Master Thesis

Stakeholder engagement and sustainability integration;
A case study of Royal Ahold.

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Company name   Royal Ahold

Company Supervisor   Ir. H.j. Pietersen EMIA

Supervisor e-mail   Harm-jan.pietersen@ahold.com

University name   University of Utrecht

University supervisors   Ir. S. Witjes and Dr. W.J.V. Vermeulen

Supervisor e-mail   S.Witjes@uu.nl

Second Reader   Prof. Dr. E.H.M Moors

Student name   J.P.B Fikkert

Student e-mail   J.P.B.Fikkert@students.uu.nl

Student number   3514536

Abstract

Corporations around the world are increasingly starting to integrate sustainability practices in their business strategies. Many studies have stretched the importance of stakeholder engagement in this integration process; however few researches have focused on the relation between these concepts even though companies experience trouble with sustainability integration and aligning their vision and activities. This paper contains a research focused on the relation between stakeholder engagement and the integration of sustainability within organizations. This is based on an explorative qualitative single case study, including a seven-month participant observation period. A qualitative data analysis method was used for company data including eight semi-structured interviews with employees and a thematic analysis was conducted based resulting in emerging coding categories.

The results showed five integration themes that have been important for the integration of sustainability within Ahold. First of all, a focus on long-term relationships with direct stakeholders showed to have significant contribution to the integration of sustainability. This thought was embedded deeply within the company culture and carried within all organizational levels, consequently this contributed to integrating sustainability, this thought developed over time through continuous improvement, eventually this led to institutionalization.

Second, is the increasing demand for transparency; the wide array of stakeholders that the organization engages with initially forms a challenge when it comes to transparency, however this transparency indirectly contributed to integration of sustainability by means of i.e. new knowledge demands. In the higher levels of the organization a higher risk was perceived in relation to transparency, I argue due to engagement with a larger number of mainly societal stakeholders.

Interactions with other organizations have shown to be necessary to move towards a more sustainability-oriented state (e.g. CGF, BSCI, GFSI and CBL). Differences in geographical environments play an important role for collaborating with societal stakeholders in order to integrate sustainability.

Alignment between internal stakeholder rewarding and company strategy contributes to integrating sustainability. The data shows both examples of alignment and misalignment, nonetheless interviewees strongly belief that this would contribute to integration of sustainability.

A group of internal stakeholders was made responsible for sustainability within the organization in 2007. Although there is criticism on this, as many think this should be embedded within the business, it has led to increase in awareness, and set changes in motion within the company. Over the years this translated to other parts of the company.

The five themes mentioned above have led to significant improvements and developments of sustainability within the organization. The classification into three different stakeholder groups led to new insights on how an organization engages with different groups of stakeholders in order to integrate sustainability. Whereas direct stakeholders were approached more for collaborative- and business related purposes, societal stakeholders played a key part in KPI creation. Using these societal stakeholders helped the organization to allocate a meaning to KPI's that exceeds organizational boundaries into society.

Executive Summary

This research shows new insights on the relation between sustainability integration within an organization and engagement with different groups of stakeholders. Whereas direct stakeholders were approached more for collaborative purposes, societal stakeholders played a key part in KPI creation. Demand for transparency originated from internal, direct and societal stakeholders.

Five integration themes that have contributed to the integration of sustainability within Ahold over the past ten years emerged from the data. First of all, the long term-relationships with direct stakeholders that Ahold has valued throughout many years contributed to several win – win situations. This belief was carried throughout the entire organization.

Second, collaboration with direct and societal stakeholders has shown to be of importance because this enables Ahold to create concrete and measurable targets (KPIs) and objectives. Due to the creation of such KPIs, strategies and progress could be monitored and safeguarded.

Next is an increasing demand for transparency. The wide array of stakeholders that the organization engages with initially forms a challenge when it comes to transparency. However this transparency indirectly contributed to integration of sustainability by means of i.e. new knowledge demands. In the higher levels of the organization a higher risk was perceived in relation to transparency,

Furthermore, support to the strategy of the company should be (partly) integral to the employees' rewarding and this should be integrated in their personal development goals. Although both scholars and employees agreed on this, it is not fully integrated in the case study.

The sustainability department that was created in 2007, this was of importance for creating awareness, formulating new strategies and monitoring objectives. There is no consensus yet whether this department should be more embedded in the business or the department should remain to exist on a group level.

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List of Abbreviations

	General
AR	Annual Report
CA	Climate action
CAC	Corporate affairs council
CCGC	Chief Corporate governance Council
CE	Care for environment
CEO	Chief Executive Officer
CR	Corporate Responsibility
CS	Corporate Sustainability
CSR	Corporate social responsibility
CW	Community Well-Being
GRI	Global Reporting Initiative
HR	Human Resources
HP	Healthy Products
KPI	Key Performance Indicator
LEAPFROCS	Leaders engaging in accelerating performance finding retrospective operations corporate sustainability
NGO	Non- governmental organization
PDCA	Plan do check act
PI	Product Integrity (department)
OP	Our people
PPP	People Planet Prosperity
RR	Responsible retailing (department)
RP	Responsible products
SVP	Senior Vice President
TBL	Triple Bottom Line
	Stakeholders
ACA	African Cashew Alliance
ASC	Aquaculture Stewardship Council
BRC	British Retail Consortium
BSCI	Business Social Compliance Initiative
CDP	Carbon Disclosure Project
CBL	Centraal bureau voor de levensmiddelen handel
CGF	Consumer Goods Forum
DJSI	Dow Jones Sustainability Index
ECR	Efficient Consumer Response
EERT	European Retail Round Table
GC	Global Compact
GFSI	Global Food Safety Initiative
MSC	Marine Stewardship Council
RSPO	Roundtable on Sustainable Palm Oil
RTRS	Roundtable for Sustainable Soy
SRP	Sustainable Rice Platform
TSC	The Sustainability Consortium
WBCSD	World business council for sustainable development
WUR	Wageningen University & Research Centre
WNF	Dutch branch of World Wildlife Fund)
WWF	World Wildlife Fund

Chapter 1: Introduction

Sustainability was defined by the Brundtland commission (1987, p. 247) as 'meeting the needs of present generations without compromising the ability of future generations to meet their needs' and has been of increasing importance for society over the last decades. The social, economic and environmental dimension is often referred to as People Planet, Prosperity (PPP) or the triple bottom line (TBL), moreover it is often referred to in the context of sustainability. Corporations are becoming increasingly aware of the opportunities and challenges associated with the economic, environmental and social impacts of their activities (Searcy, 2014). This increase in focus is also shown by recent activities of many organizations like the WBCSD, Global Reporting Initiative (GRI) and the Sustainable brands group. Evidently, the challenge of sustainability for any business is to ensure that it contributes to a quality of life today without compromising the quality of life for future generations (Azapagic, 2003).

In Europe, the USA and Australia there is a significant increase in the number of major companies proclaiming their social responsibility credentials, and backing up their claims by producing substantial paper, and more recently, social and sustainability reports (Owen, 2005). The KPMG International Survey of sustainability reporting (2013), which is published on yearly bases, shows this increase over the past fifteen years. Perhaps not surprisingly in view of the fall-out from e.g. Enron and similar affairs, reputation building appears to provide a primary motivating factor for companies going down the Corporate Social Responsibility (CSR) path (Cooper & Owen, 2007). However, there has been criticism (e.g. Frankental, 2001; Robinson, 2004) on the concepts of sustainability and CSR. For instance, 'CSR is a vague and intangible term which can mean anything to anybody, and therefore is effectively without meaning' (Frankental, 2001, p. 20) Also, Robinson (2004) argues that the definition of sustainability is vague, and that there is room for green washing; activities to promote unsustainable activities as sustainable. Also others indicate a gap between an organizations vision and actions (Székely, F. Knirsch, 2005; Witjes, 2013a).

Reflecting upon true integration of sustainability, Holliday et al (2002) argue there must be a change in the ways in which businesses operate and in the products and services it provides. Senge and Carstedt (2001) also argue that the challenges for businesses are to develop innovation strategies that respond to increasing environmental and social pressures, and thus consider the needs and expectations of a wide array of stakeholders.

Indeed, for over 15 years scientists have argued the importance of stakeholders in relation to corporate sustainability. For example, Perdan (1998) argued that stakeholder inclusion is proposed as an ethical performance indicator because it is believed that broad participation is crucial for the implementation of the underlying values of sustainable development and preservation of cultural values. Also, Wheeler and Sillanpaa (1998) made an argument that there is a strong business case for actively involving stakeholders in corporate strategy, since failure to do so will reduce competitiveness and increase risk of corporate demise. This shows the amount of literature available (e.g. Azapagic & Perdan, 2000; Perdan, 1998; Senge, 2006) addressing the question if stakeholders should be included in CS integration. However, few has been published as to how stakeholders contribute to integrating sustainability, which is the aim of this paper. One of the few researches focusing on this topic was carried out by Maon et al. (2008) whom proposed a model which was focused on CSR

implementation while including stakeholder dialogue. Maon's research is based solely on historical data as where in this paper real- time data such as interviews are included. Moreover, Maon mainly focused on CSR implementation and stakeholders separately as where this research focuses on the link between these concepts.

The LEAPFROCS framework was set up by Witjes (2013) and gives an holistic overview of different dimensions within an organization such as organizational structure, organizational culture, organization's vision (PPP), organizational learning and time. The goal of the LEAFROCS framework is to better understand sustainability integration within organizations core business activities. In order to do this, the framework uses pieces of information called integration items and reflects on their development within the organization over time.

Other scholars that used the LEAPFROCS framework in the past, (e.g. Pannatier, 2014) argued that stakeholder theory should be included in order to further develop this framework. This framework can be used in order to deepen the knowledge on the relation between stakeholder engagement and sustainability integration. Ultimately this leads to the following research question (RQ) and sub-questions (SQ):

How does stakeholder engagement relate to the integration of sustainability within an organization?

- *How can sustainability integration within an organization be assessed?*

- *How are stakeholders identified and classified?*

- *What are the most important Integration Items in the case study?*

In order to address this aim, Royal Ahold NV is used as a case study. Ahold was selected for a number of reasons. First of all, the organization has been actively involved in sustainability related activities for over 15 years. This has been acknowledged by third parties such as the Dow Jones Sustainability Index (Index, 2014) and the FTSE4Good Index. Second, because of a good relation with the company, there is a sufficient availability of data such Annual – and sustainability reports and minutes from meetings. Moreover, the researcher can carry out interviews with employees throughout different levels of the company.

To sum up, this paper aims at exploring the relation between stakeholder engagement and sustainability integration. In order to do this, LEAPFROCS is used as a framework. Subsequently this new knowledge could benefit business, environment and society by exploring stakeholder contribution towards sustainability integration. This paper continues with a holistic disquisition of the LEAPFROCS framework. Thereafter an overview of stakeholder theory in relation to sustainability is presented. Consequently, the methods used to carry out this research are explained. Finally, the results, discussion and limitations are given.

Chapter 2: Theoretical Framework

This section provides an overview of the different theories used in this research. First of all, the LEAPFROCS framework will be outlined and reviewed. The LEAPFROCS framework was set up to better understand sustainability integration within organizations core business activities. The LEAPFROCS framework entails a holistic approach on sustainability (Lozano, 2013a), in this approach different theories are inter- linked. Thereafter stakeholders are defined, classified, and connected to the framework. In this chapter the first two sub-questions mentioned in the introduction are discussed from a theoretical point of view. These questions are:

- *How can sustainability integration within an organization be assessed?*

- *How are stakeholders identified and classified?*

2.1 Introduction

Sustainability includes four dimensions, namely the economic, environmental, social and time dimensions (Lozano, 2013). All four dimensions are implicitly present when reflecting upon current and future generations. Organizations should take these dimensions (people, planet, prosperity and time) into consideration while executing or anticipating their activities. Consequently, strengthened by the definition of sustainability from the Brundtlandt commission (Nations, 1987) business practices should not compromise the current needs for the ability of future generations to meet their needs. At the same time the environment, society and economy should benefit over time. This paper focuses on the translation from vision to action and more specific, stakeholder engagement in this integration process.

The concept of- and definitions for Corporate Sustainability (CS) have evolved over the past decades. Initially CS was seen as a shareholder approach in which the main purpose of a company was to make profit and was often referred to as corporate social responsibility (CSR). After that, the approach shifted more towards including stakeholders' interests. Thus, CSR was embedded in a broader view, the societal approach where the firms are responsible for the society as a whole (Van Marrewijk, 2003). It is important to know that CS found its roots in the societal approach (ibid). For the remainder of this document references to CS will be in line with Dyllick & Hockert's (2002) view. They include the time dimension as well, as they define CS as consisting of the TBL dimensions that are interconnected while also considering the direct and indirect needs of stakeholders in the present and future.

2.2 Organizational Vision

Organizations communicate their core values and strategies to their employees through the vision statement. This raises the question of how companies support their vision and link strategies to this. According to Witjes (2013) a firm should align its sustainability key performance indicators (KPI's) with the vision of a company and consequently in line with the sustainability strategy. There is a large quantity of literature about KPIs and sustainability indicators, however a difficulty lies in deciding which indicators are appropriate to evaluate the sustainability performance of an organization, as they are

very firm specific. This is due to the fact that indicators are the product of subjective debates and can be interpreted in different ways by different people (Keirstead & Leach, 2008). Adam & Frost (2008) state that KPI's are used by organizations to monitor their progress on set goals and strategies towards a company's vision. Moreover, performance indicators are developed to monitor and assess the value of sustainability actions undertaken, according to Epstein & Roy (2001). To sum up, sustainability should be in line with the vision of a company since, a "good sustainability performance is heavily influenced by the full and honest commitment of management to sustainability" (Székely, F. Knirsch, 2005, p. 268).

Van de Kerkhof and Wieczorek (2005) suggest that when a company decides to integrate sustainability into its vision there is a need to focus on the long-term view but with short-term actions based on interim objectives. These interim objectives are translated into KPI's. Thus, KPI's link strategic decision making with tactical and operational performance, as a consequence influences all organizational levels. Schrettle et al, (2004) confirm a link between KPI's and actions within the company as they stated that managers enter a decision-making situation with certain objectives and adapt their actions according to their goals. This leads to a somewhat paradoxical conclusion that on the one hand KPI's should represent a vision and a holistic view of the organizations objectives, on the other hand they should be concrete and measurable.

In order to help and guide organizations in formulating their sustainability KPI's there are several guidelines. For example, the Global Reporting Initiative (GRI) which has the mission to provide a framework for sustainability reporting that is credible and trustworthy (GRI, 2014). The organization exists since 1997 and promotes transparency and accountability within organization based on the TBL principle. Also, the World Business Council for Sustainable Development developed the 'vision 2050' which offers an agenda for businesses on twenty two different dimensions (e.g. energy, power, buildings, mobility, governance etc.).

According to Hubbard (2009), firms that report on their sustainability performance are expected to have adopted a stakeholder approach in their business strategies by including all dimensions of the TBL. Besides, Hubbard (2009) also notes that a lack of comprehension from the managers about the social dimension makes it difficult to express the social impact of their CS strategies. Therefore it is important that organizations include their stakeholders in the creation process of their sustainability related strategies.

2.3 Organizational Levels

Drawing upon the previous argument, all organizational levels need to be taken into in order to accurately link the companies' strategy with activities and behavior in different parts of the organization. Damanpour (1991) agrees that when a company is inclined towards implementing innovation or change, organizational structure plays a crucial role in the accomplishment of this task. Therefore the organizational pyramid (Witjes, 2013) is integrated into the LEAPFROCS framework; a model of this pyramid is shown in Figure 1.

Figure 1. Organizational Pyramid (Witjes, 2013)

The model of the organizational structure (figure 1) consists of three different levels being strategic, tactical and operational (Witjes, 2013). The top level in the pyramid represents an organizations strategic level. On this level, strategies are made and e.g. policies, annual – and sustainability reports, are drafted. These strategies and policies should align with the vision carried out by the company, besides these are usually but not necessarily linked to KPI's. Second is the tactical level, on this level subsequent actions are executed with regards to strategies that have been formulated. Associates at this level often play a role in reporting. These associates provide information to strategic level on how certain strategies have come to practice on operational level. The bottom part represents operational level. This level is formed by activities of operational teams. At operational level, employees work together towards predefined goals. According to Fernandes et al, (2006) all departments contributing to the successful implementation of the vision and strategy into actions, should be aligned. The way employees on organization levels interact, and how they interact between these different levels, is strongly dependent on the culture of the organization.

2.4 Organizational Culture

Many authors (Baumgartner & Zielowski, 2007; Baumgartner, 2009; Desimone & Popoff, 2000; Linnenluecke & Griffiths, 2010) indicate that CS should not only be about changes in raw materials, processes, and products, but also about changing corporate culture and attitudes, applying know-how, and overcoming non-technical barriers, i.e. organizational changes. Due to the importance of the corporate culture, a model for this is integrated into the framework.

The model used in this framework was proposed by Schein (2010) and is shown in figure 2. The model divides the organizational culture into three levels: artifacts, values and basic assumptions. The different levels give indication of 'the degree to which the cultural phenomenon is visible to the observer' (ibid, 2010). In the upper level of the organizational culture, artifacts can be found. These include visible structures and processes. Artefacts are easily recognized and can be found within a company. They are less recognizable by people of being part of the culture. This level is easy to observe but very difficult to decipher (Baumgartner, 2009). The sub level consists of espoused beliefs and values, these are integral to strategies, goals and philosophies (Schein, 2004)

linking back to KPI's and the company's vision. The lowest level of the organizational culture consists of underlying assumptions, which are unconscious, taken-for-granted beliefs, perceptions, thought and feelings (ibid).

The culture is important to take into account during the analysis, as it requires different approaches to overcome resistance to change (Berliner & Kupermintz, 2014). In contrast to other research on behavior and organizational culture, this model shows the extent to which a certain cultural aspect is embedded within the organization, rather than focusing and further defining culture itself. Besides, Schein argues that for having qualitative data, the researcher's involvement needs to be high and can be done through various research methods that will depend on the intended involvement of the participants (Schein, 2004), suggesting an ethnographic approach. In this case, the researcher is part of the organization, which increases involvement; this adds significant value.
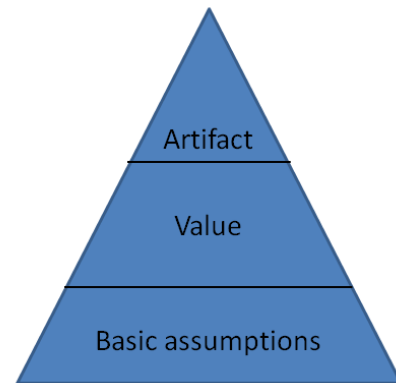
Figure 2. Levels of organizational culture by Schein (2004).

2.5 Organizational Learning

Sustainability is an evolutionary, unfolding process of change. If conceived this way, it becomes clear that an openness to change and learning are basic pre-requisites in the transition to sustainability (Jamali, 2006). In 2003 Azapagic also expressed the importance for a company to include organizational learning through continuous improvement in its strategies in her paper on corporate sustainability. Therefore, the process of continuous organizational learning is included in the LEAPFROCS framework.

Figure 3. PDCA Cycle by Deming, 1950 adapted by Moen & Norman, 2006.
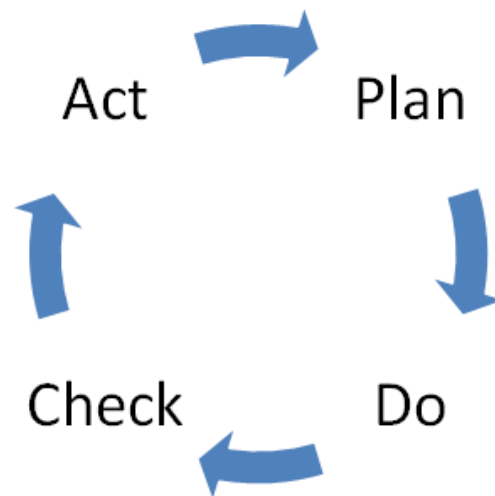
In order to monitor such a process Deming (1950) proposed the Deming cycle, which was later revised into the PDCA cycle. According to Moen & Norman (2006) this PDCA cycle is applicable to any type of organization (figure 3). The essence of this cycle is that initially plans are made (the 'plan' step), the content of this is quite abstract and can be anything from formulating strategies to clear set quotas. Thereafter, these plans are carried out in the 'do' step. Subsequently, actions are checked in the 'check' step. Finally, action has to take place in the 'act' phase, hereby adjusting the change as a consequence of the results and moving on to a new plan step. This process stimulates continuous improvement over time. Thus, integral to this framework is the time dimension.

2.6 Holistic Framework

In order to give a holistic overview of the LEAPFROCS framework all the dimensions described above are combined into one holistic figure shown in figure 4 (Witjes, 2013). In essence, these theories help the user to assess to what extend sustainability is integrated within an organization. This figure shows that all dimensions are continuously interconnected and interrelated over time. E.g. Behavior can be observed on an operational level, but also on a strategic level. Also, the PDCA's plan can be on a value level, however it can also be on artifact or basic assumption level.
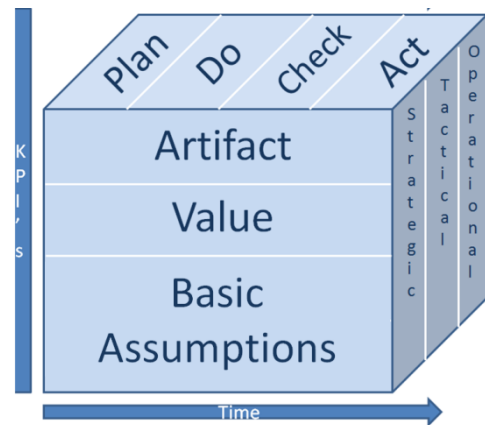
Figure 4. Holistic LEAPFROCS perspective (Witjes, 2013).

There is a large number of possible combinations and they evolve over time. Moreover, they depend on what KPIs are in scope. The fifth dimension is considered time, the scope that is chosen will be explained in the methods section. This figure holistically shows five dimensions concerning integration of sustainability.

2.7 Integration Items

A certain movement towards a more sustainability integration state has to be initiated at some point, the movement has an origin. Drawing upon this, Jamali (2006b, p. 817) states 'Translating vision into reality requires in turn the integration of the sustainability vision into strategies, practices and measurement systems'. This raises the question, what exactly is integration and where does it start. The word itself is defined as an act or instance of combining into an integral whole. Besides, this depends on a long – term commitment to systematic change as well as the introduction of appropriate structures, practices and processes (Jamali, 2006a). Thus, the integration of sustainability is crucial, and can originate from all kinds of sources or items. These items in this research, are defined from a more ontological position. Bryman (2008) argues that social properties are outcomes of the interactions between individuals, rather than phenomena 'out there'.

Thus, drawing upon the previous statements, integration can be done through an act/instance and interactions. Acts, instances and interactions are a result from an individual's thoughts. These are often the source; therefore, thoughts will also be seen as an integration item.

To sum up, items used to facilitate integration of sustainability (integration items) can be thoughts, activities, interactions or a result of these. Interactions are often a consequence of thoughts and activities.

> **Thoughts**: *what people of different levels within the company think. These thoughts can be about anything e.g. initiatives carried out by the company, policies but also about public debate, company culture or material topics, plans, stakeholder engagement etc.*

> **Interactions**: *how employees interact; interaction between employers and employees, or interaction between the firm and clients/suppliers.*
> **Activities:** *what happens at a specific moment in time (past, present, future) with regard to activities, operations, programs and initiatives carried out by the organization etc.*
> **Outcome:** A *resulting combination of the first three integration items.*

The success of an integration item will increase as it is more integrated within the dimensions of the organization. This means that first of all, the PDCA cycle should be a closed loop, so that the element of continuous improvement and development over time is integral to the integration item in question. Second, all organizational levels should be aligned. Third, the cultural levels should be aligned, meaning that e.g. something which is visible at an artifact level is also supported through basic assumptions. Furthermore, the integration item should be aligned, and thus not in conflict with the KPI's and strategy of the company. To sum up, an integration item is embedded within an organization more successfully as representation of this item within the dimensions increases.

2.8 Stakeholders

Many of the theories described above are not solely connected to the organization; logically, stakeholders affect or are affected by these theories in some way. Stakeholder theory concerns the nature of the relationships between organizations and their respective stakeholders and the process and outcomes of these relationships for organizations and their stakeholders (Wiggins & Jones, 2005). Even though stakeholders are the linking pin between the different dimensions in LEAPFROCS, they have not been made explicit. Reflecting upon the previous statements and earlier use of the LEAPFROCS framework (e.g. Pannatier 2013) I propose to include stakeholder engagement as an addition. Inclusion of stakeholders in CS practices is nothing new, many scholars have written about this.

2.8.1 What is a stakeholder?

Many Scholars define stakeholders in terms of importance for the survival of the organization e.g. 'those groups without whose support the organization would cease to exist (Freeman & Reed, 1983). However, Freeman (1983) defined stakeholders as any group or individual who can affect or is affected by the achievement of the organizations objectives. This definition has been cited many times and is very broad and abstract, consequently also very open to inclusion. Eventually the definition thus leaves a wide range of possibilities as to what a stakeholder really is. In general, definitions of what a stakeholder really is differs in the scientific literature from very broad to very narrow. Normative stakeholder theory focuses more on defining the basis of stakeholder legitimacy, whether it is risk, property rights or moral claims (Mitchell, Agle, & Wood, 1997). An example can be made of Donald and Preston (1995) who argued that managers should enter into a mutually supportive relationship with their stakeholders because it is morally right. A 'social contract' exists between business and society. However, normative stakeholder theory has been criticized for the lack of a specific framework and for problems in identifying stakeholders (Frederick, 1998; Jones, 1980; Mitchell et al., 1997; Rowley, 1997). Drawing upon the previous statements, a

stakeholder in the context of this research is defined as any group or individual that affects or is affected by the organization.

2.8.2 CS and Stakeholder Inclusion

The attention for stakeholder participation in CS practices has increased over the past decades, in both science and business. Three factors have driven this trend. First of all, the rise of participation is the result of a higher level of education in society and citizens becoming more critical and having more ideas about the issues that society has to deal with (Irwin, 1995). Second, according to Beck (1992) this is the result of disillusionment with the power of scientific knowledge to rationalize the decision making process. In recent years many more have argued in favor of stakeholder involvement. For example, Roberts (2003, p. 263) has stated that extra corporate accountability is needed through dialogue "with those most vulnerable to the effects of corporate conduct." Such dialogue can result in a movement beyond the views of the individual participants (Senge, 2006). Furthermore, according to Perdan (1998) stakeholder inclusion is proposed as an ethical performance indicator because it is believed that broad participation is crucial for the implementation of the underlying values of sustainable development and preservation of cultural values. From a business perspective it seems that stakeholder inclusion is encouraged.

Besides these business related arguments to include stakeholders, Azapagic (2000) argues that there is also a strong ethical drive to involve stakeholders: sustainable development is a concern for all, and it requires that people are given the opportunity to be informed about issues and conditions that affect them. This argument relates to ethical values and the pressure on firms to be transparent towards their stakeholders. The pressures are real, as industry leaders including Exxon, Nestle´, Nike, and Pfizer can attest; these corporations encountered severe blows to their reputations because of their failure to maintain quality, ethical, and other socially responsible standards. In contrast, organizations, such as The Body Shop and Ben and Jerry's base their business model explicitly on ethical foundations (Pearce & Doh, 2005). Some scholars go further and integrate stakeholders in the definition of CS where development is a concern for all, and it requires that needs of direct and indirect stakeholders are met (such as shareholders, employees, clients, pressure groups, communities, etc.), without compromising the ability to meet the needs of future stakeholders as well" (Dyllick & Hockerts, 2002, p. 131). Perrini and Tencati (2006) claim that a sustainability-oriented company acknowledges the importance of the stakeholders while framing its CS activities. In order to do this they propose a Sustainability evaluation and reporting system (SERS). Within this system stakeholders are included to a limited extend; the reporting system is based on a stakeholder perspective of the firm. This shows that many scientists have encouraged stakeholder inclusion over the years.

Moreover, increasing importance of stakeholder inclusion is also confirmed from a business perspective e.g. the Global reporting Initiative. In order to conform to the new G4 guidelines companies must report key topics and concerns that have been raised through stakeholder engagement, and subsequently how the organization has responded or will respond to those key topics and concerns

To conclude, multiple scientists and organizations have argued importance of stakeholders in the process of sustainability integration. Others focus on specific

stakeholders and their interactions with organizations (see for example, Poncelet, 2001; Dahan et al, 2010; Sarkis & Joseph, 2010), however not necessarily focused on sustainability. Integrating this into the framework will give insights on how stakeholders engage towards the process of integrating sustainability. Consequently, it should be integrated within LEAPFROCS. Integrating this will provide insights on how different stakeholders contribute to integrating sustainability. In order to make this integration, a stakeholder classification will be established.

2.8.3 Classifying Stakeholders

Several scholars aimed at identifying or classifying stakeholders in some way e.g. (Agle et al., 2008; Driscoll & Starik, 2004). However, these are not necessarily in respect to sustainability practices.

Agle et al, (1997) proposed a theory towards stakeholder classifications, hereby also doing implications for managing stakeholders. Agle et al (ibid) proposed that classes of stakeholders can be identified by their possession or attributed possession of one two or three of the following attributes: (1) the stakeholder's power to influence the firm, (2) the legitimacy of the stakeholders relation with the firm, and (3) the urgency of the stakeholder's claim on the firm Power is defined as follows; (Etzioni, 1988) a party to a relationship has power, to the extend it has or can gain access to coercive, utilitarian, or normative means, to impose its will in the relationship. Legitimacy is defined (Suchman, 1995) as a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions. Urgency is defined as the degree to which a stakeholder claims call for immediate attention (Agle et al., 1997). Although Agle et al. offer insightful information on stakeholder salience and prioritization, this research aims at addressing the question of how stakeholders contribute to incorporating CS practices. Even though stakeholder salience was useful during the analysis, the theoretical framework will contain a different classification.

Driscoll and Starik (2004) argued that certain criteria might help in further developing stakeholder identification. In their paper they introduce an addition to Agle's model; proximity. They argue that spatial distance can be just as an important factor as is time. Other scholars e.g. Gladwin et al. (1995) supported this claim by suggesting that stakeholder models need to be "more spatially and temporally inclusive."

Clarkson (1995) made a distinction between primary and secondary stakeholders. Primary stakeholders are those without whose continuing and direct participation or input the firm cannot survive as a going concern. Such stakeholders can include owners, investors, employees, suppliers, customers and competitors. Secondary stakeholders can be defined as those who in the past, present or future influence or might be influenced by the organization's operations without being directly engaged with the firm, and thus are not essential for its survival. For instance, nongovernmental organization (NGOs), local communities, local government, social activist groups and business support groups. This provides a distinction between two different groups of stakeholder salience. In order to further distinguish different groups we combine the two groups and help address the issue of proximity pointed out by Driscoll and Starik (2004).

In their paper on integrating environmental and stakeholder management Madsen & Ulhoi (2001) emphasize that it is crucial to identify, analyze and assess the meaning and significance of each individual group of generic stakeholders. Besides, and this relates to Agle's model, they state that it is also important to determine their respective power, in order to be prepared for the conflict that may follow from prioritizing competing groups of

Figure 5. Stakeholder classification by (Clarkson, 1995; Madsen & Ulhoi, 2001; Driscoll and Starik, 2004)

stakeholders. Combining the previous insights we use the model presented in figure 5 to group stakeholders. As shown in the figure, the organization is the centre. Thus, stakeholders are divided in three stakeholder groups. Internal stakeholders; those inside the organization without whose continuing and direct participation or input the firm cannot survive as a going concern, such stakeholders can include owners, employees and franchisers. Direct stakeholders; those outside the organization without whose continuing and direct participation or input the firm cannot survive as a going concern. Such stakeholders can include investors, suppliers, customers and competitors. Societal stakeholders are those who in the past, present or future influence or might be influenced by the organization's operations without being directly engaged with the firm, and thus are not essential for its survival. For the remainder of this research the classification of these three stakeholder groups will be used.

2.9 Stakeholders and LEAPFROCS

From the literature review it shows that there has been a consensus for over a decade that continuous stakeholder engagement and dialogue is important for sustainability integration. However, how this should be done exactly remains unanswered.
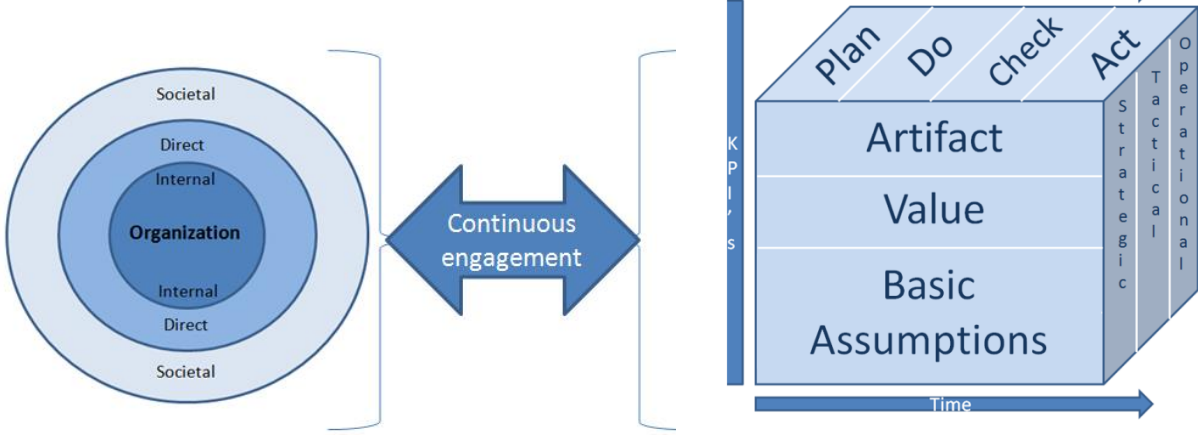
Figure 6. Stakeholders and Sustainability integration (Witjes, 2013; Clarkson, 1995; Madsen & Ulhoi, 2001; Driscoll and Starik, 2004) .

The literature review in combination with LEAPFROCS suggests a conceptual model shown in figure 6 where all stakeholder groups continuously engage, interact and interrelate with the different facets of the organization.

Chapter 3 Methods

3.1 Research Design

This research is a descriptive single case study, aimed at exploring the relation between stakeholder engagement and the integration of sustainability within an organization. Company data, including eight semi-structured interviews with employees, were uploaded into a qualitative analysis software package and a thematic analysis was conducted. In figure 7 below the research design is shown. As can be seen in the figure, a case study was selected and the LEAPFROCS framework was described in line with the existing data on this framework. Second, a literature review was done on stakeholders in the context of sustainability. Combining these two science based reviews led to a conceptual model on the relation between stakeholder engagement and sustainability integration. Thereafter the data collection and analysis was carried out.
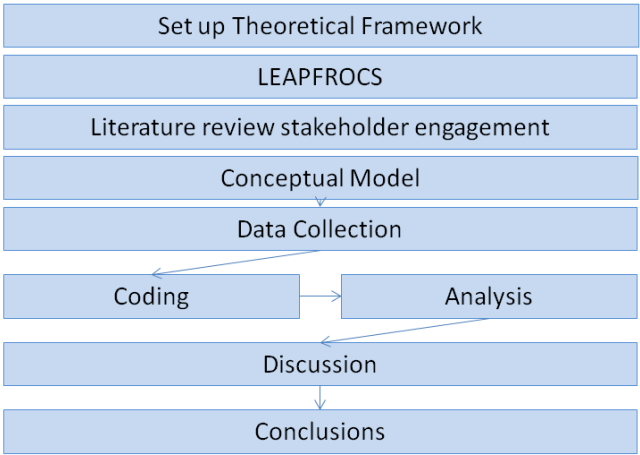
Figure 7. Research design.

3.2 The case study & scope

To carry out this research, Royal Ahold N.V. (Ahold) was selected as a case study. Ahold is an international retailing group active in the U.S.A and Europe based in the Netherlands. Operating supermarkets and selling food has been the core business for 125 years. Ahold has approximately 227.000 associates and in 2014 had net sales of 32.8 billion euro's. In recent years Ahold has been expanding their range to online sales, which were 1.3 billion euro's in 2014 (Annual Report, 2014).

Ahold was selected for a number of reasons. First of all, the organization has been actively involved in sustainability related activities for over 15 years. These activities have been acknowledged by third parties such as the Dow Jones Sustainability Index (DJSI Annual Review, 2014) and the FTSE4Good Index. Second, because of a good relation with the company, there was sufficient availability of data such Annual – and sustainability reports and minutes from meetings. Moreover, it enabled the researcher to carry out interviews with employees throughout different levels of the company. During a period of seven months the researcher was involved as an observer / participant with the Responsible Retailing team.

Ahold is a Holding company overarching eleven brands and/or operational companies in Europe and the U.S.A. For this research it is important to take the organization in scope from operational to strategic level. In light of the time scope and data availability only the Ahold and Albert Heijn (AH) chain are taken into account in this study. Albert Heijn currently owns 966 stores in the Netherlands and Belgium. The sustainability related progress that the company has made over the past ten years is visualized, the first explicit sustainability related activities started around 2002.

3.3 Data Gathering

The total empirical database consisted of eight interviews, ten Sustainability Reports (2002-2014), ten Annual Reports (2004-2014), eight company documents (guidelines, policies, intranet articles) and over forty observations from meetings, presentations and conversations. An overview of the empirical database can be found in appendix A.

3.3.1 Interviews

In order to compare written data with practice, semi-structured interviews were carried out. The database includes 8 interviews each lasting approximately 45 minutes, the list of interviewees can be found in appendix B. In order to select interviewees a purposive sampling method was used. This means that participants were not selected on a random basis. The goal of the sampling method was to select participants so that they could provide relevant input for this research, to do this, factors as job description and time at the company were taken into account. As a result the interviewees have an average time at the company of 18 years.

In order to see resemblance, the data should be evenly spread out through the company, horizontal as well as vertical, this means covering different departments and organizational levels. All interviewees are employees of Ahold or Albert Heijn because LEAPFROCS is designed as a tool to reflect inside of an organization.

The selection of interviewees gave a challenge in particular when it comes to the operational level due to the large number of stores. In light of the time restraints, only two stores could be visited, therefore in order to maintain a level of validation several measures were taken. First of all, the selected employees on operational level were considered to be very well functioning and had many years of experience. Second, the stores together approximately represent an average Albert Heijn store in means of turnover and employees. In figure 8 an overview of the placing of employees throughout the company is shown and in appendix B their respective job titles are given.
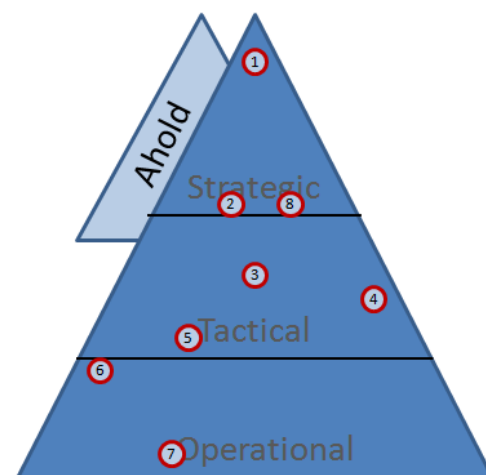
Figure 8. Interviewee division throughout the case study company.

Semi-structured interviews were chosen because this gives interviewees more space to elaborate on sensitive issues and it creates a more relaxed setting. In addition, it provides the interviewer with flexibility to respond to the interviewee (Bryman, 2008). Several themes guided the interviews and were used consistently, however the exact content of the interviews differed due to different responses. The most important themes were sustainability related issues (events, activities, governance), stakeholders and strategy. A more extensive list of themes and their respective meaning can be found in appendix C. All interviewees were given the opportunity to do the interview anonymously.

3.3.2 Documents

Besides interviews, several documents were collected, however only data that was of significance for this research, meaning it was sustainability or stakeholder related.

First of all, ten annual reports from Ahold were used (2004-2014), as they include data about Ahold and Albert Heijn. Besides Annual reports, also all available sustainability reports, (2004-2013 with the exemption of 2006 and 2003 due to the fact that they are non-existent) were collected and reviewed. Furthermore, confidential data was gathered via the Ahold intranet, the AH intranet (Albert Heijn plaza) and internal documentation forums. This includes a great diversity of data, for example minutes from meetings, reflections on events (e.g. stakeholder event) and 'top down & bottom up' messages containing news about the organization. Besides, other documents were collected e.g. the stakeholder guidelines, meeting minutes and standards of engagement. These documents were used to get an overview of the strategy evolution and the development of stakeholder engagement over the years.

3.3.3 Observations

During the time at the company, forty observations were made. For example during informal conversations, these were conversations with employees in an informal, non-official setting. Also, observations were made during meetings, presentations, daily routines, rituals and social interactions (Hardcastle, Usher, & Holmes, 2006). This approach is partly in line with the 5 stages approach of Carspecken (1996). The first three stages of the framework of Carspecken use "critical analytic models to reconstruct cultural structures and themes," whereas the last two stages are designed to "discover how routine social actions form and reproduce system relations that coordinate activities across various reaches of space and time" (Carspecken & Georgiou, 2002, p. 690).

The observations gave insights about the culture within the company and within different departments; notes were made by the author. These notes were documented and, while their exact purpose was not predetermined, they have provided significant value for the results and conclusions. Three types of notes were used in line with categories suggested by Lofland (1995) and Sanjek (1990):
1. Mental notes: Particularly useful when it is inappropriate to be seen taking notes (e.g. coffee breaks).
2. Jotted Notes: very brief notes written down on pieces of paper or in small notebooks to jog one's memory about events that should be written up later.

3. Full Field Notes: As soon as possible make detailed notes, which will be the main data source.

The fact that the participant immerses him – or herself in a group for an extended period of time, observing behavior, listening to what is said in conversations, and asking questions points to critical ethnography (Bryman, 2008). The ethnographic role of the researcher can best be defined as 'participant observer' according to Gold's (1997) classification of participant – observer roles: The participant is a fully functioning member of the social setting and his or her true identity is known to members. Gans (1968) devides the participant observer role in three classifications: 'total participant,' whereby the ethnographer is completely involved in a certain situation and has to resume a researcher stance once the situation has unfolded and then writes down notes. 'Researcher participant,' whereby the ethnographer participates in a situation but is only semi- involved, so that he or she can function fully as a researcher in the course of the situation. 'Total researcher' entails observations without involvement in the situation. Gans (ibid) argues that these roles coexist in every project, in this research the emphasize of the researchers role was between complete participant and research participant.

3.4 Data analysis and operationalization

After the empirical database was established, all data was uploaded and the analysis started. This analysis basically consisted of five steps. This analysis started with setting up timelines regarding the evolution of sustainability and stakeholder engagement within the organization. Next was the search for integration items in the database. Thereafter, all integration items were coded. Subsequently, emergent coding themes were formulated and analyzed. Finally the successfulness of integration items within these themes was assessed. These four steps will now be elaborated.

All collected data was reviewed and every piece of information that met the criteria of an integration item as described in the theory was selected. Throughout the entire database, 234 integration items were found.

Second, all integration items were coded and attributed to relevant entities using hermeneutics. Hermeneutics refers to the fact that the analyst of a text must seek to bring out the meaning of a text from the perspective of its author (Bryman, 2008). For doing this, Klein and Meyers (1999) have formulated a set of principles for conducting and evaluating interpretive field studies in information systems. They delve into e.g. the interaction between the researcher and the subject, but also multiple interpretations. This was used together with a phenomenological hermeneutical method for researching lived experience as described by Lindseth and Norberg (2004).

Every integration item was connected to several entities called nodes. A node represents a part of the theoretical framework e.g. for stakeholders, four nodes were made: Stakeholder (general), internal stakeholder, direct stakeholder and societal stakeholder. For the time dimension also four nodes were made (2005-2009, 2009-2014, present, future) this division was made because this aligned with the different strategies executed by Ahold. Each integration item held valuable information regarding certain aspects as described in the theory. Consequently the integration was connected to all

relevant parts of the theory using the software. This does not mean that all integration items could be connected to all nodes, in some cases there was simply no connection. E.g. an integration item that has only been executed for the past two years was not attributed to a node representing 2004-2009.

As a result of this coding process, five themes emerged which contained integration items focused on similar issues. Initially these themes emerged as a result of the interpretative analysis. Also, the content of integration items showed similarities; as a consequence these themes were supported on a base of frequency. This frequency refers to the amount of integration items addressing similar issues that was found in the database.

A single integration item says something about sustainability integration within the company, but often on a specific area. However, in the end, what matters is the totality of integration items and the patterns that they show. Grouping the integration items into themes helped to get an overview and find patterns in the large dataset, a theme consisted of between 6- 30 integration items.

Next, the successfulness of integration items was evaluated and assessed. The successfulness of an integration item was measured in line with the theory section. This means that every integration item received a score of either 1 (connection) or 0 (no connection) on each theoretical (sub) dimension. This is based on the idea that a connection to all dimensions points to total integration. Besides, the integration items were connected to one or more stakeholder groups. This gave insights in the relation between stakeholder groups and sustainability integration.

To facilitate the analysis NViVo was used, this is a qualitative data analysis (QDA) computer software. The software has been designed for qualitative research working with very rich text – based and / or multimedia information. This software enables the user to structure an entire dataset by re- grouping the data and connecting those groups to entities called 'nodes.' The Nodes can be structured according to the user's preferences. Evidently, in this case the node structure consisted of the LEAPFROCS dimensions expanded with stakeholder groups.

3.5 Quality & Reliability

Regarding the quality, reliability and validity of this research, there are a number of important remarks. First of all is the external reliability, thus the degree to which a study can be replicated. In qualitative research, external validity is always a difficult criterion to meet (Bryman, 2008). According to Bryman (ibid), a strategy to approach the requirements for external validity in ethnographic research is to replicate the settings and the social role of the original researcher. Otherwise what a researcher sees and hears will not be comparable to the original research. In order to address this strategy, specific information about the researchers' social role within the company and information about the case study company was disclosed in the 'company data' section.

Second is internal reliability which not an issue in this case because there is only one observer. Internal validity however, refers to the degree to which findings are a good match with the theoretical ideas they develop. In the case of ethnographic and

qualitative research this tends to be a strength, according to LeCompte and Goetz (1982). External validity on the other hand tends to be problematic for qualitative and ethnographic researchers because there is usually a tendency towards small samples. In this case the number of samples (in terms of interviewees) is rather small; however, each sample contains a large amount of data. Another strategy used to overcome this, is the use of triangulation, namely using several data sources.

3.5.1 Data Saturation

It is difficult to know when the process of data collection is finished; this is not straightforward especially using ethnography (Bryman, 2008). This is because the often unstructured nature and the absence of hypotheses to be tested in ethnographic research. A possibility that often starts to bring about moves to bring fieldwork to a close is that ethnographer may begin to feel that the research question is answered. Consequently there is no new data worth generating. The ethnographer may even feel a strong sense of déjà vu towards the end of data collection. Moreover, Bryman (2008) argues that sometimes other factors can play a role like funding of the research drawing to a close, the need to write up and submit a thesis or the end of a sabbatical period. During this study the data collection was closed due to a combination of the above. Time was a factor here and despite some last minute interview cancellations, interviewees were beginning to show some patterns and similarities.

3.6 General limitations of the research

First of all some remarks should be made concerning the availability and access of data. Although the database was quite satisfactory, there had been two last minute cancellations, one due to a transfer to a new function of an employee and another due to an employee leaving the company. Fortunately, the selection of interviewees was an even representation of the organization despite these cancellations. Another limitation related to interviews revolved around the role of franchisers. Because the LEAPFROCS was designed as a tool for research inside of organizations (meaning Ahold and Albert Heijn), there were participants selected working for either Ahold or Albert Heijn.

Early on in this research the decision was made to reflect upon the chain from Ahold to Albert Heijn. However, Ahold overarches many more operational companies like Giants, shop n stop, bol.com, peapod, Gall & Gall and Etos. Despite the fact that the core business of each operational company is retail, these were not taken into account; doing so could have led towards a different database.

In the planning six weeks were allocated to the analysis phase. From this process it showed that the analysis was an extensive and iterative process. Due to time constraints the analysis phase had to be ended, however a longer period could possibly have led to a larger number of insights.

It is often suggested that the scope of the findings in qualitative research investigations is restricted. When participant observation is used or when unstructured interviews are conducted with a small number of individuals in a certain organization or locality, scholars argue that it is difficult to know how the findings can be generalized to other settings (Bryman, 2008). This research contains a case study, naturally this is not a

sample drawn from a known population like 'the business world' or 'the retail sector.' However the goal of this qualitative research was to generalize to theory rather than a population which weakens the pre- mentioned argument.

Chapter 4 Results

In this chapter the results are described. The third sub-questions mentioned in the introduction is now discussed from an empirical point of view, thus with a focus on the case study. The question is:

- *What are the most important Integration Items in the case study organization?*

The integration items were spread out over the history of sustainability within Ahold and Albert Heijn (past ten years), this is particularly interesting because much has happened. In order to accurately analyze the evolution of sustainability, stakeholders and the effect of integration items within the case study a time line is set up. This timeline is followed by an overview of the sustainability and objective/vision evolution. Finally, in order to link this to stakeholder engagement, stakeholder evolution is shown. The link between reference codes and sources can be found in Appendix A.

4.1 Timeline

The first Albert Heijn store was opened in 1887 in Oostzaan the Netherlands. However, it was not until 1973 that Ahold was founded and Albert Heijn became a part of the Ahold concern. This organization has a rich and interesting history with many different companies' joining and leaving the concern. Although the starting point is 2004, important to mention is that the first Sustainability report was published in 2002. This report contained no quantitative targets or clear objectives, in 2003 no sustainability report was published.

4.1.1 2004

In 2004 Ahold published its second sustainability report since the existence of the company. Noticeable is the name change, as in 2002 it was called the corporate social responsibility (CSR) report. In the year 2004 Ahold and the operational companies were still committed to the Road to Recovery Strategy (2003-2005). This strategy was a result of a fraud within Ahold in 2003. Ahold announced that net earnings and earnings per share would be significantly lower than previously indicated, and that financial statements for 2001 and 2000 would be restated because of the fraud. Consequently the Road to Recovery Strategy was initiated. In light of this strategy, Ahold communicated that through the end of 2005 there is a focus on enhancing customer offering and improving long – term competitive strength.

Ahold stated that being a sustainable company means improving the quality of life for customers and other stakeholders, now and in the future, and that management of sustainability is 'in line with the reality of how we manage our company.' Due to the fact that many practices are often managed on a local level, there was a movement towards a more harmonized global approach in order to increase measurement possibilities. Noticeable is that Albert Heijn adapted its strategy to compete heavily on price.

Ahold clearly stated a definition of sustainability: Being a sustainable company means improving the quality of life of our customers and others stakeholders now and in the future by;
- Managing our business in a responsible ethical and transparent way.
- Giving customers the best value, unique and innovative products and services, and fresh healthy foods produced under responsible conditions.
- Each Ahold company is committed to being a great place to work, and will be reflective of the communities we serve.
- Minimizing the negative and maximizing the positive social and environmental impact of our supermarket and logistics operations.
- Being a proactive corporate citizen through dialogue with key stakeholders and building strong relationships in the communities we do business (RR04).

In order to address the latter issue, Ahold had been starting up dialogues with NGOs throughout this year. This was done by information meetings, in – depth cooperation on standards and projects, memberships in multi- stakeholder industry forums and active participation in community based organizations. There was no department within the company responsible for sustainability, however there is a group of senior representatives appointed.

Ahold held its first global meeting this year regarding sustainability in products and the supply chain. Present in this meeting were employees from Ahold, speakers from the Industry, and NGOs. During this meeting it was determined that taking leadership in consumer health is the best and most sustainable strategy for Ahold to pursue.

4.1.2 2005

In 2005 the name of the report was changed into 'Inspiring healthy lives – Interim Corporate social responsibility Report 2005.' An important step for Ahold this year was joining the Business Social Compliance Initiative (BSCI). The BSCI is a European alliance consisting of 50 retailers and import companies with a goal to protect fundamental rights of employees and improve labor conditions.

Moreover, this year Albert Heijn introduced the healthy choice clover logo. A symbol on own brand products that makes it easy for the consumer to identify healthy options, this logo appeared on more than 1200 products in 2005. Criteria for this symbol were designed in collaboration with the Dutch Food Center (voedingscentrum). Albert Heijn a introduced their first 'breakthrough' store during this year, which is a store specially assigned to pilot new concepts and ideas.

In the Sustainability report published by Ahold there is no reflection on the road to recovery strategy pursued by Ahold 2003-2005. Besides a description of values, goals and some cases there was no new strategy announcement. However, a new approach was announced in this report which is referred to as the strategy 2005-2009. This approach is based on the aim to be proactive, forward- looking and transparent and formulated in six principles:
1. Promoting health and wellbeing
2. Providing safe and responsible products
3. Operating efficiently with regard for the environment

4. Valuing diversity and providing a great work environment
5. Supporting the communities we serve
6. Practicing business ethically and responsibly (RR05)

4.1.3 2006

There was no sustainability report published addressing 2006, however there was a chapter dedicated to CSR in the Annual Report of 2006. In this chapter there is a reference to the commitments made in 2004.

The Ahold CEO has appointed Dick Boer as head of Europe. Concerning the strategy, Ahold stated that in early 2006, the management commissioned a strategic view of its businesses. The objective of the review was to define how Ahold could accelerate identical sales growth, improve profit returns and strengthen the Companies' foundation for future expansion, and in doing so create additional value for shareholders.

4.1.4 2007

As of 2007, Ahold reorganized its CSR activities around four main themes:

1. Healthy living: The well- being of customers is crucial here. The goal is to offer them an inspiring selection of quality products and services to make it easier to choose a healthier lifestyle.
2. Sustainable trade: Long term relationships with suppliers who share the conviction that economic success should be balanced with social and environmental responsibility is the core of this theme.
3. Climate action: In all places where operations are taking place, there are efforts to improve the ecological footprint and make operations more efficient.
4. Community engagement: Building strong relationships with customers, employees, suppliers and other stakeholders by actively supporting the needs of communities in market areas and beyond (RR07).

Besides the four main themes, the CSR coordinating committee is putting processes in place to collect information for tracking and evaluating performance, drawing on the arrangements that started back in 2004. In this report, the first objectives were formulated, however no hard and measurable targets were set. The CSR department was created on group level of Ahold and initially consisted of three individuals. These individuals had experience in the chemical, marketing, legal and food safety sectors.

Furthermore, Albert Heijn founded the AH foundation together with development organizations ICCO and Fairmatch support. The AH Foundation was created in order to secure the supply of products year round (e.g. green beans, grapes) and to introduce new products. At the same time it has a positive impact on the living conditions and future prospect of employees working for African suppliers and ensures sustainable relationships. Albert Heijn also partnered with the World Wide Fund (WWF) this year, initially to encourage sustainable strawberries growing in Spain.

In order to improve the cacao supply chain and make this more sustainable, Ahold launched a program and partnered with UTZ, Cargill and Solidaridad. The CSR coordinating committee formulated policies and priorities related to responsible sourcing and buying local for the company as a whole based on global and local trends, some of which are included in the Ahold standards of engagement. Others can be found in the Ahold Global CR policies document, this document reflects the views on different topics categorized under the four main themes. Furthermore, in order to increase transparency it was decided that the Sustainability report would be conform GRI 3 starting this years' report.

4.1.5 2008

Noticeable during 2008 is an adaptation in strategy. First of all a balancing act between People, planet and profit (TBL) is introduced which is shown in figure 9 below.
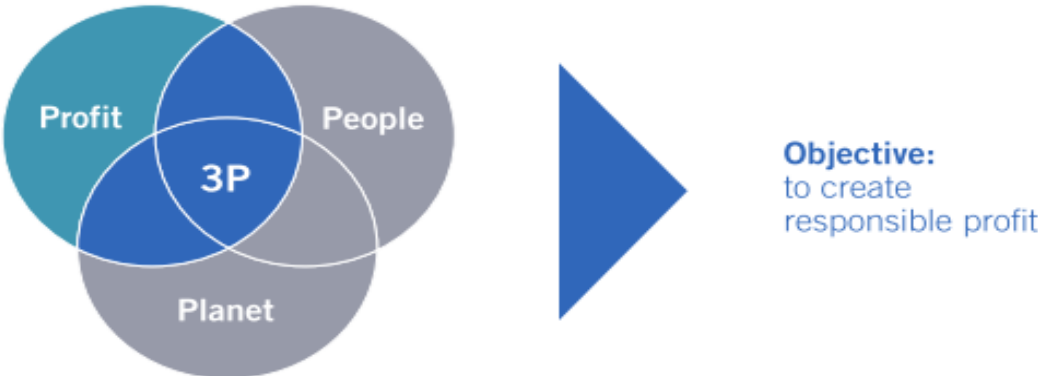
Figure 9. Vision on sustainability by Ahold (Annual Report, 2008).

The main message was that Ahold searches for a balance between benefitting all stakeholders while at the same time supporting the profitability of the business. In addition, the four pillars of the corporate responsibility strategy were also changed; the pillars were now supported by a fifth 'Our people' pillar. Ahold started to identify five stakeholder groups: Customers, Financial community, Suppliers, Employees and Communities.

A group wide seafood sustainability policy was implemented in collaboration with the Marine Stewardship Council (MSC). This policy included ten rules for the sourcing and sale of seafood, and an assessment tool to measure supplier performance, this policy implementation was supported by the WWF, New England Aquarium and Chicago's Shedd Aquarium. In 2008 Ahold set their first concrete and measureable target concerning CO_2 reduction: We will reduce our CO2 emissions per square meter of sales area by 20% by 2015 against the 2008 baseline published in this report.

4.1.6 2009

The global recession occurred during 2008 and impacted people and businesses all over the world, it caused rising unemployment, deflation and rapidly changing consumer behavior. The core of Ahold's business is this year again presented as shown in figure 9 defined as 'integrating different interests.' In comparison to 2008, the identification of

stakeholder groups in this report are expanded with governments & Society and Research institutes. Albert Heijn introduced the pure and honest own brand product line consisting of organic and 'responsible' products.

This year, also a new Chief Corporate Governance Council (CCGC) was appointed, this person was made responsible for the CSR department. Due to the importance of food safety, it was decided to split up the CSR department into two separate departments namely, the product integrity (PI) and Corporate responsibility (CR) department. The PI department was focusing on supply chains and tracking products back to their source. CR was on embedding sustainability in the business and including it in the strategy and reporting. In order to increase transparency on sustainability related issues it was decided to hire an external accountant to audit and give assurance on the sustainability report. Several employees within Ahold supported in setting up an industry group that combined several initiatives concerning products and health. Al these initiatives were combined and integrated into one industry wide group called the Consumer Goods Forum (CGF). Dick Boer, who later became the CEO of Ahold, co-founded the consumer goods forum.

4.1.7 2010

A new strategy was introduced which emphasized a focus on issues that are closely related to the business and where a difference can be made. In 2010, Ahold had set a series of clear measurable targets for the priority areas until 2015. The progress of these KPIs and objectives over the years can be found in figure 10. During this year, Dick Boer was appointed as CEO of Ahold.

Within the organization, CR is overseen by the CR steering committee, chaired by the CCGC and made up of senior representatives from each of the companies. Day – to – day coordination of CR activities is managed through the CR management committee, chaired by the Vice president corporate responsibility. Action plans will be developed to meet the 2015 targets, which will be reviewed by both the business and the CR Management Committee. Data on progress against the 2015 targets will be gathered quarterly and reviewed by the person responsible for the respective priority area.

As an organization, Ahold has re- identified key stakeholders that are relevant to the business and CR activities. These were customers, employees, suppliers, communities, NGOs and shareholders.

4.1.8 2011

In 2011, Ahold announced to carry out a structured stakeholder dialogue where progress will be discussed to current and future strategies. The input was received to further develop the strategy and action plans, and use as input on the scope of reporting. In 2011 Sander van der Laan became CEO of Albert Heijn. Although, targets and KPIs are the same as in 2010, the reshaping retail strategy was introduced. In essence, this meant that responsible retailing (sustainability) became one of the six overall pillars.

Albert Heijn worked together with a group of manufacturers in the Netherlands to develop new food choice logos ("het vinkje"). There are two versions of this logo, a green version for healthy staple foods, such as fruits, vegetables, meat and bread. The blue

version is to signify a healthier choice, foods that contain fewer calories and less salt, sugar and saturated fat than a regular equivalent of the same product. These logos make it simpler for consumers to make healthy and conscious food choices, and encourage producers to make their products healthier. In 2011, 1301 products carried the logo.

During this year a stakeholder event was organized for the first time. The goal of this event is to inform stakeholders about activities and also engage in dialogue with stakeholders.

4.1.9 2012

In 2012 the name of the sustainability report was changed into responsible retailing, at the same time the CSR department was renamed as responsible retailing. The reason for this change was that, according to management, sustainability should not be an issue for corporate level but should be embedded in the entire business, thus the change from corporate responsibility to responsible retailing.

Three promises were introduced group wide. These promises envisioned to be a better place to work, better place to shop, and be a better neighbor every day. During this year Ahold acquired the internet shopping company bol.com in order to pursue online sales. In light of online sales, Albert Heijn also opened the first pick up point during this year.

4.1.10 2013

In 2013 the stakeholder guidelines were finalized. This document was made through an iterative process involving several associates throughout the company (from responsible retailing, product integrity and communication). An employee from the RR department who was responsible for stakeholder management led this process.

The document describes five issues concerning stakeholders:

1. Stakeholder definition: Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the organization's activities, products, and/or services; and whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives.
2. Types of stakeholders: Ahold states that it is open to engage with stakeholders where possible on topics where Ahold has impact and or influence. Five main stakeholder groups are identified namely, Customers, employees, suppliers, shareholders, communities and other (NGOs, Academic, government bodies, benchmarks, competitors, membership organizations).
3. Why stakeholders are managed: Ahold engages with the different stakeholder types around Responsible Retailing for a wide range of reasons including to receive input for our strategy, to share progress, to partner, to provide information to benchmarks, to develop ambassadors and to share knowledge.
4. Stakeholder classifications: To manage the stakeholders these are classified into three main groups which are: Strategic (stakeholders helping Ahold to achieve its strategy), other (stakeholders that have an impact on Ahold's business but do not play a strategic role in achieving Ahold's strategy), no sponsor (stakeholders that have limited impact on Ahold's business.

5. Roles and responsibilities; In this chapter roles and responsibilities concerning stakeholders are described (ASG).

The document is reviewed and updated on a yearly bases by the project manager responsible retailing. Since 2013, 10 % of the bonus of board members was tied to the companies' sustainability performance.

The Program Managament Office (PMO) was created within Albert Heijn. The sole purpose of this office (consisting of four employees) was to monitor, evaluate and assess initiatives and programs within the company. In case an employee wants to start a new program or initiative, the PMO makes an assessment of the plans and checks whether something similar is already in execution.

4.1.11 2014

In 2014 no targets were changed, however the report includes a visual supply chain for the first time. With regards to the new GRI 4 guidelines a materiality matrix was designed to get familiar with the process. However, this was not included in the report yet because this was not obligated.

The report contained a reflection on the targets and progress. During this year, the CCGC, who was leading the responsible retailing department, announced that he would leave the company in 2015. The Sustainability report was assured by an external accountant on GRI B+ level.

The table on the next page shows a summary of this timeline.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governance	CEO: Ander Moberg		Dick Boer appoint head of European platform	CSR Department Created at Ahold Group.		New CCGC Ahold: Lodewijk Hijmans vd Bergh		New CEO AH: Sander vd Laan	CSR department changed name to RR.	10% Bonus for board members on RR.	
	No department responsible for sustainability		New CFO: John Rishton			CSR Department split in PI and CSR	New CEO Ahold: Dick Boer			Set up PMO	
			Peter Wakkie EVP & CCGC								
Strategy	Finish Road to recovery strategy	Launch of new strategy 2005-2009.		Adaptation2005-2009 Strategy. 4 main themes.	Adaptation2005-2009 Strategy. Include Our people	Vision: Create responsible profit	Launch New strategy 2011-2015.	Report reflects progress on new targets	Introduction new promises: 3x better incl neighbor	New and adapted targets	No change in targets.
				First objectives in the report	Vision: Create responsible profit	Dick Boer worked on founding CGF	New targets on all five pillars.	Reshaping retail strategy			
					First hard target on environment.		RR Pillar in company strategy				
Events	Publication 2nd Sustainability Report.	Launch healthy Clover Logo on 1200 products.	No Sustainability / CSR Report	First Report conform GRI (3) C level	Healthy Symbol Logo introduced in the USA	Introduction Pure & Honest at Albert Heijn	Assurance for B+ level Report	Assurance for B+ Level Report	New name of the report: Responsible retailing	New accountant to assure report: PwC	Report contains reflection on targets.
	First global product and supply chain meeting	Launch ASTD: African sustainable trade program.	Interim CSR report and piece in AR	Adaption Ahold standards of engagement	Report conform GRI	CSR Report assured for first time. By Deloitte.	Signed commitment Global Compact	Introduction of healthy logo	Report reflects on existing targets with some changes	Assurance for B+ Level Report	Assurance for B+ Level Report
	Launch ASAP. African assistance program	Report is launched and named CSR Report		Launch cacao program	Health initiative to reduce salt	Report conform GRI B+ Level.	AH Co-founder JOGG	First store in Belgium	Assurance for B+ Level Report		Visual supply chain in report
	Starting Dialogue with NGOs	First Breakthrough store AH		AH Foundation founded	Crisis	CDP					

Table 1. Sustainability related governance, strategy and events of Ahold and Albert Heijn over time

4.2 Sustainability strategy and KPI evolution

Table 1 shows governance, strategy and events related to sustainability integration within Ahold and Albert Heijn over time. In 2004 there was no department dealing with sustainability, no policy on the frequency of reporting on sustainability, no sustainability related strategy and no clear objectives.

The first strategy was launched in 2005, even though the main themes were formulated in this strategy, there were no clear objectives. As can be seen in figure 10, the first concrete objectives were set in 2007.

Ahold Sustainability Objectives & KPIs		2004 - 2006	2007	2008	2009	2010	2011	2012	2013	2014
Healthy Living	Products									
	Information									
	Programs									
	Recognition									
Sustainable Trade *	Prod. Safety									
	Compliance									
	Local source									
	Critical commodities									
	Supply chain mapping									
	Packaging									
Climate action**	Impact roadmap									
	Waste management									
	GHG Reduction									
	Pressure suppliers									
	Eliminate Bags									
	Packaging									
	Landfill									
Community	Programs									
	Activities/donations									
	Food banks									
	Children educated									
Our people	CR Policy									
	Engagement									
	Sustainability programs									
	Healthy programs									

Figure 10. KPI and Objective evolution over time. The five terms on the left represent the strategic pillars and subcategories formulated by Ahold.

Legend	
No target or objective	
Described objective	
Target is measurable	
Target added	
Target changed	
Target deleted	

As can be seen in figure 10, the first measureable target was set in 2008 on CO_2 reduction. In 2010, many areas followed. The new strategy was launched in 2011 and it caused many new targets to be added in 2012 and 2013. Overall an interesting development has taken place over the past ten years, evolving from objectives and guidelines, to concrete and measureable targets.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Events	Active Dialogue with stakeholders start s	Announcement new strategy to stakeholders		GRI compliance	Stakeholders grouped in report	Include stakeholders in new strategy	Launch new Strategy	Stakeholder event was created	Stakeholder event	Stakeholder event	Stakeholder event
	Stakeholder Priorities stated in report	Launch Strategy			Report on stakeholder related activities	Annual assurance by accountant	Announce structural stakeholder dialogue	New policy: Media guidelines		New policy: Stakeholder guidelines	
	Launch ASAP. African assistance program				Work with Dutch food center on salt					New policy: Stakeholder map	
	First global meeting on products and supply chain									Account managers in Ahold	
										Sponsors for sustainability in the executive board.	
Member-ships	Involved in UTZ development	BSCI	RTRS	RSPO	MSC	CGF	Global Compact	SRP	ERRT		
		ASTD: African sustainable trade program	ACA	Fairmatch	FSC		Global Gap	TSC			
				ICCO	IDH	CBL					
Partner-ships	ICA	Dutch Food Centre	UTZ	AH partner with WWF	GSCP	DJSI	Wageningen UR	Collaboration with FDA			HIVOS
		BRC		Fair-trade				Collaboration with Department of agriculture			Unilever
				GFSI				Collaboration with Industry healthy food foundation			Postcode loterij
				Cargill				Beter Leven (dierenbescherming)			GS1
				Solidaridad							

Table 2. Stakeholders and related events connected to Ahold and Albert Heijn.

4.3 Evolution of Stakeholder engagement

Table 2 shows stakeholder related events, new partnerships and memberships that were made over the past ten years. In this respect, a partnership here is an agreement between either Ahold or Albert Heijn and another stakeholder. These were mostly societal stakeholders (e.g. UTZ, BSCI), but also partnerships were made with direct stakeholders like Unilever. A membership can be seen as a platform to collaborate with other stakeholders. For example, the RTRS is the roundtable for sustainable soy, which is a platform for stakeholders involved in the soy supply chain to participate in improving the supply chain.

The reports in the early 2000s clearly described active stakeholder engagement and dialogue being initiated within the company. Throughout the years many partnerships have been formed and many memberships were made. Some of these initiated by Ahold (e.g. CGF, UTZ). Many of these memberships were necessary in order to set concrete and measurable targets. For example, the BSCI enabled Ahold to measure social compliance in a way that is transparent and independent. Also, the Dutch food centre helped in defining criteria for healthy products. Over the years there has been an increase in stakeholder engagement.

In 2011 the media guidelines were set up in order to institutionalize ways and contents of communication to stakeholders. In 2013 the stakeholder guidelines were set up in order to institutionalize ways of communication and document stakeholder classifications. Up to 2015, no assessment has taken place in order to find out to what extend these guidelines are used.

4.4 Integration themes

The analysis of the database has led to a total number of 234 integration items (Shown in table 1.) of which 178 were subtracted from the interviews, 42 from documents and 14 from observations.

Source	Integration Items
Interviews	178
Documents	42
Observations	14

Table 3. Integration Items and sources

Many integration items that addressed similar issues were grouped into themes based on interpretative analysis and frequency (as described in the methods).

Integration Theme
Building towards long – term relationships with direct stakeholders was an important ideal for the sustainability integration
Develop sustainability performance over time in collaboration with societal stakeholders
Transparency to stakeholders has contributed to sustainability integration
Alignment between internal stakeholder rewarding and the company strategy is important for integration
Creating a Sustainability Department contributed to integration of sustainability

Table 4. Integration themes

Table 4 shows the five integration themes that emerged from the database. In the following paragraphs for each theme the results will be presented and discussed.

4.4.1 Building towards long – term relationships with direct stakeholders

From the data, 12 integration items (e.g. II; AHF; IT8) showed that long – term relationships with direct stakeholders are valued greatly and contributed to sustainability integration. Two of these integration items were found in interviews, six in statements (documents) and four from observations. Although the quantity of these integration items is limited, conversations with employees showed that this belief has been within the organization for a long time. The earliest references to this belief pointed to Gerrit Jan Heijn (Grandson of the founder) in the 1960s.

Nr.	Learning				Culture			Levels			Time				Total	Succes-	Stakeholder
	P	D	C	A	A	V	BA	S	T	O	05-'09	09-'14	Present	Future	(Max = 14)	fullness	group
1	1	0	0	0	0	0	1	1	1	0	0	0	1	0	5	36%	dir
2	1	1	0	0	1	0	0	1	0	0	1	0	0	0	5	36%	dir
3	1	1	0	0	1	0	0	1	0	0	0	1	0	0	5	36%	dir/soc
4	1	1	0	0	0	0	1	1	1	1	0	0	1	0	7	50%	dir/soc
5	0	1	1	0	0	1	0	1	1	1	1	1	1	0	9	64%	dir/soc
6	1	1	1	1	0	0	1	0	1	1	0	1	1	0	9	64%	dir
7	1	1	1	1	0	0	1	1	1	0	1	1	0	0	9	64%	dir
8	1	1	1	0	1	1	1	0	0	1	1	1	1	0	10	71%	dir
9	1	1	1	1	1	0	0	1	1	0	1	1	1	0	10	71%	dir
10	1	1	1	1	1	1	1	0	0	1	0	1	1	0	10	71%	dir/soc
11	1	1	0	0	1	1	1	1	1	0	1	1	1	0	10	71%	dir
12	1	1	1	1	1	1	1	1	1	1	1	1	1	0	13	93%	dir

Table 5. Long term relationships. This table shows the successfulness for each item that was allocated to this integration theme. On the left side the twelve integration items (nr. 1-12) are shown, every integration item is given a score of either one or zero on all the dimensions and their subsequent divisions. As a result, this leads to a successfulness expressed in a percentage. This percentage is based on the assumption that an integration item is most successful when: (1) The PDCA cycle is a closed loop, meaning every step is carried out. (2) The different levels of the organizational culture are aligned. (3) The organizational levels are aligned. (4) The integration is present over time. The column on the right indicates what stakeholder group(s) is/are involved with regards to the integration item. Note that the organizational vision is implicit due to the nature of the data collection with a focus on health and sourcing. The same table set up will be used for the following themes.

As can be seen in table 5, the integration items pattern flows according to the theory. This means that a higher level of integration on all dimensions leads to more successful integration. However, this is not the case when it comes to the organizational levels dimension. This is due to the fact that this sum of integration items was not embedded throughout all organizational levels. Reflecting upon the case study this is a logical result. Stakeholder engagement differed through the organizational levels. On operational level there is a focus on the consumer and supplier, whereas the strategic level deals with a far wider array of stakeholders.

The table also point to the fact that importance of long- term relationships has been carried within the organization for many years. This integration theme is shown in documents but is also shown by assumptions, or unconscious taken for granted beliefs, perceptions, thoughts and feelings of employees. Continuous organizational learning was integrated by frequently reviewing documents related to stakeholder engagement, however not all integration items directly showed this link.

With regards to stakeholders the table shows that most of the integration items were linked to direct stakeholders, meaning suppliers and consumers. This integration theme has eventually led to a new way of working and several win- win situations as described below. Thus, an intentional aim towards long – term relationships was stimulating to sustainability integration. The latter years, this intention has been increasingly documented and led to more successful integration.

An example of a win-win situation was found during an observation from a presentation by the AH sourcing department. Originally there was a shared thought and belief that building long-term relationships with suppliers is good for business because it increased insurance for a steady and reliable flow of quality product. Over the past few years, the scope has broadened from solely profit related incentives towards more social and environment related incentives. This has led to advantages for both parties. AH joined forces with African avocado suppliers. AH (together with ICCO and Fairmatch) helped these suppliers to obtain resources such as knowledge and tools in order to expand and improve their avocado business in a sustainable way. One way how they did this was by taking better care of the land that is used, or by helping employees. Employees of Ahold see this as a source of inspiration. The success of this relationship has also been acknowledged by the Dutch partnership awards. This is an organization which searches for the best business case with investments in developing countries on a yearly base. AH aims to retrieve their entire avocado demand from Africa before the end of 2015.

The shift towards an increasing focus on environmental and social issues was confirmed by the creation of the AH Foundation in 2007. This was another integration item (activity), found in reports and articles, and linked to ensuring long-standing relationships with direct stakeholders. The goal of the AH Foundation is to secure the supply of products (e.g. green beans and grapes) year round and, to introduce new products. Simultaneously they aim to have a positive impact on the living conditions and future prospect of employees working for African suppliers and to ensure sustainable relationships. As a result the reliability of supply increased for AH and the different African suppliers improved productivity.

The Ahold Standards of Engagement were created (before the time scope of this research) in order to safeguard terms and business with new suppliers. All suppliers have to comply to the standards of engagement in order to do business with Ahold. This is reviewed on a yearly base. Throughout the years, several deal breakers have been added to this document. Deal breakers are certain conditions for which the contract with a supplier will be terminated immediately e.g. child – labor or certain BSCI standards, how often this has happened could not be shared. They goal of this document is to ensure and safeguard long- term relationships.

4.4.2 Develop sustainability performance over time together with societal stakeholders

From the data, 30 integration items showed that collaboration with societal stakeholder was often but not exclusively necessary for sustainability integration on many occasions. 26 of these integration items were found in interviews, 3 in statements (documents) and one from observations. Table 6 shows the successfulness for each item that was allocated to this integration theme.

Nr.	Learning				Culture			Level			Time				Total (Max = 14)	Succes-fullness	Stakeholder groups
	P	D	C	A	A	V	BA	S	T	O	05-'09	09-'14	Present	Future			
13	1	1	0	0	0	0	1	0	0	1	1	0	0	0	5	36%	soc
14	0	0	1	1	0	0	1	1	0	0	0	0	1	1	6	43%	soc
15	0	1	1	0	0	0	1	0	0	1	0	1	1	0	6	43%	soc
16	1	1	0	0	0	1	1	0	0	1	1	0	0	0	6	43%	soc
17	1	1	1	0	1	0	1	1	0	0	0	1	0	0	7	50%	soc
18	1	0	0	0	0	1	1	0	1	1	0	0	1	1	7	50%	soc
19	1	0	1	0	0	1	1	1	1	0	0	0	0	1	7	50%	dir
20	0	0	1	1	1	0	0	1	1	0	0	0	1	1	7	50%	dir
21	1	0	1	1	0	0	1	0	1	1	0	0	0	1	7	50%	soc
22	0	0	1	1	0	0	1	1	0	0	1	1	1	0	7	50%	soc
23	0	0	1	1	0	0	1	0	1	1	0	1	1	0	7	50%	soc
24	1	0	1	0	1	0	1	0	1	0	0	1	1	1	8	57%	soc
25	1	0	1	0	0	1	1	1	0	1	0	0	1	1	8	57%	soc
26	0	1	1	1	0	1	1	1	0	0	0	0	1	1	8	57%	soc
27	1	1	1	1	1	1	0	1	0	0	0	1	0	0	8	57%	dir
28	1	1	0	0	0	1	0	1	1	0	0	1	1	1	8	57%	soc
29	0	0	1	1	0	1	1	1	1	0	0	1	1	0	8	57%	soc
30	1	1	1	0	1	0	1	0	1	0	0	1	1	1	9	64%	soc
31	1	1	1	1	0	1	1	1	0	0	0	1	1	0	9	64%	soc
32	1	1	1	1	0	1	0	0	1	1	0	1	1	0	9	64%	dir
33	1	1	1	0	1	1	0	1	1	0	0	0	1	1	9	64%	dir
34	1	1	1	1	0	1	1	1	0	0	0	0	1	1	9	64%	int
35	1	1	1	1	0	1	1	1	0	0	0	0	1	1	9	64%	soc
36	0	0	1	1	0	1	1	1	1	0	1	1	1	0	9	64%	soc
37	1	1	1	1	1	1	0	1	1	0	0	0	1	1	10	71%	soc
38	1	1	1	1	0	1	1	0	1	1	0	1	1	1	11	79%	int
39	1	1	1	1	1	1	1	0	1	1	0	1	1	0	11	79%	soc
40	1	1	1	1	0	1	1	1	1	0	1	1	1	1	12	86%	soc
41	1	1	1	1	1	1	1	1	1	0	1	1	1	0	12	86%	soc
42	1	1	1	1	1	1	1	1	1	0	0	1	1	1	12	86%	soc
43	1	1	1	1	1	1	1	1	1	0	1	1	1	1	13	93%	soc

Table 6. Collaboration with societal stakeholders

Table 6 first of all shows a development over time. Societal stakeholders are increasingly included in the companies' activities. Directly or indirectly these partnerships have led to sustainability integration, in many cases the partnership was necessary.

For example, an integration item in the form of an activity (note that this could also be seen as an interaction between stakeholders) was found with regards to CO_2 reduction. One of the goals for Ahold is to decrease carbon dioxide emissions as a part of the 'care for the environment' pillar. In order to do so, a project was set up to decrease CO_2 emissions related to Albert Heijn (AH) stores of which there are approximately 960 in the Netherlands. An AH employee with a technological background piloted a program to connect in- store cooling and heating systems with each other. The heat from cooling

systems could then be used to heat up the stores. Unfortunately the properties of the gas didn't allow such an innovation. Ahold made contact with a gas supplier and shared this issue with them. Within several weeks the supplier had developed a gas (XP40) which met the demanded criteria, and had the same price. Moreover, due to the fact that less energy was needed, this also led to a financial benefit. Since 2008 Ahold has achieved a 18.5% decrease in CO_2 reduction throughout the entire business.

Another example relates to plastic bags. It is not uncommon for stores to hand out plastic bags to consumers at the checkout counter. Ahold has set a global strategy to eliminate plastic bags at the checkout counters (RR Report, 2012). To execute this strategy three different approaches were applied to the different geographical areas in which Ahold is active: USA, Czech Republic (CR) and the Netherlands (NL). The Ahold USA divisions have started a plastic bag elimination program aimed to complete in 2015. In the CR the approach was slightly different, the operational companies started charging for plastic bags, the funds raised with these bags were donated to local children in need. In NL there was a third approach; Albert Heijn collaborated with the Central bureau for nutrition trading (CBL Centraal bureau voor de levensmiddelenhandel). The CBL consequently set an industry wide target which prohibited Dutch retailers from handing out free bags at the check-out counter. Due to these industry wide arrangements all bags were immediately eliminated within Albert Heijn. Important here is that the industry wide target took away Albert Heijn's fear for falling behind on competitors.

Other examples of such industry wide platforms are the BSCI, GFSI, CGF, ASC, MSC etc. Collaboration with other organizations through these memberships contributed to integrating sustainability within Ahold and Albert Heijn. E.g. The BSCI made it possible to measure and report on compliance to a code of conduct throughout global supply chains. For Albert H

Second, the pattern in table 6 shows the importance of values within the firm. This can be explained by the fact that many collaborations started out due to a necessity. This necessity originated from strategy-making and goal setting, thus on a value level. The collaborations made sure that the organization was able to give the goals meaning and make them measurable.

The results showed that on higher tactical and strategic level there is engagement with a larger number of stakeholders whereas, on the operational level, engagement was mainly with a single stakeholder. Despite this fact, associates from operational level pointed out that the few moments of engagement with direct stakeholders in the past have shown to be very valuable (e.g. for educational and training purposes) . The degree to which this integration item is embedded within the company culture consequently differs over the organizational levels. On the more strategic level development and collaboration with a wide array of stakeholder is generally a basic assumption and employees behave as such, whereas on operational levels the basic assumptions differ to a belief that is more focused on the customer.

The table shows that the organization has tools in place to facilitate continuous improvement throughout the different organizational levels. Examples of these are customer surveys, stakeholder guidelines, stakeholder maps and communication

guidelines that are evaluated on a frequent base. Nonetheless, employees did point out that often other initiatives and partnerships were started but there was insufficient reflection. In order to address this, the SVP transformation of Ahold set up a Program management office (PMO) in 2013, the goal of this department is to track and safeguard programs and close the PDCA cycle.

Despite the fact that Ahold claims to actively collaborate and engages with stakeholders, employees pointed out that not all relevant stakeholders were willing to do this (e.g. Wakker Dier). Also, despite the stretched importance of stakeholder dialogue, there was no organized event to do so until 2011 and no aligned policy on this until 2013. The first stakeholder event was organized in 2011, and ever since held annually, mainly because Ahold received valuable feedback. The stakeholder guidelines were finalized in 2013. As can be seen in table 6 the representation of integration items within the time dimension does not clearly decrease with the successfulness.

Overall, the data showed several positive movements towards sustainability integration that evolved from this integration theme, like 'het vinkje', 'doe maar lekker duurzaam' and industry roundtables. This shows that collaboration was often but not exclusively necessary for Ahold to integrate sustainability.

4.4.3 Transparency to stakeholders has contributed to sustainability integration

In the data, 16 integration items showed a link between transparency towards stakeholders and sustainability integration. Fourteen were found in interviews, one from observations and one from documents. Table 7 shows the level of integration for each item that was allocated to this integration theme.

Nr.	Learning				Culture			Levels			Time				Total (Max = 14)	Succes-fulness	Stakeholder groups
	P	D	C	A	A	V	BA	S	T	O	05-'09	09-'14	Present	Future			
44	0	0	1	0	0	0	1	1	1	0	0	0	1	1	6	43%	soc
45	1	1	0	0	0	1	0	1	1	0	0	0	1	1	7	50%	dir/soc
46	1	0	1	0	0	1	1	0	1	0	0	0	1	1	7	50%	dir
47	0	1	1	1	0	0	1	0	1	1	0	0	0	1	7	50%	dir
48	0	1	1	0	0	1	1	0	1	1	0	1	1	0	8	57%	dir
49	1	1	1	0	0	1	1	0	1	1	0	0	1	0	8	57%	dir/soc
50	1	1	1	1	0	1	0	1	1	0	0	0	1	0	8	57%	dir/soc
51	1	0	1	0	0	0	1	1	1	1	0	0	1	1	8	57%	dir
52	1	0	1	1	0	1	1	0	1	1	0	0	1	1	9	64%	dir
53	1	0	1	1	0	1	1	0	1	1	0	0	1	1	9	64%	soc
54	0	1	1	1	0	1	1	0	1	1	0	0	1	1	9	64%	dir/soc
55	1	1	1	0	1	1	0	1	1	0	1	1	1	0	10	71%	dir
56	1	0	1	1	0	1	1	1	1	1	0	1	1	0	10	71%	dir/soc
57	1	1	1	1	0	1	1	1	1	0	0	0	1	1	10	71%	dir/int
58	1	1	1	1	1	1	0	1	1	0	0	1	1	1	11	79%	soc/int
59	1	0	1	1	1	1	1	0	1	1	0	1	1	1	11	79%	dir
60	1	1	1	1	1	1	0	1	1	1	0	1	1	1	12	86%	dir

Table 7. Integration theme Transparency

Table 7 (and figure 10) shows an increasing focus on transparency, beginning in 2004, internal as well as externally. The timelines (table 1 and table 2) also show an increase in transparency over the past ten years. This begins with reporting. Since 2007, the sustainability report was published on annual bases. The content of the reports became increasingly concrete (this is also shown in the table 4). From 2004-2006 the report did not contain any targets or objectives. The 2007 report included the first commitments, however they were solely guiding objectives that were not measured and no targets were set for them. E.g. 'Making it easy to choose healthy products' and 'reduce greenhouse gas emissions in our stores.' 2007 was the first year that the sustainability report was set up conform GRI guidelines. In 2009 the report was audited by an external accountant for the first time. Thereafter, in 2010, with the start of a new strategy a series of concrete and measurable targets were set.

This increase in transparency has provoked a number of movements within the company over the years. First and foremost the need for information; In order to be transparent about what the organization does, the information has to be present and meaningful. Consequently, the need for Ahold to measure targets and objectives increased over the years. In order to report on progress and give this meaning to society many partnerships have been made over the years. For example the BSCI (of which Ahold is a founding member) and GFSI, which helped Ahold to measure progress and communicate something that was reliable due to the independent nature of the connected Industry groups.

Increasing scores in the DJSI (65 in 2011 and 74 in 2014) also point to an increase in transparency throughout the years. A higher score is a consequence of a large more accurate input of data from Ahold to DJSI.

Reflecting upon the culture of Ahold, transparency has not always been integrated within all levels. Table 7 shows that transparency has hardly been integrated on an artefact level. Of course, several easily observable initiatives over the years have shown an increase in transparency (e.g. assurance for the report, or reporting conform GRI). This increase is confirmed by organizations like the DJSI.

Many employees throughout the organizational levels share the thought that Ahold and Albert Heijn should and can be more transparent. However there is an observed difference between different organizational levels. In the operational and lower tactical levels transparency in general was encouraged, and employees behaved accordingly. However, on the more strategic levels of the organization employees are more nuanced in their statements on this. Often barriers like competition and intellectual property were mentioned. This difference can be explained by the different array of stakeholders that employees on different levels have to deal with. As mentioned earlier, employees on the operational level generally deal with a smaller number of stakeholders (e.g. supplier or customer) in comparison to employees on strategic level. This greater perception of risk could form a barrier to transparency for employees on strategic level.

Transparency was important to employees and often mentioned in different contexts. Interviewees often defined this as 'being open and honest about what we do and what we don't do to everyone who wants or needs to know.' It was also often mentioned in relation to engagement, and also acknowledging internally what the organization is doing. Or in the words of an employee from strategic level, 'explain why you are doing certain things, and why you aren't doing other things.' Many integration items pointed to the idea that transparency is necessary for sustainability integration. This need for transparency was not solely fuelled by employees, it was stated on several occasions that there is an increasing demand for transparency by society.

4.4.4 Align internal stakeholder rewarding with the strategy

From the data, 20 integration items showed a link between transparency towards stakeholders and sustainability integration. Eighteen were found in interviews, two from observations and none from documents. Table 8 shows the level of integration for each item that was allocated to this integration theme.

| Nr. | Learning | | | | Culture | | | Levels | | | Time | | | | Total | Succes- | Stakeholder |
	P	D	C	A	A	V	BA	S	T	O	05-'09	09-'14	Present	Future	(max = 14)	fullness	groups
61	1	0	1	0	0	1	0	0	0	1	0	0	0	1	5	36%	int
62	1	1	0	0	0	0	0	1	1	0	0	0	1	1	6	43%	int
63	1	1	0	0	1	0	0	1	1	0	0	0	1	0	6	43%	int
64	0	1	0	0	1	0	0	0	1	0	1	1	1	0	6	43%	int
65	1	1	0	0	0	0	1	1	1	1	0	0	0	0	6	43%	int
66	0	1	0	0	1	0	1	0	0	1	1	1	1	0	7	50%	int
67	1	1	0	0	1	0	0	1	1	0	1	1	1	0	8	57%	int
68	0	1	1	0	0	1	1	0	0	1	1	1	1	0	8	57%	int
69	0	1	1	0	0	1	1	0	0	1	1	1	1	0	8	57%	int
70	0	1	1	0	0	1	1	0	1	1	1	1	1	0	9	64%	int
71	1	0	1	0	0	0	1	1	1	1	1	1	1	0	9	64%	dir
72	1	1	0	0	0	0	1	1	1	1	1	1	1	0	9	64%	int
73	0	1	1	1	1	1	0	1	1	1	1	0	1	0	10	71%	int
74	1	1	1	1	1	0	1	1	0	0	1	1	1	0	10	71%	int
75	0	1	1	1	1	0	1	1	1	0	1	1	1	0	10	71%	int
76	1	1	1	0	0	1	1	1	1	0	0	1	1	1	10	71%	int
77	1	1	1	1	0	0	1	0	1	1	1	1	1	0	10	71%	int
78	0	1	1	1	1	0	0	1	1	1	1	1	1	0	10	71%	int
79	1	1	1	1	1	0	0	1	1	1	1	1	1	0	11	79%	int
80	1	1	1	1	0	1	1	1	1	1	1	1	1	0	12	86%	int
81	1	1	1	1	1	1	0	1	1	1	1	1	1	0	12	86%	int

Table 8. Internal stakeholder rewarding.

Noticeable is the pattern in table 8 concerning the organizational culture. Interviewees often stated that employees act according to their targets and goals specific to their functions. These statements point towards alignment between the value and basic assumption level. The table shows that this is often not the case.

Second, there is a consensus among interviewees that employee rewards are important and should be accurately linked to companies' strategies. These statements point towards alignment between the artefact and value level. Although, this thought was shared on all organizational levels, the results show a lack of alignment in this area. Reflecting back to the timeline, many targets and much progress integral to the strategy was measureable since 2010. Also, it was not until 2010 that responsible retailing was integrated as one of the six pillars in the overall company strategy.

An employee from operational level elaborated 'Eventually it's all about the results, the turnover, which is what I am criticized on.' Connecting to this statement, an employee within the strategic level of the organization acknowledges that 'it is important to reward employees accordingly. If you say you put the customer first, or want to become more sustainable, you have to identify KPI's accordingly.' In light of this, it is noticeable that Responsible retailing became a part of the executive board members compensation in 2013, so quite recently the targets on sustainability have been implemented into rewarding of these employees.

One of the main targets relating to consumer health is the healthy living target, which states: Increase the sale of healthy products (as defined by criteria from leading health authorities) to at least 25% of total food sales by 2015 across the Group. First of all, this points again to the necessity of collaboration with leading health authorities, this relates to one of the previous integration themes. However, it also points towards the importance of accurate rewarding. Within Albert Heijn, Category managers are responsible for a portion of the assortment that Albert Heijn offers. However, they are not educated in, and rewarded according the percentage of their assortment that is healthy. Nor do they receive objectives or targets towards to improve the assortment in terms of health.

Closely relating to this is associate engagement, which has been integral to the compensation of much HR related personnel for four years. The importance of associate engagement was stretched throughout all levels of the organization; the yearly engagement survey showed a 81% response from employees, the highest level in three years. The retail industry has a 69% average on employee engagement survey response. This shows that fact that integration on a value level did contribute towards integrating the strategy, in this case.

As of 2015, a new way of assessing employees is used within Ahold. Each individual employee that belongs to the office personnel and higher personnel in offices, stores and distribution centers will get 5 goals; 1 financial goal, 3 strategic goals and 1 personal goal (Ahold Intranet, 2015). It was not specified as to whether these strategic goals can be financial. Consequently we would expect that the individual's strategic goals would be in line with the companies' strategy and the strategies of the different departments. From the results it seems that this is the case to certain extends. Regarding the category managers they were not rewarded according for their efforts towards a healthy assortment. In other cases, for example in the RR team, some individuals were rewarded e.g. according to a score on the Dow Jones Sustainability Index. If we draw this example into the business we see that store managers according to HR policy are rewarded on aspects like, store turnover, average wage, percentage of waste, employee engagement and customer satisfaction. Although this was reflected by company documents, a store manager commented that 'eventually it's about turnover, that's what I am evaluated on.' This again points towards a lack in alignment between the different cultural levels.

The sustainability values are not broadly embedded within the organizational culture, especially on operational levels. The past few years the focus increased when it comes to rewarding of employees and consequently altering behavior. The first changes towards this are visible on an artefact level. The database shows that internal stakeholders are frequently and systematically assessed, however the process through which employees are assessed was not frequently re-evaluated. Previous years (2012-2014) have shown some beginning changes in the organization when it comes to alignment between rewards and strategy. However, it was not until 2008-2010 that progress on many of these strategic areas became measurable.

4.4.5 The Sustainability Department

Within the database, 6 integration items showed a link between the creation of a department and sustainability integration. Five were found in interviews, one from observations and none from documents (only implicit e.g. a change in governance structure in reports). Table 9 shows the level of integration for each item that was allocated to this integration theme.

Nr.	Learning				Culture			Levels			Time				Total	Succes-	Stakeholder
	P	D	C	A	A	V	BA	S	T	O	05-'09	09-'14	P	F	(max = 14)	fulness	groups
82	0	1	0	0	0	0	1	1	1	0	0	1	1	0	6	43%	int
83	1	1	0	0	1	0	0	1	0	0	1	1	1	0	7	50%	int
84	1	1	1	1	0	0	1	1	0	0	0	1	1	0	8	57%	int
85	0	1	1	1	0	1	1	1	1	0	0	1	1	0	9	64%	int
86	1	1	1	0	1	1	0	1	1	0	1	1	1	0	10	71%	int
87	1	1	1	1	1	1	0	1	1	0	0	1	1	0	10	71%	int

Table 9. Internal stakeholders responsible for sustainability

Table 9 shows a noticeable pattern regarding the organizational culture and basic assumptions. This is because the topic of creating a sustainability department is somewhat controversial. The CCGC who is in charge of responsible retailing within Ahold stated 'the best proof that I did my job well would be that I make myself redundant.' So despite the fact that many associates and the CCGC (who is at the top of the organization) think that sustainability should be in people's DNA and it should be embedded within the business, a separate department focused on sustainability exists.

The first department in charge of sustainability with Ahold was created in 2007, it was called Corporate Responsibility. Before this, several individuals throughout the company were responsible for separate sustainability related topics as an addition to other activities. Information on how exactly the responsibility on this was divided through the company at that time, unfortunately could not be retrieved from documents and interviews. The CSR department was created for a number of reasons. First of all there was a growing belief within the organization that sustainability would play an increasingly important role for the company. Second of all, the department was created due to engagement with direct and mainly societal stakeholders, who became increasingly interested in this subject. Evidently, the CSR department was not integrated within all levels of the organization. The placing of this department can best be described as strategic level.

In 2009 the new CCGC decided to split the CSR department into corporate responsibility and Product integrity (PI). The latter department was founded, because the new CCGC considered Food safety as a top priority for Ahold. Food safety (responsible products) and everything in relating to that is the primary focus of the PI department. In 2012, the name of the CR department was changed into Responsible retailing (RR) by the new CEO of Ahold.

The responsible retailing department currently engages on many different activities e.g. reporting, strategy- making, consulting and supporting the business, searching for trends, stakeholder management etc. However, many associates argue that sustainability should be fully integrated within the business. There is no consensus

within the company as to whether or not the Responsible retailing department itself should maintain to exist as a group level department, or should be integral to the business. Despite this, I argue that the department was necessary to create awareness and acquire knowledge in order to set changes in motion. Besides, the department explicitly safeguards stakeholder dialogue with relevant stakeholders, internal, direct and societal.

4.5 Sustainability, stakeholders and Ahold

In this chapter several patterns can be observed. First of all, as can be seen in table 1 the sustainability performance of Ahold has increased over the years. This is confirmed by increasing scores from third parties such as the Dow Jones Index. In 2002 there was no clear strategy whereas by now Ahold is working on their third Sustainability strategy with clear formulated objectives and measurable KPIs. The Sustainability report started out as a document several case studies and objectives. Over the years the report evolved to a document containing clear progress on the strategy. Besides, it is conform GRI guidelines and assured by an external accountant. In order to integrate sustainability changes in governance have been made over the years.

As can be seen in figure 10, targets have become more concrete and measurable over the years. In the beginning most statements were a description of ambitions and abstract plans. Over the years these have been translated into measurable objectives in collaboration with a wide array of stakeholders.

Third, as can be seen in table 2 stakeholder engagement has evolved over the past ten years. In the beginning stakeholder communications were ad-hoc and tied to the individual employee. Throughout the years, stakeholder guidelines, a stakeholder map and stakeholder events were created. Besides, many memberships and partnerships have been made in order to increase the facilitate sustainability integration within the organization.

Overall, during these developments five themes make a connection as to how different stakeholder groups have contributed to integrating sustainability in the organization. Different stakeholder groups have played different roles during this process. Whereas direct stakeholders were approached more for collaborative purposes, societal stakeholders played a key part in KPI creation.

Chapter 5 Discussion

In the previous chapter, the results were described. Timelines were made in order to see progress in sustainability integration over the years and reflect upon stakeholder engagement. This chapter serves compare the findings with the literature review and to see how they contribute to answer the research question.

It has been observed that collaborative efforts have contributed to integrating sustainability. This confirms statements made by many scholars over the years. For example, Azapagic (2000) who argues in favor of including stakeholder from both a business and ethical perspective. Examples in the results had emphasized business driven arguments. The interactions with societal stakeholders resulted in a number of examples stimulating integration of sustainability e.g. target setting and industry- wide policies. This is also confirmed by Sarkis & Joseph (2010) in their book on sustainable innovation through collaboration, which is not limited to direct stakeholders.

The results show a number of examples related to positive movements connected to societal stakeholders, like 'het vinkje', 'doe maar lekker duurzaam' and industry roundtables. Drawing on this Dahan et al, (2010) argue that collaborative business models can lead to benefits for both parties. Combining and leveraging their relative strengths through collaboration can allow MNEs, NGOs and nontraditional business partners to each achieve their individual organizational goals more fully.

Moreover, scholars argue that collaboration not only transfers existing knowledge among organizations, but also facilitates the creation of new knowledge (Hardy, Phillips, & Lawrence, 2003). The memberships acquired during the years have shown several positive impacts towards sustainability integration. Poncelet (2001) reviews some of the benefits of such multi stakeholder collaborations, including more efficient resource utilitzation, speedier, more participative and more creative solutions. On this subject, Poncelet (2001) also argues that differences between geographical environments play an important role when collaborating with stakeholders in order to integrate sustainability.

Furthermore it was confirmed that the increasing need for transparency originated from internal-, direct- and societal stakeholders. This is confirms both Irwin's (1995) view, who observes an increase from society and Beck (1992) who observes it a result of internal processes. The results also show a certain development over time, and that time is necessary in order to align the different levels of culture. Baumgartner (2009) confirms this as he stated that the deeper an organization wants to implement sustainability in the culture of a company, the more time it requires.

Several scholars (e.g. Hubbard, 2009) already confirmed that alignment between employee rewarding and the company strategy is necessary in order to truly integrate new strategies. Consequently, aligning values, beliefs and assumptions of these internal stakeholders is also necessary to provoke change (Schein, 2010). This study showed a strong belief towards aligning the companies' strategy with employees' rewards, however not yet a strong execution of this belief.

Chapter 6 Conclusions and further research

Many scholars argue the importance of stakeholder engagement with regards to sustainability integration. This paper aims at deepening the knowledge on the relation between stakeholder engagement and the integration of sustainability within organizations. It is based on a seven months participant observation of the case study organization in its own setting, semi- structured interviews with associates were carried out during the observation period, documents were reviewed and observations were made.

For the case study organization, both the sustainability integration and stakeholder engagement have respectively improved and increased over the years. Although this shows correlation rather than causality, several themes have emerged from the data concerning the nature of the relationship between stakeholders and sustainability integration.

First of all, long-term relationships with direct stakeholders showed to have significant contribution to the integration of sustainability. The value connected to long-term relations was embedded deeply within the company culture and carried within all organizational levels; consequently this thought was successfully integrated. The theme developed over time through continuous improvement, finally this led to integration. Shared practices can form a motivation for collaborations between the organization and its' stakeholders, this can potentially enhance the organizations' competiveness while also stimulating social and economic conditions in the communities.

Over the past ten years a rising demand for transparency can be observed from direct as well as societal stakeholders. In this respect, the wide array of stakeholders that the organization engages with forms a challenge. Many different stakeholders increasingly demand a large and diverse amount of information. In the higher levels of the organization a higher risk was perceived with regards to transparency. The number of stakeholders that interacted with also increased in higher levels of the organization. As a consequence of the increasing demand for transparency, stakeholder engagement created awareness within the organization and consequently increased internal demand for information. This has led Ahold to critically reflect on the own operations and database. The data showed differences between the strategic agendas of different NGOS. According to interviewees NGOs should be treated with different tactics depending on their strategies, with regards to this, further research is suggested.

On strategic and tactical level, there is engagement with a large array of stakeholders while on operational level the main stakeholders were considered suppliers and consumers (direct). For Ahold, interaction with societal stakeholders has shown to be necessary to make progress towards integration of sustainability (e.g. CGF, BSCI, GFSI and CBL) on many occasions. These interactions with societal stakeholder were mainly in relation to KPI creation, KPI measurement and strategy- making. Despite the fact that Ahold has formed many partnerships and joined several round tables in order to improve the sustainability performance, the integration of stakeholder dialogue on artefact level has begun in 2013 by setting up a stakeholder policy. A reflection on this policy and its effect has not yet been done. Further research is suggested on the effect on such stakeholder policies and their effect on the daily business activities.

In 2007, a group of internal stakeholders was made responsible for sustainability within the organization. Although there is criticism on this, as many think this should be fully embedded within the business, it has led to increase in awareness, and set changes within the company in motion. Over the years this has begun to translate into parts of the organization.

Noticeable was that the data showed that associates perceived a difference between the organization itself and franchisers. Moreover, franchise employees were not exclusively perceived as internal stakeholders. In that respect it would have been valuable to include associates working for a franchise in this research. Differences between franchisers and 'own operations' are a suggestion for further research.

To conclude, the data shows the process of sustainability integration and stakeholder engagement over the past ten years. Five themes emerged from the data pinpointing important aspects when it comes to the relation between stakeholders and sustainability integration. Many scholars' observations regarding stakeholders engagement and sustainability integration were confirmed in this research (see for example: Irwin, 1995; Beck, 1992; Baumgartner, 2009; Hubbard, 2009). However the classification into three different stakeholder groups led to new insights on how an organization engage with different groups of stakeholders in order to integrate sustainability. Whereas direct stakeholders were approached more for collaborative- and business related purposes, societal stakeholders played a key part in KPI creation. Using these societal stakeholders helped the organization to allocate a meaning to KPI's that exceeds organizational boundaries into society. The demand for transparency originated from internal, direct and societal stakeholders.

Chapter 7 References

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Chapter 9 Appendices

In this chapter the appendices are shown. In the paper several references were made to these documents.

9.1 Appendix A – Database

Company Data	Reference Code
Ahold Global CR Policy document	AGP
Ahold Standards of engagement	ASE
Ahold Stakeholder Guidelines	ASG
Albert Heijn Foundation Report 1	AHF1
Albert Heijn Foundation Report 2	AHF2
Annual Report 2004	AR04
Annual Report 2005	AR05
Annual Report 2006	AR06
Annual Report 2007	AR07
Annual Report 2008	AR08
Annual Report 2009	AR09
Annual Report 2010	AR10
Annual Report 2011	AR11
Annual Report 2012	AR12
Annual Report 2013	AR13
Annual Report 2014	AR14
Interview transcript 1	I1
Interview transcript 2	I2
Interview transcript 3	I3
Interview transcript 4	I4
Interview transcript 5	I5
Interview transcript 6	I6
Interview transcript 7	I7
Interview transcript 8	I8
Intranet Articles	IA
Meeting minutes Board meeting 2014	MM01
Meeting minutes Board meeting 2011	MM02
Meeting minutes CAC 2011	MM03
Meeting minutes CAC 2013	MM04
Meeting minutes RR 2014	MM05
Meeting minutes RR management 2012	MM06
Meeting minutes RR steering committee 2014	MM07
Meeting minutes stakeholder event 2014	MM08
Meeting minutes packaging 2012	MM09
Sustainability Report 2002	RR02
Sustainability Report 2004	RR04
Sustainability Report 2005	RR05
Sustainability Report 2007	RR07
Sustainability Report 2008	RR08
Sustainability Report 2009	RR09
Sustainability Report 2010	RR10

Sustainability Report 2011	RR11	
Sustainability Report 2012	RR12	
Sustainability Report 2013	RR13	
Sustainability Report 2014	RR14	

9.2 Appendix B - Interviewee List

	Operational Company	Job Title
3	Albert Heijn	Operationeel Manager
6	Albert Heijn	HR business Partner
7	Albert Heijn	Supermarktmanager
1	Ahold	CCGO Ahold
4	Ahold	Center of excellence
8	Ahold	Project Manager Responsible Retailing
2	Albert Heijn	SVP Transformation & commercial support
5	Albert Heijn	Manager Responsible Retailing

9.3 Appendix C - Interview Theme's

Interview Theme's	
General info	
Years and background at the company	**Discuss career developments and experiences with interviewees**
Job title	**Dicsuss the job title and past functions**
Job description	**Discuss the activities related to their current job**
Definition of sustainability	**Dicsuss the personal and professional view on sustainability of employees**
Theme's	
Strategic pillars	**Discuss strategic pillars. Mainly health and responsible products**
Strategy formation	**Discuss the current strategy of ahold or Albert Heijn**
Strategy history	**Discuss the past strategy of ahold or Albert Heijn**
The future (5 years)	**Discuss what can/should change in the coming years and how**
Barriers	**Discuss barriers that the interviewees saw in relation to sustainability**
Successful integration	**Discuss success stories of sustainability within the firm**
Stakeholders (not explicit)	**Stakeholders and engagement with them was always referred to and discussed to some extent. In some cases this was explicitly brought up by the interviewer.**

9.4 Appendix D – Time Planning

Phase	Start Date	End Date
Kick- off meeting Harm-Jan Ahold	18-8-2014	18-8-2014
Start Master Thesis	1-9-2014	17-4-2015
Internship Ahold	1-9-2014	17-4-2015
Start research Proposal	1-9-2014	7-11-2014
Hand in Research Proposal	7-11-2014	7-11-2014
Hand in 2nd Version Research Proposal	19-12-2014	19-12-2014
Phase 1: Build theoretical framework	7-11-2014	7-1-2015
Phase 2: Data collection	5-12-2015	29-1-2014
Phase 3: Analysis	5-1-2015	19-2-2014
Phase 4: Writing Thesis	20-1-2015	17-4-2014
Hand in thesis Draft with Supervisors	10-3-2015	10-3-2015
Discuss first draft with University Supervisors	13-3-2015	13-3-2015
Dicuss first Draft with company Supervisor	16-3-2015	16-3-2015
Process Feedback on first thesis draft	16-3-2015	3-4-2015
Discuss second draft with University Supervisors	27-3-2015	27-3-2015
Discuss second draft with company Supervisor	31-03-2015	31-03-2015

Discuss third draft with University Supervisors	10-04-2015	10-04-2015
Discuss fourth draft with University Supervisors	08-05-2015	08-05-2015
Final review thesis	12-05-2015	12-05-2015
Hand in Final Thesis	15-05-2015	15-05-2015
Presentation	TBD	TBD