principles for Responsible Investment; RSPO, Roundtable on Sustainable Palm Oil; SPOTT, Sustainability Policy Transparency Toolkit; TFA, Tropical Forest Alliance.