Characterization of Sustainability Leaders and Laggards in the Global Food Industry

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Abstract: The global food industry has a critical role to play in achieving multiple Sustainable Development Goals (SDGs). Accordingly, global firms in this industry pursue a wide array of sustainability issues. However, it remains unclear as to how leading firms differ from laggard firms in the industry in terms of their overall approach to sustainability and SDGs. To bridge this gap, we conducted in-depth interviews with sixteen experts comprising representatives of global firms, non-government organizations (NGOs), and researchers and academics. First, we identified five sustainability performance criteria—engagement with multi-stakeholder groups (MSGs), measurement of sustainability outcomes, resource commitment by top management, integration of sustainability programs with traditional management systems, and a robust process for the identification of specific sustainability issues or SDGs. Then, we found that leaders and laggards are markedly different in their approaches to pursue these performance criteria.

Keywords: corporate sustainability; agrculture and food industry; leader and laggards; thematic network analysis; sustainability; SDGs

1. Introduction

The global food industry has a critical role to play in the achievement of multiple Sustainable Development Goals (SDGs). This industry is the cornerstone of global food security—the emergent need to feed at least 9 billion people by 2050 [1]. The food industry is also critical for its economic significance, especially in developing and least developed countries. Furthermore, the food industry has profound implications for the environment as it contributes approximately one-third of global greenhouse gas emissions [2] and causes massive tropical deforestation [3,4], which threatens endangered species [5] and fragile ecosystems [6,7]. Because of the enormous impact that the food industry has on society and the environment, various forms of sustainable farmland production are explored that, among others, include corporate farming [8], small scale local farming [9], and cooperative farming [10]. Although the majority of the world's farms are smaller than 2 hectares [11], global food supply networks are dominated by large food firms, making it imperative that they commit to and implement sustainability in their operations [8,12]. As a result, critical stakeholder groups—e.g., non-government organizations (NGOs), consumers, and knowledge institutions—increasingly demand that food firms integrate sustainability considerations in their operations [13,14].

Previous studies have identified a number of wide-ranging sustainability issues in the food industry that include the inhumane treatment of livestock [14,15], environmental contamination due to pesticides

and fertilizers [16,17], genetically modified crops [18], water usage and recycling [19], questionable marketing practices [20,21], monopolistic practices [22,23], poor corporate governance [13,24], bad working conditions [25], land use change [26], and small farm exclusion [27].

Such wide-ranging and profound sustainability issues have made food industry a center of scholarly attention, and several studies have analyzed how individual firms in this industry engage with sustainability issues. These studies provide rich insights into firms sustainability strategies [28], their approaches to assess sustainability impacts [29], and the tools they use to communicate their sustainability actions to stakeholders [30]. This literature also acknowledges that many food firms struggle to develop and implement effective sustainability strategies [28], with only a few firms leading sustainability practices and many others lagging far behind. In this research, we seek to characterize and discern these two groups of firms—sustainability leaders and laggards in the food industry—to better understand how leaders can push progress and how laggards can catch up to ultimately ratchet up sustainability standards in the food industry.

2. Literature Review

The sustainability performance of a firm can be viewed as a spectrum ranging from outstanding to inadequate. Firms rated as sustainability leaders are often proactive in addressing sustainability issues, exploring innovative solutions by mobilizing resources and actors interested in particular sustainability issues, and many times setting the sustainability agenda for their industry or geographic region [31]. Conversely, firms that are considered sustainability laggards often ignore stakeholder concerns about sustainability and the need to change their behavior [32]. Contrary to leading firms that usually direct their attention externally as much as internally, laggards are marked by a widespread lack of interest in sustainability and tend to focus on their internal concerns and priorities [32,33].

Being considered a sustainability leader or laggard is as much about stakeholder perception of a firm as it is about the firm's actual sustainability performance. In fact, there is often a large gap between firms' sustainability performance and stakeholder perceptions [34]. This difference, of course, can have significant consequences for firms. Stakeholders concerned about sustainability issues tend to reward sustainable firms and punish firms that are perceived as unsustainable [34,35]. Therefore, having a reputation for sustainability leadership can serve as an important competitive advantage for firms by attracting and retaining employees, investors, and customers and serving as a reputational buffer during times of crisis [35,36].

Studying sustainability leaders and laggards can bring essential insights to researchers and practitioners. Sustainability leaders often serve as trendsetters, defining the sustainability agenda for their industry sector and/or region through best practices, self-regulation efforts, and public policy debates [31]. Laggard firms, in contrast, are often seen as examples of what not to do. Often, these firms are still struggling to understand the importance of sustainability for business and are inactive or initiating the transition into a sustainability mindset [32,33].

Given that most firms fall somewhere in between the leaders and the laggards in the sustainability performance spectrum, the study of leaders and laggards can provide excellent examples about tackling sustainability-related challenges and moving the sustainability agenda forward in an industry. Despite the importance of learning from negative examples as well as from positive ones, few studies investigate and compare the behavior of both leaders and laggards in sustainability and even fewer consider these differences within a specific industry sector [32,37]. Herremans and colleagues compared leaders and laggards in the Canadian petroleum industry and found that, while leaders were in sync with the concerns of their stakeholders about environmental issues, laggards were more attuned to the local cultural, political and economic ideals that demanded less attention to environmental issues [32]. Makipere and Yip examined sustainability leaders and laggards across industries and found that sustainability leaders take a holistic approach to their corporate sustainability (CS) activities, paying attention to all three dimensions of sustainability, while laggards have a narrower approach [37]. Our focus in this paper is on the global food sector. First, we identify critical sustainability performance

criteria for firms in this industry and then compare the behavior of leading and laggard firms with respect to how they approach each criterion.

3. Methodology

3.1. Research Context

The global food sector is facing challenges arising from diverse expectations from a variety of internal and external stakeholders. On the one hand, the food sector is expected to provide access to safe, nutritious and high-quality food and, on the other hand, it has to facilitate farmers to produce 70% more food to feed at least 9 billion people by 2050 [1], promote responsible agricultural practices, reduce environmental impacts, promote socially acceptable labor practices and strengthen farming communities along the value chain [38].

Both upstream and downstream sectors of the food supply chain are under severe scrutiny and criticism by critical stakeholder groups such as NGOs, consumer groups and knowledge institutions, who have become increasingly significant as watchdogs of business operations and their impact on society [13,15]. These include concerns over animal welfare and size of livestock operations [14,15,17], systematic environmental contamination by pesticides and fertilizers firms [15,16] and the use of genetic engineering by seed firms and GMOs [18].

The food and beverages industry is facing similar criticism concerning health effects [39,40], water usage and recycling [19], questionable marketing practices [20,21], obesity [41,42], alcohol abuse [43,44], corruption and price fixing [45], monopolistic practices [22,23], poor corporate governance [13,24], and bad working conditions [25].

Negative consumer and critical societal groups' perceptions can lead to legitimacy problems [17,46]. Several scholars have proposed that corporate social responsibility (CSR) practices can establish the legitimacy of business operations [15,47,48]. Besides, CSR benefits firms in cost savings, risk management, compliance with regulatory standards, strengthening of supply chains, efficiency, and streamlining and shared value creation. Global food firms are investing significant resources in instituting and tracking the progress of their corporate sustainability (CS) programs.

Apart from individual firm-specific initiatives, several industry-level organizations and consortiums are also working to accelerate the shift towards sustainability. For instance, Sustainable Food Lab, a consortium of business, non-profit and public organizations are geared towards market-based solutions to sustainability issues related to all People, Profits and Planet (3Ps) aspects of sustainability such as water (Planet), poverty (People), and nutrition (Profit). Similarly, the Sustainable Agriculture Initiative (SAI) Platform with mostly global food firms promotes the involvement of food chain participants to play an active role in the development of sustainable practices for mainstream agriculture [49]. They are working towards negotiating a standard set of sustainable agricultural practices at the farm level. This will facilitate the scaling up of sustainability standards along the value chain as all SAI member firms would use these standards in their supplier agreements. Similarly, the Global Social Compliance Program (GSCP) that consists of firms from several industries and includes food firms, such as Wal-Mart, Unilever, Carrefour, Chiquita, Dole, Starbucks, have come together and have created a reference tool for suppliers in relation to social and labor management systems which can be used by firms to benchmark their processes and send signals to the market about their sustainability commitments and performance.

3.2. Data Collection

We conducted semi-structured interviews with sustainability experts connected to the global food industry to identify sustainability performance criteria and differences between sustainability leaders and laggards based on these criteria. Semi-structured interviews are well suited for the exploration of perceptions and opinions of respondents regarding complex and at times sensitive issues and can be particularly appropriate to cases in which new narratives are being formed, such as the case

of the CS [50]. Sustainability experts were identified in consulation with academicians at a large public university working in the area of food sector sustainability. Previous studies have adopted this approach to identify information-rich cases, i.e., experts, for conducting personal interviews [51]. A total of 35 experts were identified. Typically, the term "sustainability" was part of the job title of these experts and they represented three major stakeholder groups in the food industry: food firms (i.e., business experts), NGOs (i.e., NGO experts), and researchers and academics (i.e., knowledge institution experts). All these experts had at least ten years of work experience in sustainability-related issues in the food industry. Experts were contacted first via email and subsequently followed up with phone calls. In total, 16 experts agreed to participate in the study. Out of these 16 interviewees, six were business experts, five were NGO experts, and five were knowledge institutions experts. Interviews were conducted from October–November 2013.

To develop our interview protocol, we set out to identify CS performance criteria relevant to the food industry. To do so, we constant analyzed CSR reports of food firms, industry standards guidelines (e.g., ISO 26000), and Corporate Sustainability Rating Methodologies (DJSI and KLD), and the CSR and CS literature specific to the food sector [52,53]. We looked for criteria that recurred across these documents and identified the following nine criteria that were repeatedly emphasized: (1) primary motivation for engaging in sustainability, (2) processes through which sustainability issues are identified, (3) level of engagement with multi-stakeholder groups in food sustainability, (4) resource commitment level of top management to CS, (5) portfolio of sustainability initiatives and projects, (6) integration of sustainability programs with traditional management systems, (7) measurement of sustainability outcomes, (8) communication of CS programs, and (9) third-party audit of CS programs. Our interview guide asked interviewees to first identify the top five CS performance criteria for food firms. Secondly, they were asked to identify how leaders and laggard firms differed on these five criteria. Interviewees were asked to answer questions from the overall industry perspective and not from the perspective of their own organizations. This freed respondents from having to defend their organizations' strategy, thus enhancing the reliability and validity of study findings.

3.3. Data Analysis

We used thematic analysis to analyze our interview transcripts [54,55]. This methodology is useful for unearthing, analyzing, and reporting patterns (i.e., themes) within the data [54,55] by allowing researchers to interpret various aspects of the research question [55,56]. Thematic networks result from the analysis providing web-like illustrations that summarize the main themes in the qualitative data.

Data analysis was conducted in two steps. In the first step, we identified CS performance criteria for firms operating in the food industry by using the nine pre-established attributes identified in our interview protocol as well as attributes identified by respondents. The second step consisted of coding for factors that differentiate between sustainability leaders and laggards in this industry sector. We used Atlas.ti (version 5), a qualitative data analysis software, to assist us in organizing data during the data analysis process.

Data were coded into basic, organizing, and global themes (Figure 1). Basic theme, as the name suggests, is the most basic or lowest order theme that does not convey much about the text on their own [54]. However, a number of basic themes around the same issue can form a cluster which is known as an organizing theme. Organizing themes are middle order themes that serve to identify similarities and differences in basic themes, organizing them into possible concepts that explain the phenomenon under investigation [54,57]. These themes lead to the construction of networks and are specific enough to be discrete and broad enough to cover a set of ideas contained in the coded text segments. Themes derived from the coded text are assembled into similar and coherent groupings that become thematic networks. A group of organizing themes constitutes a global theme, which is a macro theme that summarizes and makes sense of clusters of lower-order themes based on data [54].
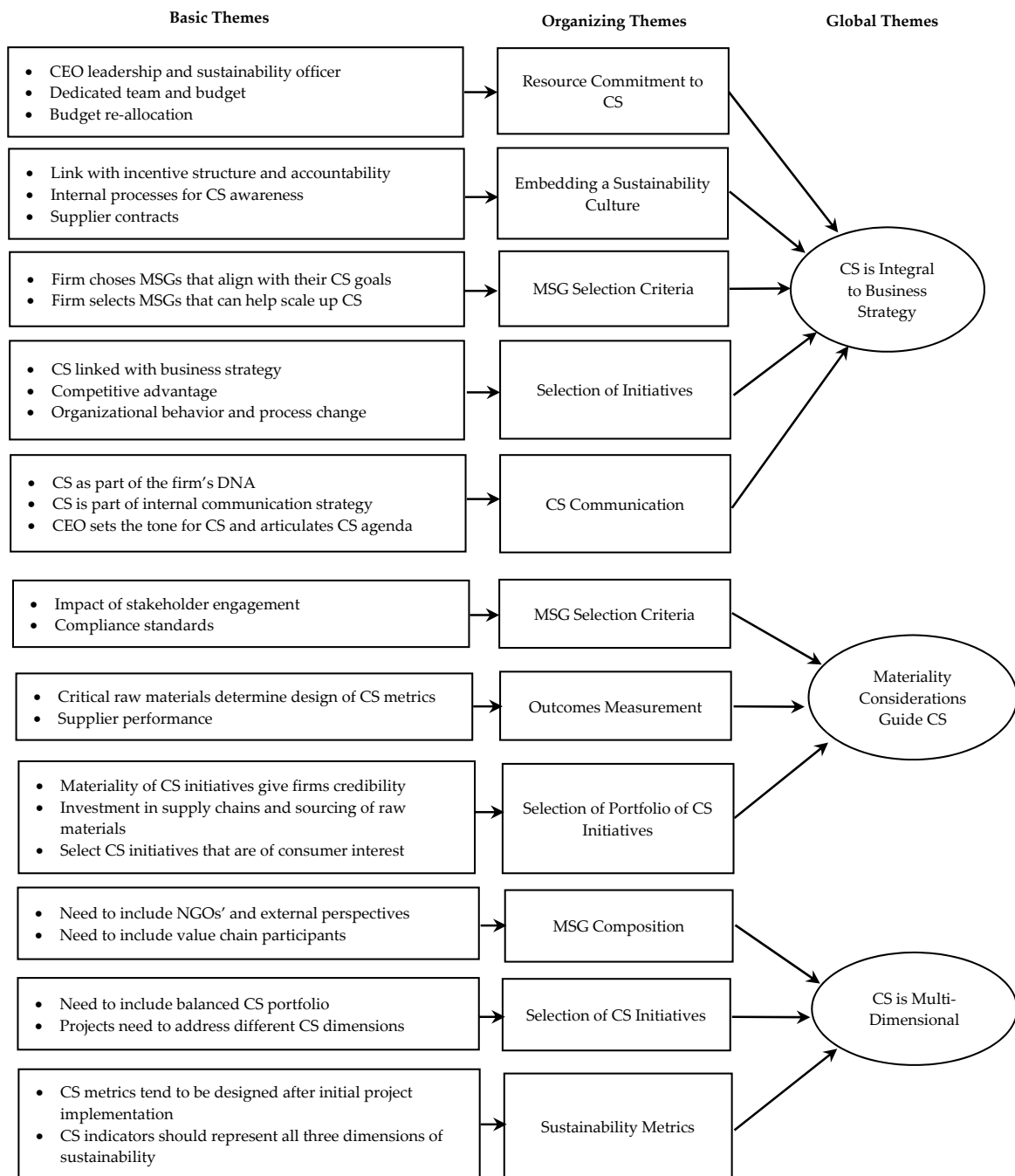
Figure 1. *Cont.*
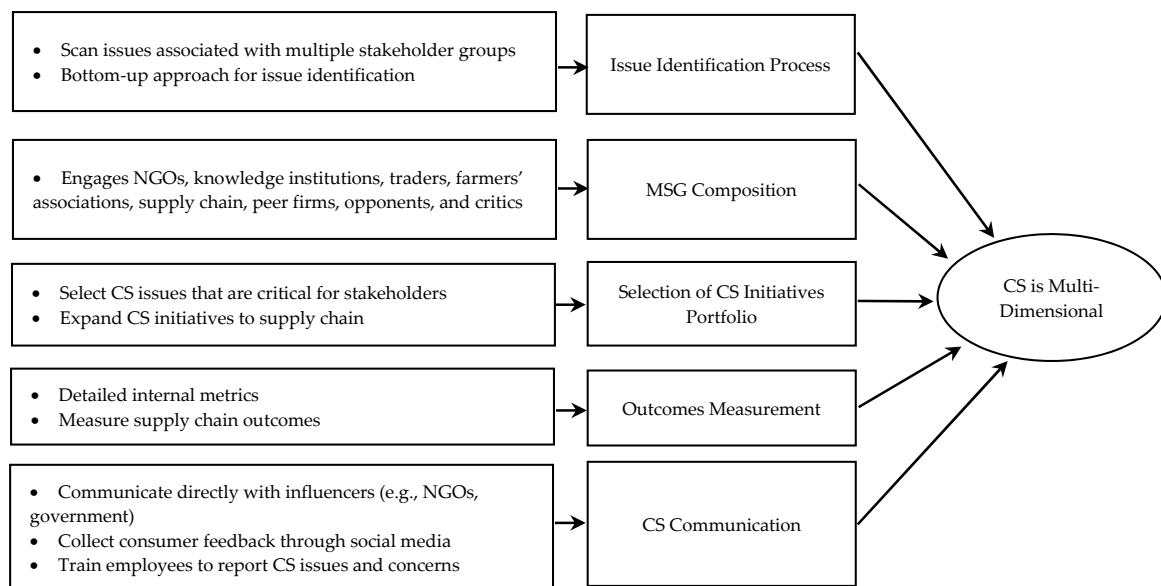
Figure 1. Coding for thematic network analysis. Issues are more likely to be selected due to the potential positive impact these groups can have on the reputation of firms and being groups where laggard firms can take an observer role with minimum effort and contributions to group activities. MSG = multi-stakeholder groups; NGO = non-government organizations; CS = corporate sustainability.

Experts from knowledge institutions argued that laggard firms would select multi-stakeholder groups (MSGs) that can help them address compliance issues more efficiently. According to these respondents, MSGs that are knowledgeable about the markets are also of interest to laggard firms. These MSGs can help them identify risks and propose practical solutions in the form of new ideas and products.

Experts from NGOs believe that laggard firms might not even engage with MSGs at all. These respondents argued that engagement in MSGs could be complex and costly, especially for laggards firms that generally do not address sustainability issues. Conversely, other NGO experts contended that laggard firms are most likely to join less diverse MSGs that have likeminded stakeholders and are more likely to be working on internal sustainability issues that do not require engagement with a broad range of stakeholder groups.

4. Results and Discussion

Sustainability experts identified the top five CS performance criteria for firms operating in the global food industry. These criteria, in the descending order of importance, are: (1) engagement with multi-stakeholder groups (MSGs), (2) measurement of sustainability outcomes, (3) resource commitment by top management, (4) integration of sustainability programs with traditional management systems, and (5) processes for the identification of sustainability issues. Following this, respondents identified how firms that are leaders in sustainability differ from laggard firms according to these criteria. Table 1 summarizes the differences between sustainability leaders and laggards in the food sector for each sustainability performance criterion.

Table 1. Five Most Important Sustainability Performance Criteria for Sustainability Leaders and Laggard Firms in the Food Industry.

Sustainability Performance Criteria	Sustainability Leaders	Sustainability Laggards
Engagement with Multi-Stakeholder Groups (MSGs)	- Proactively engage with MSGs - Select MSGs with a broad scope of sustainability issues and stakeholders for firm - Prefer MSGs that focus on supply chain sustainability - Select MSGs with well-defined governance structure, frequent meetings, ability to partially manage sustainability issues for firms, and resources for scalable projects	- Are minimally involved in MSGs and usually take an observer role - Select MSGs that help firm achieve its goals - Select either broad or less diverse MSGs, depending on firm goals
Measurement of Sustainability Outcomes	- Publicly report sustainability outcomes - Focus on internal and external (i.e., supply chain) progress - Focus on sustainability 'outcomes' instead of 'activities'	- Do not publicly report on outcomes - Focus on internal progress only - Focus on sustainability 'activities' instead of 'outcomes'
Resource Commitment to CS by Top Management	- Incorporate CS into firms' strategic planning process - Normally have internal teams solely dedicated to CS - Might or might not have a dedicated budget for CS	- Do not establish a CS-specific team; sustainability assigned as add-on task to existing employees - Might or might not have a dedicated budget for CS
Integration of Sustainability Programs with Traditional Management Systems	- Have transparent top–down communication, which ensures employees engagement with sustainability issues - Promote sustainability culture through rewards and incentives for proactive sustainability behavior - Offer firm-wide sustainability training which enforces a culture of sustainability	- Ensure that their top management is engaged with firm-level sustainability policies - Integrate sustainability within firms through the development of sustainability metrics
Processes for Identification of Sustainability Issues	- Focus on both internal and external (i.e., supply chain) issues - Identify issues through dialogue with employees and civil society and government organizations - Prioritize issues based on their materiality	- Focus on internal sustainability issues only - Identify issues through internal inspectors or external auditors or consulting firms - Prioritize issues based on their importance to the firm and their cost-effectiveness and potential financial returns

4.1. Engagement with Multi-Stakeholder Groups (MSGs)

Engagement with MSGs is the top-ranked sustainability performance criterion. This was listed as a top five criterion for all expert groups, and their responses emphasized the selection criteria for identifying MSGs and steps firms take to engage with MSGs. Multi-stakeholder groups comprise entities that coalesce to work together on issues of common interest and can involve representatives from businesses, civil society, and government organizations [58].

Laggards: Overall, respondents agreed that laggard firms that are part of MSGs do not actively participate in groups activities. They attend annual group meetings for networking and educational purposes but do little else to engage in dialogue with other participants. Business experts believe that laggard firms select MSGs that are likely to have the most significant immediate impact on firms' value and brand. Large and mainstream MSGs cover a broad range of sustainability.

Leaders: Global food firms have to address a large variety of sustainability issues and concerns of multiple stakeholder groups. Therefore, leading firms carefully select MSGs. Business experts believe that leading firms select MSGs based on group characteristics and the ability to engage with diverse stakeholders instead of specifically engaging with peer firms. Diverse MSGs help firms access a multiplicity of perspectives that different stakeholder groups have on sustainability issues. The decision to work with a MSG is not merely educational but is based on firms' recognition of their sustainability objectives, materiality, potential gaps between capacity and objectives, and major influencers.

Experts from knowledge institutions pointed out that leading firms seek MSGs that can help them pool the necessary resources to scale up their sustainability initiatives along their supply chains, associated communities, and industry sector. Supply chain collaboration is key to diffusing sustainability practices through supply chains, communities, and industry sectors. Therefore, MSGs that provide opportunities for engaging with members of firms' vertical and horizontal supply chains can help leading firms achieve this goal.

Business and NGO experts agreed that leading firms do not select MSGs based only on a pre-established group of stakeholders. Instead, they believe that these firms engage with MSGs that represent prominent voices for sustainability issues in the sector (e.g., NGOs, government, industry associations, and large firms) and supply chain partners. This approach helps firms comprehend the complexity and multi-dimensionality of sustainability issues. Conversely, experts from knowledge institutions believe that these firms do look for optimal MSG composition, but these experts emphasize that leading firms will likely participate in MSGs that include some of their suppliers.

4.2. Measurement of Sustainability Outcomes

Measurement of sustainability outcomes is a highly ranked criterion along with the engagement with MSGs. Three themes emerged from the data: two are general discussion points that pertain to both leading and laggard firms and one identifies differences between leading and laggard firms. The two general themes include (1) how firms can ensure the credibility of sustainability outcomes, and (2) what should be measured. The third theme differentiates among the types of sustainability outcomes that the leading and laggard firms measure.

Experts mentioned several criteria for confirming the credibility of sustainability outcomes, including objectivity, materiality, transparency, and audits and certifications. Objectivity refers to firms' ability to quantify sustainability targets and helps firms to measure and report progress based on measurable targets. Materiality, which refers to the areas firms decide to measure and report, is strongly connected with credibility because it shows to stakeholders the connection between what firms are doing and the reasons for these activities, which increases transparency and builds trust with different stakeholder groups. This explains why leading firms are directly investing in their supply chains and shifting away from philanthropic activities.

Transparency is another important factor that gives credibility to measurements of sustainability outcomes. Leading firms report their outcomes publicly, which leads to better quality data. Experts from knowledge institutions argue that leading firms are increasingly using Global Reporting Initiative

(GRI) standards in reporting as it increases the credibility of their sustainability outcomes. Besides, experts noted that the reporting of adverse outcomes helps to increase transparency and improve the credibility of sustainability outcomes.

Experts consider audits and certifications to be critical for the credibility of sustainability outcomes. They confer greater transparency to outcomes through third-party verification that can verify sustainability investments, measurement processes, and data quality. However, protocols used in such audits must be transparent to the public and should be meaningful in their scope.

Theorists and practitioners have long debated how sustainability performance should be measured [59]. Our data reflected similar disagreements among experts. Some experts argue that everything should be measured because what gets measured gets done, and vice versa. However, others disagree that everything should be measured. In their opinion, too much emphasis on measuring sustainability outcomes and on developing metrics can take away the focus of food firms from crafting and implementing sound, forward-looking programs. Many sustainability issues and outcomes, especially along the social dimension, cannot be expressed quantitatively and are not comparable across space and time. Similarly, there are concerns that developing sustainability metrics can sometimes be an expensive process particularly in cases where the responsibility of demonstrating sustainable behavior is placed on supply chain partners. Therefore even when multiple alternative sustainability metrics are available, careful consideration should be given to their cost for supply chain partners.

Laggards: Experts from knowledge institutions and NGOs believe that laggard firms focus on measuring internal progress related to energy, water, waste. These firms do not generally track resource use in their supply chains, and they measure sustainability outcomes that align with initiatives that enhance internal sustainability. Business experts believe that laggard firms generally measure their sustainability 'activities' and not 'outcomes' and, even if they measure outcomes, they do not report it externally because they have not established outcome-based metrics.

Leaders: Leading firms measure outcomes as opposed to activities. Their metrics are clearly defined and relate to environmental and social indicators. Also, these firms measure not only internal sustainability outcomes but also external ones. Measurement of external sustainable outcomes is centered on critical raw materials for the firm. Unlike laggard firms, leading firms track sustainability performance along their supply chains, including their suppliers' procurement and marketing practices. Employee's fluency on sustainability issues is an internal outcome recently adopted by leading firms, which helps them embed sustainability into their culture.

4.3. Resource Commitment to Corporate Sustainability by Top Management

Whether top management allocates resources to CS was the top most cited sustainability performance criterion that differentiates between laggard and leading sustainability firms. Experts identified three themes within this criterion: (1) the role of the CEO and top management in championing sustainability; (2) dedicated sustainability teams; and (3) CS budget.

Laggards: Given that laggard firms do not focus on integrating sustainability in their activities, experts agree that it is unlikely that top management would allocate resources for hiring a team of professionals to address sustainability issues within the firm. Instead, these firms tend to assign sustainability-related work as an additional task for existing employees. However, as NGO experts conveyed, there is a thin line between greenwashing and being genuinely minimally effective, and thus, resource allocation to CS should be carefully managed.

Experts did not agree on whether laggard firms should have a dedicated budget for CS. Some experts argued that laggard firms need an ongoing budget for carrying out sustainability activities. These firms are transitioning into CS, and they should commit financial resources necessary to help the firm gain momentum on CS. Experts recommended that firms should allocate approximately 10% of annual sales for sustainability activities. According to NGO experts, laggard firms often tie in CS investments with their product prices—i.e., a proportion of product sales revenue would be dedicated

to sustainability initiatives. These strategies can be effective in raising awareness among consumers and making CS investments more visible and credible.

　　Leaders: Leading firms incorporate sustainability in their strategic planning process. Top management allocates resources for implementing CS and assign CS-related responsibilities to managers. Therefore, experts consider the CEO and top management critical in incorporating CS as part of the overall corporate strategy. Experts agree that leading firms usually have internal teams dedicated to CS instead of simply adding sustainability to employees' existing workload. Generally, CS teams are not large groups within organizations, but their jobs are centered on firms' sustainability programs.

　　Business experts argued that leading firms should carefully select their CS teams. Ideal CS teams need a balanced number of employees with technical know-how of the system as well as skilled managers capable of justifying their activities from a business perspective. However, many times CS teams tend to have more employees with technical rather than managerial skills.

　　Experts did not agree on whether leading firms should have a dedicated budget for sustainability programs. Those that believe that leading firms should not have a dedicated budget for CS argued that CS is already integral to their business strategy and that sustainability issues are complex and, therefore, difficult to plan for. Those that believe that a budget should be allocated to CS argued that, to be credible, leading firms need to commit at least five percent of their earnings to CS. Given that leading firms already have established sustainability activities, the transition costs have already been covered and, therefore, they would likely require a lower dedicated budget for these activities when compared to laggard firms. They emphasize that allocating budgets helps to ensure the implementation of CS activities and that many times it is not about budget allocation but simply assigning resources differently.

4.4. Integration of Sustainability Programs with Traditional Management Systems

　　The integration of sustainability programs with traditional management systems is meant to create a culture of sustainability, representing a behavioral shift in firms' daily activities. NGO experts found this criterion particularly important, signaling that civil society organizations are looking for indications that food firms are not only investing in supply chain sustainability but are also working to create a robust internal sustainability culture. Although experts from NGOs and knowledge institutions considered this criterion important, the business expert did not. According to them, the integration of sustainability into business activities is already addressed by firm policies designed and implemented to embed CS within the organization.

　　Laggards: Business experts believe that, typically, laggard firms attempt to ensure overall engagement with the sustainability policy of the firm, but they do not expect all employees to have the same motivation when doing so. Experts from knowledge institutions posit that top management is responsible for integrating CS with traditional management systems since leadership is responsible for setting sustainability-related goals, arranging training, and monitoring firm sustainability activities. NGO experts believe that this criterion helps laggard firms integrate sustainability within the organization through the development of metrics that capture progress toward sustainability goals. These experts anticipate that once they have tested the efficacy and reliability of metrics for sustainability performance, it would become easier to effectively delegate the responsibility for performance to individuals inside the firm, thereby integrating sustainability with other management systems at the primary level.

　　Leaders: Experts identified several strategies that leading firms use to integrate sustainability with traditional management systems, including the need for transparent communication within firms, awarding sustainability-related behavior, and establishing training programs. Top–down transparent sustainability communication is essential to engage employees in sustainability-related dialogues and the sustainability issue management process. Leading firms promote a sustainability culture through rewards and incentives for employees' proactive sustainability behavior and making sustainability part of their hiring process. Besides, firms might penalize those employees that fail to comply with

firms' sustainability principles. Widespread organizational training about sustainability is another important aspect of leading firms approach to embedding sustainability.

4.5. Processes for Identification of Sustainability Issues

This is the fifth most important sustainability performance criterion that experts identified for food firms.

Laggards: Experts agreed that laggard firms tend to identify only internal sustainability issues through internal inspectors or external auditors and consulting firms. These firms frequently rank these issues based on how critical they are for the firm, availability of alternative solutions, and level of response needed to address these issues. Business and NGO experts suggested that, following the initial scan of their internal environment, these firms identify two to three sustainability issues that can be addressed in the most cost-effective manner and with the highest financial return to the firm. Besides, issue identification tends to be in line with firms' goals and motivations for pursuing sustainability-related issues.

Leaders: Experts agreed that leading firms focus on both internal and external (i.e., supply chain) sustainability issues. Experts argued that leading firms use the principle of materiality to identify sustainability issues, meaning that firms will focus on issues that have a direct or indirect on their ability to create and preserve value for themselves and their stakeholders [60]. A commonly used strategy for identifying sustainability issues through materiality is identifying and prioritizing sustainability issues related to firms' access to critical raw materials.

Experts from knowledge institutions indicated that leading firms could use bottom–up internal processes that engage all employees in identifying relevant sustainability issues. Besides, leading firms tend to engage in dialogue with civil society and government organizations as well as participate in sustainability consortia to understand critical sustainability issues. Therefore, leading firms use both bilateral and multilateral communication with stakeholder groups to identify sustainability issues.

5. Conclusions

The role of the global food industry is crucial for achieving multiple Sustainable Development Goals. We identified five sustainability performance criteria—engagement with multi-stakeholder groups (MSGs), measurement of sustainability outcomes, resource commitment by top management, integration of sustainability programs with traditional management systems, and a robust process for the identification of specific sustainability issues or SDGs—that are key to implementing sustainability among firms in the food industry. Leaders and laggards show remarkable differences in terms of how they puruse these performance criteria. Moving forward, food sector firms could lead industry practices by being scrutinized and evaluated for their sustainability performance not based solely on what they do but also on how they do what they do. For example, our analysis demonstrates that sustainability leaders prioritize supply-chain partners in both MSGs and sustainability outcome criteria, whereas laggards tend to have a more inward focus. At the same time, sustainability leaders are materiality conscious, so they can create shared value, transparently communicate it to relevant stakeholders, and engage their employees in developing a culture that fosters sustainability thinking.

As with any study, this study has multiple limitations. The low number of respondents (16) may lead to biased results, potentially omitting some viewpoints. However, it is not uncommon to see studies with similar sample sizes [53] given that qualitative, exploratory studies such as this are appropriate for initial explorations of complex issues like CS [50]. Future research could further inverstigate differences between leader and laggard firms, unravelling the ways in which CS practices adopted by leaders could be adapated to promote deeper CS changes among laggard firms and even supply chain partners. In addition, the role of MSGs grant further examination. Previous research has shown how impactful these groups can be in improving the CS of participating firms [61]. Future research could examine the ways in which MSGs help firms improve processes for CS. Although the certification of CS practices is usually perceived as a positive way to improve the transparency and

accountability of firms' CS activities, there are some studies that show that these social evaluations have their limitations, such as hindering innovation and increasing organizational hypocrisy [62,63]. Future research could examine whether and how these and other limitations occur for the certification of food firms' CS practices and potentially unearth ways to address these limitations and increase the sustainability performance of this sector.

The results of this study bolster the notion that firms' sustainability performance is a derivative of how firms approach sustainability. It is not simply a matter of how much efforts are put in, but also of how they are put in. Leaders simply do not do more of what laggards do—they do different things. Our hope is that this research will inspire scholars in other industry sectors to examine the differences between leaders and laggards, which may result in a more generalizable understanding of how and why leaders and laggards differ in their basic approach to sustainability and SDGs.

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