

Evaluating NGO-Corporate Partnership Effectiveness: A Case Study of the Environmental Defense Fund



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Executive Summary

Companies face mounting pressure to demonstrate the steps they're taking to positively impact the environment.

Customers, investors, and corporations themselves see the environmental degradation and warning signs all around them. Major concerns such as climate change are no longer a distant threat they can simply ignore, but an ongoing disruption to their production, profitability, and social license to operate if they fail to act.

To help companies tackle these environmental challenges and ensure their responses are credible, environmental NGOs in particular have been called upon as outside experts.

These interactions have long evolved from being adversarial or technical in nature, to now much more strategic and focused on making companies' core business models more sustainable.

Despite this growing recognition in the business community of the need to act and the frequency with which they partner with NGOs, their voluntary environmental initiatives (VEIs) have produced inconsistent and limited results. Existing research has found VEI performance to be modest at best versus control groups, especially when targeting pollution reductions.



There has similarly been little evidence into the specific partnership activities that NGOs can pursue to achieve greater environmental gains. Given the current gridlock on new federal environmental legislation, however, NGOs will continue to play a pivotal role in reducing the environmental impact of the US economy.

To investigate this question of which specific activities NGOs should prioritize to make VEIs more effective, this report:

- 1) Reviews relevant research on VEIs and corporate-NGO environmental partnerships
- 2) Surveys a leading environmental NGO (EDF, the Environmental Defense Fund) on the activities and topics it believes must be prioritized to improve the effectiveness of its partnerships with the private sector

Certainly no one-sized-fits-all approach to these partnerships exists, though from the perspective of the 27 EDF staff interviewed and the wider body of research on VEIs, there are several key partnership activities found to be most effective:

- **Redefining and “Setting the Bar” on Sustainability Leadership**

By working with leading companies to set increasingly ambitious sustainability goals based on the latest science, NGOs can produce material environmental gains and shift wider industry environmental performance.

- **Corporate Policy Advocacy**

Companies are setting more ambitious voluntary sustainability targets, but evidence strongly suggests that new federal legislation will be required to match the pace and scale of systemic environmental improvements needed (in GHG emissions, e.g.). NGOs must leverage the results of their successful corporate partnerships to inform new environmental policy efforts and persuade influential corporations to lobby Congress for new legislation.

- **Linking to New Market Demand**

Efforts by NGOs that link environmental impact reduction (e.g., fertilizer run-off in agriculture) with new commercial opportunities have a proven potential to boost project profitability; environmental performance; and in certain cases, the provision of public goods (e.g., clean water).

- **Diversified Relationship-Building**

A straightforward, but crucial element of effective partnerships mentioned by EDF and the wider research community was an NGO’s ability to build strong relationships. This included coordinating closely with peer

NGOs; developing contacts with strategic business units beyond the Office of Sustainability; and having strong, up-front executive alignment on the purpose and science behind new partnerships.

- **Increased Accountability**

In helping companies to design robust standards and reporting (and by collaborating with important stakeholders such as investors and more activist NGOs to provide additional oversight), environmental NGOs improve the performance of VEIs and reduce the risk of greenwashing.

The activities highlighted in this report by no means provide a boilerplate set of new solutions to ensure corporate environmental initiatives are effective.

They do, however, offer proven and research-backed examples for the wider NGO community to prioritize in its efforts to reduce the environmental impact of the private sector and accelerate the development of new federal policy measures - which are critically needed to address the world’s most pressing environmental concerns.



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Glossary of Key Terms

+Biz	The EDF+Business team (part of the Environmental Defense Fund)
ENGOs	Nongovernmental organizations focused on environmental issues
EPs	Environmental partnerships - in this report, focused primarily on those between ENGOs and private companies
ESG	Environmental and social governance
MSIs	Multi-stakeholder initiatives (see Figure 1)
UNGC	United National Global Compact, the world's largest VEI
VEIs	Voluntary environmental initiatives companies initiate or participate in (see Figure 1)

Introduction

Corporations' Changing Role in Environmental Protection

Corporations are increasingly being asked by their shareholders, customers, and partners to demonstrate how they're addressing environmental and social governance (ESG) - particularly as it relates to environmental sustainability and the growing risk of climate change (Stadtler & Lin, 2019). In its annual survey of 600 US business leaders, the Environmental Defense Fund (EDF) found that 87% now believe stakeholders will hold them accountable for their companies' environmental impact - up 11% from 2018 (Brink, 2019).

Several trends over the past decades help to explain this development. For one, corporations have gained considerable political authority in the wake of globalization, which scholars argue has also weakened the regulatory power of national governments to address transnational environmental challenges (Bendell, 2000, pg. 20; Hart et al., 2003; Jamali & Keshishian, 2009; Schembera, 2018).

Secondly, although environmental protection and resource conservation was historically managed by national governments through laws and regulations with demonstrable success, critics began arguing in the 1980's that their cost and inflexibility made them inadequate to deal with the growing scale and complexity of environmental issues (Borck et al., 2009). This especially proved true in the United States, where efforts were launched (starting with the Regan administration in the 1980's) to promote environmental efficiency and pollution reduction via minimal government regulation; a transfer of regulatory responsibility from federal to state agencies; and the use of voluntary, marketplace incentives (Moon et al., 2014).

Lastly, the age of digital connectivity has made it increasingly difficult for firms to operate in secrecy - providing activists, NGOs, and other key stakeholders greater transparency and information to hold companies accountable for their environmental performance (Hart et al., 2003). As Andrew Winston explains in his book, "The Big Pivot", these stakeholders and companies themselves now clearly see the enormity of environmental change happening around them and the risk it brings:

"...we've passed the economic tipping point. A weakening of the pillars of our planetary infrastructure - a stable climate, clean air and water, healthy biodiversity, and abundant resources - is costing business real money. It's not some futuristic scenario and model to debate, but reality now, and it threatens our ability to sustain an expanding global economy" (2014, pg. 7).

In light of these trends, governments and nongovernmental organizations (NGOs) grew more open to harnessing the market (and its corporate actors) to mitigate environmental concerns, as summarized in Figure 1 below (Borck et al., 2009; Hahn & Pinkse, 2014; Huijstee et al., 2010; Layzer, 2015). Environmental partnerships (EPs) between companies, NGOs, and governments have proliferated to help ensure voluntary environmental initiatives (VEIs) are legitimate and effective in addressing the environmental challenges left unresolved by traditional regulatory mechanisms (Hart et al., 2003; van Tulder et al., 2016). In 2004, there were 50 VEIs run by just the US government, with 13,000 member corporations (Steelman et al., 2006).

Companies have also responded to heightened stakeholder expectations by more deeply embedding ESG principles into their core business models. The United Nations Global Compact (UNGC, the world's largest voluntary sustainability initiative) finds that while ESG efforts were previously more philanthropic and ad-hoc in nature, they are now progressively strategic and connected to a corporation's core business model (UN Global Compact, 2015; UNGC, n.d.; Winston, 2014, pg. 31).

As recent evidence of this shift, the Business Roundtable (a lobbying group for 181 of the world's largest corporations such as Amazon, Exxon Mobil, Apple, and Pepsi) departed abruptly from its longstanding view that corporations exist solely to deliver shareholder value. The group now states corporations must create benefits for all stakeholders, including the long-term interests of the communities and environment in which they operate (Business Roundtable, 2019; Gelles et al., 2019).

This more active role in addressing societal problems, in a voluntary way that exceeds legal requirements, is what scholars refer to as the "politicization of the corporation" (Baur & Palazzo, 2011). In exchange for their voluntary efforts, companies typically seek several categories of benefits: improved standing with regulators, customers, and society (often described as social license to operate); access to new green markets of customers who value more environmentally-friendly goods and services; and decreased regulatory pressure from governments (Steelman et al., 2006).

The Rise of Environmental Partnerships

Even as corporations' ESG responsibility and political influence has grown, the magnitude and complexity of environmental problems has risen to a point well beyond what individual organizations can address (Austin & Seitanidi, 2012, p. 1). A company can act in isolation to green its own supply chain within a larger natural system, for example, but if the surrounding firms and governments continue to overexploit its natural resources, the system will collapse regardless.

Although firms vary in their motivations, risk propensity, and ability to respond to environmental concerns, there is - as former CEO of Unilever, Paul Polman states - a growing acceptance that they must find new ways to operate and address environmental degradation at a systems level:

“We are rapidly approaching, if not breaching, environmental limits [...]. It's clear to many of us that the system is broken, and [...] we grapple with how to affect tipping points both within, and outside, our business” (Stadtler & Lin, 2017, pg. 709).

To help firms address these challenges, environmental non-governmental organizations (ENGO's) in particular have been called upon as outside experts (Hyatt & Johnson, 2016; Sadovnikova & Pujari, 2017; UN Global Compact, 2015). EPs between business and ENGOs increased exponentially in the last few decades, with the nature of their interactions evolving from openly confrontational to more collaborative, or some combination of both (Huijstee et al., 2010). They've proliferated to such an extent that many large companies now pursue a portfolio approach to manage their multiple EPs. Walmart, for instance, as of 2014 had 20 environmental alliances with ENGOs, universities, and suppliers (Sadovnikova & Pujari, 2017; Wassmer et al., 2017).

“Rather than spend five years under constant attack from an adversary [NGO, authors], companies can dedicate one to two years working with the same organization on a plan that may actually achieve mutually beneficial results and potentially lead to a stronger reputation in the long run”

-Argenti, in his case study on Starbucks' collaboration with NGOs (2004)

Figure 1

	Government-run	NGO-run	Company-run
Mandatory	Regulatory requirements such as performance standards, cap and trade, or carbon taxes ex: <i>Clean Car Standards, California AB 32, RGGI</i>	N/A	N/A
Voluntary	Bilateral – Negotiated agreements or standards between firms/industry and the government ex: <i>EPA’s Project XL and 33/50</i> Public – Initiatives designed by regulators to provide benefits and recognition to firms whose env. performance goes beyond basic compliance ex: <i>Energy Star, Climate Leaders</i>	Multi-stakeholder – Initiatives convened by NGOs – and often made up by companies, public officials, academics, industry associations, and other nonprofits - to address specific env. issues ex: <i>Forest Stewardship Council, Sustainable Coffee Challenge</i>	Unilateral – Initiatives often adopted by firms to respond to new economic opportunity or competitive, regulatory, or social pressures. While typically unilateral, companies also initiate multi-stakeholder initiatives. Unilateral efforts are often assisted by NGOs via environmental partnerships. ex: <i>Wal-Mart’s Project Gigaton, TNC-Dow Collaboration</i>

A high-level overview of common voluntary environmental efforts private companies participate in today to achieve environmental performance beyond legally required. The boxes in blue represent the voluntary environmental initiatives (VEIs) where ENGOs most commonly partner with private companies via EPs, which will be the primary focus of this study.

The Evolution of ENGO Engagement with the Private Sector

Historically, large ENGOs like the Nature Conservancy and the Sierra Club focused largely on land conservation without directly engaging large companies or their supply chains. That changed following the release of Rachel Carson’s influential book, *Silent Spring*, and the environmental movement that followed in the 1960’s and 70’s, as public awareness and scrutiny grew of industry’s role in environmental degradation (Layzer, 2015). Soon NGOs like the National Resources Defense Council and EDF were formed explicitly to protect the environment through legal action against polluters and the government agencies who failed to adequately regulate them (Vig & Kraft, 2019). EDF’s unofficial slogan in this period was “sue the bastards” (Hoffman, 2009).

As mentioned above, this confrontational tone changed in the late 1980’s, when then EDF Executive Director, Fred Krupp, and others began to express a need to more directly

engage private companies within the free-market system to bring about environmental change (Bendell, 2000, pg. 29; Hyatt & Johnson, 2016). Under immense public pressure to reduce its packaging waste in the late 1980's, McDonald's partnered with EDF to replace its polystyrene packaging and institute a waste management strategy (EDF, n.d.b). The collaboration was considered the first of its kind and McDonald's directly benefited from EDF's technical expertise and respected brand, which served to legitimize its new strategy. The partnership served as an inflection point for ENGOs, who began to more frequently partner with corporations across their supply chains in the 1990's (Brownlee, 2014; Hoffman, 2009).




As VEIs emerged as an alternative to traditional regulation, a primary motive for ENGOs in partnering with the private-sector was again to mitigate concerns that industry-sponsored VEIs would merely result in greenwashing, substandard environmental performance, and government agency capture (Steelman et al., 2006).

Modern EP's between ENGOs and the Private-Sector

Today's corporate partnerships with ENGO's go well beyond technical outsider, advisory roles, focused solely on changing a single company's product packaging materials or adding credibility to its ESG reporting. They now play much more strategic roles, embedded *within* and beyond single companies' supply chains, often aiming to facilitate industry-wide, large-scale sustainability progress (Hyatt & Johnson, 2016).

This evolution has resulted in part from the deliberate efforts of ENGOs (such as EDF, World Wildlife Fund, World Resources Institute, and Conservation International) to mobilize specific corporate engagement and supply chain teams, adding staff with deep business expertise and even inviting corporate leaders to sit on their governing boards (Hyatt & Johnson, 2016). Part of ENGOs' value has thus become non-technical and relationship-based: often connecting, convening, and facilitating multi-party agreements between disparate parties within and outside of corporations' large supply chains (Martin, 2014).

Consider the following examples of such EPs today. In all three cases, ENGOs are driving strategic, often sector-wide initiatives across multiple stakeholders that amplify the environmental benefits of their partnerships with the private sector.

 <p>An estimated 90% of Walmart's environmental footprint exists outside its immediate corporate operations (Hyatt & Johnson, 2016). In partnering with EDF and other ENGO's, the aim of Walmart's EPs today is to more broadly influence the environmental impacts of its upstream supply chain partners, such as reducing the nutrient runoff of farmers, or having food manufacturers measure and reduce their carbon footprint (scope 3 emissions).</p>	 <p>The World Wildlife Fund has partnered with fishermen, seafood processors, and food retailers to form the Marine Stewardship Council that sets and enforces standards to reduce overfishing. They've created a related model for sustainable logging with the Forest Stewardship Council, and have more recently begun working with diverse actors up and down the food supply chain to reduce food waste (Bendell, 2000, pg. 137; Loucks, n.d.).</p>	 <p>The Nature Conservancy's work with Dow Chemical began with smaller pilot projects to improve the water and air quality around Dow manufacturing plants. It has since evolved to the point where all new Dow investment decisions must be screened for their value to ecosystem services. Their goal is to establish new industry standards and work with other companies to develop their own nature-based solutions that "lead to better business and conservation outcomes" (The Dow Chemical Company, 2017).</p>
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Further Defining What Makes ENGO-Corporate Collaborations Effective

Despite the growing recognition in the business community of the need to act on environmental issues, and the frequency with which ENGOs are stepping in to provide assistance, their collaborations have produced inconsistent environmental performance and considerable uncertainty around the limits of VEIs. In one of the most comprehensive meta-analyses on VEIs to-date found, by Morgenstern et al. found the impact on improving environmental quality versus control groups was modest at best (2007, pg. 182) Further studies conclude that VEIs tend to target reactive and incremental improvements in pollution reduction - frequently failing to meet even those expectations - and should be seen as complements, not substitutes for environmental regulation (Christmann et al., 2002; Sadovnikova & Pujari, 2017).

In response to these criticisms, the United Nations, various governments, companies, and NGOs have all demanded more evidence-based impact assessment methodologies for VEIs (van Tulder et al., 2016). Similarly, foundations and donors have begun requiring ENGOs they fund to develop better impact reporting and “theories of change”, in an attempt to better articulate from the outset the intended impact and results of their EPs with the private-sector (Vogel, 2012).

Yet beyond these larger accountability efforts, the central question of “how and when EPs between companies and ENGOs can be most effective?” is still largely unexplored in the current academic research. In particular, there is very little investigation into the specific activities within an EP that ENGOs should prioritize to make VEIs more effective. As Stadtler and Lin conclude, perhaps due in part to the dynamic and evolving nature of cross-sector partnerships, the specific EP activities that can deliver transformative environmental change in the corporate sector still remain rather undefined (Stadtler & Lin, 2019).

To investigate this question, the following report reviews the latest VEI research and conducts a case study with a leading ENGO in this space (the Environmental Defense Fund). The results, while by no means exhaustive, begins to assemble best practices for the wider ENGO community to consider and prioritize in its efforts to improve corporate environmental performance.

Case Study with EDF+Business

Background

EDF is an NGO based in Washington, DC, with the stated mission of “preserving the natural systems on which all life depends...guided by science and economics...[to] find practical and lasting solutions to the most serious environmental problems” (EDF, n.d.-a). Within this NGO, the Business+Environment (+Biz) team leverages corporate partnerships to advance EDF’s policy objectives and harness the power of companies to build durable environmental solutions (personal communication, July 25, 2019). I worked with +Biz directly for the past year to conduct this study.

Across the spectrum of different ENGOs, +Biz is widely considered a more pragmatic “mediator” when it comes to engaging the private sector (Hoffman, 2009). It often seeks to find common ground with companies who traditionally might be antagonists to the environmental movement such as chemical or oil and gas organizations (GEMI, 2008). As the president of EDF, Fred Krupp, stated following the election of Donald Trump on an anti-environmental agenda:

“One of our political strengths has been finding opportunity where others see impasse — and that gift will be sorely needed in the days ahead – while always sticking to our core principles” (Krupp, 2016).

Unlike many other ENGO’s, +Biz does not take any money from the corporations with which it partners. This can make it difficult for +Biz to secure sufficient funding for its work and align the interests of its private donors with the projects it’s agreed to address with corporate partners. However, it also significantly removes the conflict of interest one sees in traditional consulting models, where the impetus to win further business with a client can be at odds with the need to hold it accountable for agreed upon project commitments - a process Dahan et al. term co-optation (Dahan et al., 2010).

A final background trait worth mentioning is the role and importance of innovation at EDF. It is continuously looking at how to scale its impact and apply the latest technological innovation to scale its sustainability efforts (e.g., machine learning, air quality sensors, the internet of things) in what EDF refers to as the “Fourth Wave of Environmentalism” (EDF, 2019). Earlier this year, it unveiled plans to launch a satellite with the objective of being able to measure and address methane emission sources in the oil and gas industry more transparently (EDF, 2018b).

Although +Biz’s corporate EPs today still largely focus on the traditional, bilateral relationships for which it’s known, that is changing as it explores new, increasingly diverse partnership activities. +Biz teams now regularly engage with multi-stakeholder initiatives and actors in and outside of company supply chains (e.g., governments, suppliers, trade groups, technology firms, and other NGOs).

As its team has grown considerably over the past decades, and the nature of its work has become more varied, the +Biz leadership team was therefore interested in conducting this research with Duke’s Nicholas School of the Environment to better define which of the disparate work streams and activities employed today by +Biz most effectively reduce private firms’ environmental impact - as well as which they should prioritize for the future.

Methods

To investigate this question for +Biz, I conducted 27 interviews, 60 minutes each in length, to understand how +Biz partners today with corporations and which of their many EP activities they find to be most effective. The summary below details the design of the data

collection and interview process, data analysis, academic literature review, and overall procedures I followed to conduct this case study.

Preliminary Steps

Before beginning any interviews, I completed a preliminary literature review of the latest research on VEIs and corporate-ENGO partnerships to help inform the interview questions that I would ask. I similarly met on multiple occasions with senior +Biz leaders to understand the specific topic areas they felt were most pressing to explore in my interviews. With this background, I then designed the interview questions and protocols I would use with the wider +Biz team, pending approval from Duke's Institutional Review Board (IRB).

This study was evaluated by Duke's IRB and granted exemption approval on March 27th, 2019. To address such ethical questions as the privacy of the +Biz respondents, I agreed to anonymize all responses, with all audio recordings and transcripts deleted once I concluded my research and analysis. For a full list of the 11 questions and IRB procedures followed in conducting these interviews, please see Figure 1 in the appendix.

Interviews

With IRB approval, I then conducted 27 semi-structured interviews onsite or by videoconference with +Biz employees. I interviewed a broad range of +Biz employees, including their most senior leaders, the majority of their rank-and-file employees, several of the EDF employees from policy and scientific teams who partner closely with +Biz in its EP work, as well as several former +Biz employees who have recently joined other teams within EDF.

As I carried out my interviews with +Biz, I simultaneously completed 8 informal interviews with other leading ENGOs (Conservation International, The Nature Conservancy, and World Wildlife Fund) to understand and document alternative EP approaches with the private sector. These were not formal interviews and I did not record any of these conversations. They were purely meant to provide alternative perspectives on current EPs in the ENGO community, which is ultimately the intended audience of this report.

Post-Interview Analysis

I next reviewed all +Biz interview transcripts, coding 526 responses across 25 key topic areas that I identified. To identify response patterns and the key topic areas, I used a research tool, NVivo, as well as the audio transcription tool, Otter.ai, to aid in note-taking. With NVivo, I was able to group text responses from all 27 interviews by question to uncover response themes, and then having coded these themes, sort them in tables by unique respondents to control for bias. To contextualize the specific findings in this case study with +Biz, I next performed a more comprehensive literature review on the topics of NGO-corporate EPs, multi-stakeholder initiatives, corporate ESG trends, VEIs, and related

case studies. This provided peer-reviewed evidence of other research into VEI and EP effectiveness to weigh against my case study results.

Results

The purpose of this case study was to better understand the specific EP activities that can most effectively produce positive environmental performance in the corporate sector. The results of our interviews uncovered several EP activities that +Biz respondents felt were most effective, but also several internal organizational concerns that +Biz feels are holding it back from having a greater impact in its work with the private sector.

The results can broadly be divided into three main topic areas as they relate to EPs that +Biz is working on. Below is a summary table of the topics, ranked by which were most discussed by +Biz staff, and how they fit into each topic area (see Figure 2).

Figure 2

Interview Topic	Unique Respondents	EP Topic Area
Redefine and set the bar on sustainability leadership with leading companies to improve the env. performance of their larger industries	23	● EP activities that are working today
Uncover new ways to increase the scale of the env. impact of EPs	20	● EP activities that the team is most proud of and feels should be prioritized moving forward
Traditional, bilateral EPs with industry-leaders	20	○ Activities/topics +Biz should address to improve its EP effectiveness
+Biz's ability to build strong relationships and trust with corporate partners	18	● EP activities that are working today
Drive accountability with partners directly and via key partners like investors	16	● EP activities that the team is most proud of and feels should be prioritized moving forward
Concerns over the role and effectiveness of multi-stakeholder initiatives	15	○ Activities/topics +Biz should address to improve its EP effectiveness
Effectiveness of +Biz thought leadership and its ability to spark new EP conversations	14	○ Activities/topics +Biz should address to improve its EP effectiveness
Efforts with partners to ensure their sustainability leadership connects to pro-climate political advocacy	12	○ Activities/topics +Biz should address to improve its EP effectiveness
Set stronger performance expectations up front in EPs and walk away sooner from low-impact EPs	12	○ Activities/topics +Biz should address to improve its EP effectiveness
+Biz's efforts to remove toxic chemicals from common retail and consumer good products	11	○ Activities/topics +Biz should address to improve its EP effectiveness
Establish strategic relationships outside of the Office of Sustainability in EPs	10	○ Activities/topics +Biz should address to improve its EP effectiveness
Ensure there is up-front executive alignment on the EP and relevant env. science	10	○ Activities/topics +Biz should address to improve its EP effectiveness
Achieve greater env. impact by orchestrating messaging via proxy voices (other NGOs, partners, or stakeholders)	8	○ Activities/topics +Biz should address to improve its EP effectiveness
Help partners set science-based targets	8	○ Activities/topics +Biz should address to improve its EP effectiveness
Partner more frequently with other NGOs where possible during EPs	7	○ Activities/topics +Biz should address to improve its EP effectiveness

The activities that were most cited as already working today were those shaded in blue above. Most discussed was +Biz's efforts to redefine and "set the bar" on sustainability leadership with leading companies, in an effort to shift the environmental performance of their larger industries (23 unique respondents). This typically implies helping companies set ambitious enough sustainability goals grounded in the latest science and research, such as

science-based emission targets, which 8 unique respondents specifically highlighted (Science Based Targets, n.d.).

The second most mentioned activity already working was the traditional, bilateral EPs that +Biz is known for (20). This refers to direct, often multi-year project work, where +Biz might help a company to implement an ambitious emission target or chemical policy; to construct and validate the reporting of these efforts; and to provide how-to guidance and cutting-edge science in the process.

Next was +Biz's ability to build strong relationships and trust with corporate partners (18). On this point respondents specifically highlighted the importance of establishing relationships with other strategic teams outside the Office of Sustainability (10), and developing early alignment between company and +Biz executives on the EP and the relevant environmental science at stake (10). An example of the former might include partnering closely with the lines of business or product teams ultimately responsible for implementing the changes outlined in a VEI. This finding builds on EDF's previous publications of EP best practices where the importance of cross-functional project sponsors was highlighted (GEMI, 2008).

The second major topic category (shaded in white) concerned EP topics and activities that have the potential to make +Biz more effective. Most often discussed was the topic of identifying new ways to scale the impact +Biz can have on the environmental performance in EPs (20 unique respondents). This captures the general, team-wide sentiment that, although their work is affecting the private sector's environmental performance, this progress needs to scale rapidly in order to effectively address major environmental concerns like climate change.

Another 15 respondents spoke to the difficulty of knowing how and when it's most effective for +Biz to engage in multi-stakeholder initiatives (MSIs, as highlighted back in Figure 1 and explored in more detail in the ensuing discussion section).

12 individuals emphasized the need to set stronger, up front performance expectations in EPs with companies. Given the finite human and financial resources +Biz has to work with, this topic reflected the +Biz team's desire to avoid situations where projects linger due to poor up-front expectation-setting, leadership, or follow-through on the part of the corporate partner. Examples cited were projects where the original sponsor left the project or the project team responsible for executing the partnership vision was not properly empowered or incentivized to do so. Freeing up these project resources on stagnant projects (and being more willing to walk away) would allow +Biz to instead prioritize partnerships with companies with the political capital, cross-functional sponsorship, and resources to carry out ambitious sustainability initiatives.

Lastly, 8 respondents stated that +Biz can have a greater impact by more regularly orchestrating key messaging through its network of EP partners (e.g., NGOs, industry groups, or influential corporate stakeholders such as investors). An example of this may be working with activist investors to voice the importance of a new environmental strategy (as +Biz has done in working with the oil and gas industry on its methane emissions), which is more likely to result in the company taking action than if +Biz communicated the strategy itself (EDF+Business, 2016).

As a primary intention of the study was to help +Biz leadership identify specific EP activities to focus on moving forward, the final topic area was EP activities that +Biz feels are effective, most proud of, and should especially be prioritized. Responses highlighted EP activities such as +Biz's work to drive greater accountability with companies to improve their environmental performance (16 unique respondents); the effectiveness of +Biz thought leadership in sparking new EP work (14); efforts to persuade companies to go beyond their individual EP work to also openly support new federal environmental policy on issues such as climate change (12); +Biz's work on removing toxic chemicals from retail and consumer supply chains (11); and partnering more closely with other ENGOS during an EP to reduce a company's environmental impact (17).

To clarify this last activity, many large companies often take a portfolio approach in partnering with ENGOS (as explained above), and +Biz feels it is more effective when it coordinates closely with its peer ENGOS to reinforce one another's EP activities versus operating in silos. This differs slightly from the related topic above ("Achieve greater environmental impact by orchestrating messaging via proxy voices...") in that it refers to partnering with other ENGOS engaged with the same company to reinforce high environmental standards.

To further investigate the question of which activities +Biz should prioritize in its EPs, the 3 specific forward looking interview questions were isolated and analyzed as well: "what is the work EDF needs to be doing more of?"; "the work +Biz is doing you're most proud of?"; and "how +Biz's approach should change moving forward?". The responses to those 3 questions are summarized below in Figure 3. To further clarify, the data in Figure 2 above, derives from responses to all 11 of the interview questions, while the data in Figure 3 below represents just those responses to these 3 specific forward-looking interview questions.

Figure 3

Interview Topic	Unique Respondents
Redefine and set the bar on sustainability leadership with partners	16
Uncover new ways to increase the scale of the env. impact of EPs	13
+Biz's ability to build strong relationships and trust with corporate partners	11
Drive accountability with partners directly and via key partners like investors	11
Traditional, bilateral EPs with industry-leaders	10
+Biz's efforts to remove toxic chemicals from common retail and consumer good products	8
Efforts with partners to ensure their sustainability leadership connects to pro-climate political advocacy	8

The question of how to scale +Biz’s environmental impact is a question nearly all respondents were struggling with how to address (20 unique respondents from Figure 2). While their responses do not identify a one-size-fits-all solution, they do clearly highlight EP activities that +Biz respondents believe are working today and can have a major impact on companies’ environmental performance moving forward.

The graphic below in Figure 4 attempts to structure these best practices across the various stages and leverage points of a typical +Biz EP, which +Biz can theoretically scale as more funding and resources become available (see Figure 4). The first pillar focused on pre-partnership activities that develop effective relationships and alignment; the second on specific activities with a single corporate partner that can drive strong environmental performance; and finally the third on steps to produce larger industry or economy wide ripple effects.

It should be noted that several of the activities listed in Figure 4 (e.g., “multiple +Biz teams engaged across the same EP” and “move an industry forward by engaging its leaders”) were mentioned frequently by respondents, though not enough to appear in the tables above. Others are variations of those that did appear in Figures 2 and 3, but are written instead as tactics rather than descriptions (e.g., "+Biz's ability to build strong relationships and trust with corporate partners" became "meeting partners where they are...").

Figure 4

Best Practices to Scale the Impact of EPs at +Biz



Discussion and Implications for the Wider ENGO Community

Harvard Business School professor, Michael Porter, has controversially stated that the current model of purely relying on NGOs and governments to solve social problems is no longer useful, as it will always lack the sufficient resources (donations, grants, tax dollars) to produce the scale of progress required to address monumental challenges such as climate change. He instead believes that if businesses were to more drastically shift their core business models to solve social and environmental challenges in a profitable manner (and with NGOs and governments closely assisting them), they would face no resource limitations and their potential impact would be limitless (Porter, 2013).

Whether he's in fact right is yet to be seen, but certainly this question of how to deliver environmental progress in the private-sector at a much greater scale and speed is what drives +Biz in their work, and it serves as the basis of this study. Examples of this theme appeared again and again in such topics as: re-setting the bar for sustainability leadership for entire industries (23 unique respondents); driving greater accountability (16); uncovering new ways to increase the scale of EPs (22); achieving greater impact by orchestrating messaging via proxy voices (8) or partnering with peer ENGOS (7); and connecting individual EP efforts to a larger, more wide-ranging federal climate policy effort (12).

The following discussion attempts to draw broader conclusions from the case study's findings within the context of the latest research on VEI effectiveness, which ENGOs should consider to increase the scale of their impact with the private-sector.

Assessing VEI Impact Beyond Business as Usual

As +Biz highlighted in their responses on building strong relationships, one of the primary values ENGOs offer companies today is again their network and ability to convene diverse coalitions of stakeholders around a specific environmental issue to enact meaningful change. This is because ENGOs often sit at the bridge of government, science, and industry - enabling them to lead meaningful dialogue between industry competitors, for instance, on setting new environmental performance or reporting standards.

These coalitions, when formalized into an official VEI, are often referred to as MSIs (see Figure 1). Participating firms receive nonrival, but excludable benefits to their reputation and a greater social license to operate with regulators, customers, and the community (Borck et al., 2009). ENGOs, on the other hand, are theoretically able to achieve economies of scale in terms of environmental impact by working with many companies at once (which they could otherwise not accomplish through individual EPs, given their limited resources).

In reality, belief in the effectiveness of MSIs in driving environmental impact in the private-sector varied widely across respondents in our study (15 unique respondents). Factors such as how large the MSI was; how strict its membership standards were; free-riding; and speed of progress were all cited as concerns. As Potoski et al. explain, MSIs in many ways act as selective *green clubs*, which must strike a balance in setting membership standards and enforcement mechanisms that are strict enough to achieve large-scale environmental change, without being so strict that firms balk at the costs and efforts required to join (Potoski et al., 2005; Prakash et al., 2012).

If the central thesis of VEIs is that they are able to more flexibly and effectively improve firms' environmental performance beyond what traditional regulatory measures could, a pivotal question MSIs (and VEIs more generally) must consider is additionality - the degree to which they're able to produce environmental improvements beyond what their participants might achieve on their own (Steelman et al., 2006).

The concern that +Biz respondents and academics have cited is that as VEIs increase their number of participants (as with larger MSIs), their entry barrier lowers and performance per participant decreases, producing a very modest overall environmental improvement, if any, above business as usual (Koehler, 2007; Prakash et al., 2012). +Biz survey respondents again pointed to the potential for MSI member firms to free-ride and achieve reputational benefits to use in their marketing and PR (simply from association with the MSI or EDF's

brand), without actually achieving significant improvements in their environmental performance.

Several studies have in fact calculated the average environmental impact per VEI participant and compared it to a control group of companies in the same industry that did not participate (Borck et al., 2009; Steelman et al., 2006). Their results largely conclude that VEIs have real, but only limited environmental impact on participating firms versus control groups or business as usual (Koehler, 2007; Morgenstern et al., 2007, pg. 182).

The Role of Spillover Effects in Moving Entire Industries Forward

A second measure in assessing VEI effectiveness is how much it may be able to improve - what the EPA terms - the overall environmental “performance curve” of an industry (Borck et al., 2009). +Biz referred to this concept in describing their efforts to “redefine and set the bar on sustainability leadership” with a single large company, with the stated intention that this work would have ripple effects across the company’s entire industry. Other ENGOS such as World Wildlife Fund have echoed this approach, partnering with large corporations not just to improve their internal processes, but to shift the sustainability of their global supply chains and the markets in which they operate (Brownlee, 2014).

A clear example +Biz respondents cited of “redefining and setting the bar” was the +Biz team’s efforts to help Wal-Mart develop a safe chemicals policy and commit to phasing out legal chemicals known to be harmful to vulnerable populations. Upon helping Wal-Mart release their first chemical policy, several other Fortune 500 companies in their industry and supply chain quickly followed suit by developing a similar chemical policy themselves. +Biz has likewise engaged in partnerships with Tyson Foods, Wal-Mart, and Smithfield Foods to set science-based targets for GHG emissions, which has produced spillover effects across these companies’ supply-chains, as they’ve forced suppliers to reduce their own environmental impacts.

To better calculate the true environmental impact a VEI has, Borck et al. have developed a concise model (see Figure 5) that captures (1) the average performance of VEI participants, and (2) the VEI’s effect on overall industry’s performance (which they term spillover effects).

Figure 5

$$\text{Effectiveness} = \left(\begin{array}{c} \text{Number of} \\ \text{participants} \end{array} \right) \times \left(\begin{array}{c} \text{Average effect} \\ \text{per participant} \end{array} \right) + \left(\begin{array}{c} \text{Spillover} \\ \text{effects} \end{array} \right)$$

This model illustrates a crucial point +Biz respondents spoke to repeatedly in emphasizing the importance of their traditional, bilateral EPs with industry leading companies. While they

often see the value in having a seat at the table with MSIs (e.g., to ensure EDF's policy and scientific expertise is able to help shape the conversation), most respondents felt they could have a greater overall impact (per participant and in raising the performance curve of an industry, or spillover effects) through bilateral partnerships. There was concern that (as the research highlighted above) a greater number of participants lowered the average effect per participant, at the same time that it became more resource intensive for +Biz to manage. As one respondent explained on the power of EPs with large industry-leading companies: "core partnership efforts are still immensely powerful, and if you are deeply engaged, it can drive a tremendous amount of change...that sized-company, with that large of a supply chain and potential impact, is like changing federal policy".

Creating the Bridge Between VEIs and New Federal Environmental Policy

The central question of this study has been what specific role ENGOs should play during their EPs to most effectively reduce the private sector's environmental impact. Despite clear environmental gains from its private-sector partnerships and indirectly via their spillover effects, +Biz respondents and peer-reviewed research on VEIs still call into question the scale of impact they can have - especially when compared to what an economy-wide regulatory approach could achieve.

For instance, although +Biz is able to partner with influential and industry-leading companies such as Wal-Mart or McDonald's, VEIs still exclude large swaths of small-and-medium-sized businesses, or industry laggards reluctant to invest in voluntary environmental efforts. Research has in fact found that companies who participate in VEIs tend to be large, profitable enterprises, which market their products directly to consumers (Coglianese et al., 2014; Morgenstern et al., 2007, pg. 168; Serafeim et al., 2016; Wang et al., 2017). While VEIs can have a modest impact on reducing pollution levels (for the firms who participate in them), the risk of significant civil and criminal penalties from economy-wide regulations motivates action and participation in a way that a certificate of recognition from a VEI cannot - and in particular when it comes to achieving economy wide reductions in pollution such as greenhouse gas emissions (Aggarwal et al., 2018, pg. 5; Borck et al., 2009; Koehler, 2007; Morgenstern et al., 2007, pg. 182).

This reality is not lost on +Biz or the other ENGOs interviewed for this study, who did not characterize this as a binary problem of having either VEIs or regulatory solutions to environmental challenges. +Biz respondents, for instance, stressed the importance of prioritizing their efforts to bridge large, industry-leading companies' individual VEI efforts with new federal environmental legislation on topics such as climate change (12 unique respondents). Coglianese and Nash further affirm that while VEIs tend to be gap-fillers, they remain "increasingly attractive avenues for seeking environmental improvement in the absence of new legislative authority" (Coglianese et al., 2014). With little prospect for

ending gridlock in Congress, EPs between ENGOs and the private sector can achieve immediate and material environmental results that can later serve as a framework for policymakers in crafting effective regulation (Morgenstern et al., 2007, pg. 182).

Yet beyond offering EP results as a model for environmental policymakers, +Biz increasingly believes it must assist its private-sector partners in more actively advocating for federal environmental policies. As the Vice President of +Biz, Tom Murray, recently stated:

“While voluntary actions to reduce emissions are important, only public policy can deliver the pace and scale of reductions needed to limit the worst impacts of climate change. And because of their power to shape public policy, businesses have a vital role to play in building bipartisan support for climate action. Unfortunately, the vast majority of American businesses have been silent on climate policy, or even opposed to it” (2019).

In effect, ENGOs such as +Biz seek to leverage the “politicization of the corporation” to redefine and broaden sustainability leadership beyond a company’s own operations and supply chain, to now include more actively lobbying for regulatory action on critical environmental issues such as climate change (Baur & Palazzo, 2011).

This message is echoed by organizations such as the UNGC and Influence Map (which ranks the extent to which corporations are lobbying for climate and energy policy worldwide), who contend that corporate sustainability leaders must now ensure all of their lobbying efforts (whether direct or via think-tanks, industry associations, and political action committees) actively endorse legislative action on climate change and not stymie it (EDF+Business, 2019; Influence Map, 2018; United Nations Environment Programme, 2013). Examples of ENGOs organizing such coalitions include the US Climate Action Partnership (formed by EDF, the Natural Resources Defense Council, The Pew Charitable Trusts, and The Nature Conservancy) and the Business for Innovative Climate and Energy Policy (led by the ENGO, Ceres; Winston, 2014, pg. 206).

Increasing Oversight and Accountability

Beyond bridging VEIs and federal environmental policy, our survey with +Biz and research highlighted several additional roles ENGOs can play to facilitate stronger VEI environmental performance.

A straightforward example is the accountability work that 16 unique +Biz respondents highlighted, which can involve reporting oversight or coordination with additional partners aimed at delivering more credible corporate VEI results. As one +Biz respondent explained, their team is holding companies to account by “pushing on multiple fronts: thought

leadership, speaking events, convening multi-stakeholder or industry groups”, in addition to their own direct partnership efforts that can involve developing and verifying VEI reporting.

+Biz and other more moderate ENGOs (like The Nature Conservancy, World Wildlife Fund, and the Natural Resources Defense Council) recognize that there is a limit to the pressure they can place on companies if they are to maintain a strong working relationship, and they often instead look to collaborate with more activist ENGOs when greater accountability is needed (Brownlee, 2014; Hoffman, 2009). With this balance of pragmatism and activism, ENGOs either directly (or indirectly via relationships with industry groups, investors, and more activist NGOs) provide the third-party oversight and verification of corporate VEI results that lead to superior environmental gains and mitigate the risk of freeriding or greenwashing behavior (GEMI, 2008; Koehler, 2007; Morgenstern et al., 2007, pg. 182).

Various studies additionally find that including ENGOs in the design and implementation of a VEI strongly correlate with increased effectiveness and accountability (Boström et al., 2015; GEMI, 2008; Steelman et al., 2006). Take for instance the fact that, of the world’s largest firms that have set targets for their GHG emissions, two-thirds have done so arbitrarily, with no link to national or global climate goals such as The Paris Agreement (KPMG, 2017). ENGOs can help guide these large companies to set sufficiently ambitious targets based on the latest science, in order to produce major ripple effects and material pollution reductions across their supply chains and the wider economy.

Linking VEIs to New Market Opportunities

A final example +Biz respondents highlighted was working with large influential companies to send new market demand signals across their industries and suppliers. This includes the work +Biz has developed with large retailers to report and score suppliers on known toxic chemicals in consumer products that especially affect vulnerable populations. These efforts send a clear demand signal to manufacturers to create safer and more sustainable alternatives that consumers increasingly want (Brown-West, 2018).

This builds on a larger body of research that finds VEIs to be more effective when they focus on a win-win strategy of linking environmental performance with new markets, instead of focusing purely on pollution mitigation and removing externalities - which regulation is arguably better positioned to address (Koehler, 2007; Morgenstern et al., 2007, pg. 178). Research by Harvard, the Carbon Disclosure Project, Deutsche Bank, McKinsey and others concludes that companies which make sustainability a strategic priority (with strong governance), regularly achieve superior financial and stock market returns versus their peers (McKinsey, 2014; Moon et al., 2014).

Porter cautions, however, that while the private-sector can help to address social and environmental challenges by focusing on shared value (producing economic and social value simultaneously), it does so more effectively alongside NGOs:

“...we also have to recognize business is not going to do this as effectively as if we have NGOs and governments working in partnership with business. The new NGOs that are really moving the needle are the ones that have found these partnerships, that have found these ways to collaborate” (2013).

ENGO-led VEIs that focus on new market opportunities may prove particularly effective when they incentivize private businesses to provision public goods in the land and agricultural sectors. Examples include planting cover crops and no tillage farming that maintain soil carbon, providing habitat for pollinators or endangered species, or reducing erosion and fertilizer runoff into nearby waterways that produce cleaner water (Chapman, 2015; EDF, 2018a).

+Biz has engaged large companies on these efforts as a way to not only provision public goods, but to simultaneously meet growing consumer demand for sustainably sourced products and build resiliency into producer supply chains in the face of growing climate change related risks. Climate variability and supply shortages directly threaten the food industry’s bottom-line in the agricultural sector, where McKinsey has documented the sharp rise in commodity costs since the early 2000s (GreenBiz, 2019; Winston, 2014, pg. 37). Once again, by linking the provision of public goods to new economic opportunities and incentives, ENGOs can serve as trusted intermediaries with food companies to navigate new production risks and pivot to commercial opportunities that deliver both economic and environmental value (Kotchen, 2013; Wollstein & Davis, 2017).

While it’s tempting to assume that the “stick” of regulation would produce greater environmental performance, in this case of provisioning public goods, it’s worth noting that voluntary programs with well-designed incentives have often proven an effective conservation tool (Langpap, 2006). Having a federal or state agency monitor each business or landowner’s individual environmental performance (e.g., fertilizer runoff) would likely prove cost-prohibitive and serve instead to reinforce longstanding criticisms of the unwieldy nature of traditional regulatory measures (Banzhaf et al., 2013).

However, the credible threat of regulation is still a piece of the puzzle. Effective VEIs in the agricultural and land sectors were found to link public good provision with (1) existing production processes; (2) sufficient new market demand for certain product characteristics (e.g., food with reduced pesticide residue); (3) significant incentives (tax breaks, conservation easements, etc.); and (4) the political will or “stick” to impose regulations if voluntary approaches fail (Segerson, 2013). With ENGOs now more deeply embedded into

production supply chains, they are well positioned to help companies navigate each of these critical factors and bolster the effectiveness of VEIs focused on provisioning public goods.

Limitations and Practical Considerations

Today, there already exists a large volume of research on the genesis of EPs between businesses and ENGOs, their optimal structure, and ethical and social implications (GEMI, 2008; Seitanidi & Crane, 2009). This report provides an additional assessment of the latest VEI research, with practical implications for the ENGO sector on how it can best leverage its limited EP resources to maximize VEI environmental performance.

The case study with +Biz in particular is meant to inform and serve as an example - not to define a single “correct” strategy - for other ENGOs conducting EPs with the private-sector. A one-size-fits-all model does not exist as Rein & Stott explain:

“Partnerships are conditioned by the particular economic, political, cultural and social environments in which they work...one of the undoubted dangers of the fashionable status that partnership currently enjoys is the assumption that there is a model of partnership that can be applied to each and every situation. Our research suggests that partnerships need to be built very carefully both on the established good practice and on the constraints of local conditions” (2009, pg. 86).

In a similar vein, the natural question that arose in this research is what type of VEI and metric for environmental performance is most valuable for ENGOs to prioritize? Is it MT of CO2e, reduced water usage, reductions in campaign donations to climate change-denying think-tanks, or an entirely different metric? VEIs span a broad range of purposes, from reducing pollution and internalizing externalities such as greenhouse gas emissions, to creating public goods via improved land management practices. While there is evidence in the discussion section above on the specific VEIs both +Biz and the most recent academic research find to be more effective, the answer will ultimately vary by the perspective of the communities, companies, and stakeholders with a vested interest in a VEI - as well as the natural resources that are at stake.

It’s also important to again distinguish between EPs with companies and ENGOs (the focus of this report) and the larger breadth of VEIs available in the marketplace (as shown previously in Figure 1). Research to date on VEI effectiveness has primarily focused on government and industry-led VEIs, exploring ways to best structure these partnerships, or firms’ motives in undertaking them (GEMI, 2008). Studies by Morgenstern and Sadovnikova, for instance, examine government-led VEIs (commonly referred to as voluntary environmental programs or VEPs), and conclude that while their performance was

only modest, it was not trivial (2007, pg. 182). The majority of research into VEI environmental performance comes from VEPs, largely because participating companies are required to disclose their performance data, which is not always fully available in company or industry-led VEIs. Nevertheless, VEPs still serve as a proxy in evaluating the degree to which VEIs can address major environmental challenges, given that ENGOs often assist and partner with companies in VEPs, as they do in other forms of VEIs (shown in Figure 1).

Another potential criticism of this research is that some of the EP activities identified by +Biz respondents may appear too general or oversimplified (e.g., “the importance of building relationships” or “deep, traditional EPs”). In the limited time provided with each interviewee, it was not always possible to probe to the level of detail desired. The primary concern was ensuring that the interviewee was comfortable and that - for data consistency purposes - there was enough time to ask all 11 questions. Secondly, given the questions were open-ended, it was necessary during the coding process to consolidate the wide range of answers into 25 key topic areas. The potential nuance from further fragmenting this number of topic areas did not outweigh the value of having a manageable set of recommendations that would be more widely applicable to the ENGO community.

A final limitation of this study was its inability to compare different EP activities via a cost-benefit analysis of inputs and costs versus outputs and outcomes (in terms of social and firm value created), as van Tulder et al. have recommended (2016). This study’s approach and interview questions were informed by van Tulder et al.’s research, and aimed to identify which activities have been most responsible for moving the needle on EP environmental performance at +Biz. However, the ability to gather the necessary data points and conduct a more thorough analysis was again limited by the time and access with each interviewee.

Concluding Thoughts

The relationship between corporations and ENGOs has evolved dramatically over the past decades as traditional regulatory mechanisms have declined in prevalence and companies have grown in their political influence. The rise of corporate VEIs has seen ENGOs take a more conciliatory and direct partnership approach with the private-sector - first as a technical advisors and more recently as strategic advisors with strong relationships across science, government, and the wider NGO community to help companies ensure their VEIs are effective and credible.

The question of which specific EP activities ENGOs should prioritize to improve the environmental performance of the private-sector is still relatively unexplored by existing research on VEIs. Studies have instead mostly examined the design of EPs and the limited

scale their results have achieved, largely concluding that VEI performance is modest at best beyond business as usual. This is particularly true of VEIs aimed at pollution reduction, where researchers emphasize that a pivot back towards economy-wide, federal regulation is urgently required.

Despite this evidence, ENGOs will continue to play a critical role in reducing the private sector's environmental impact. They can re-define and "set the bar" on the standards that corporate sustainability leaders are held to, and ensure industry-leading companies set goals based on the latest environmental science.

Secondly and perhaps more importantly, ENGOs can critically bridge VEIs with the development of new environmental policy measures. More specifically, VEI results can inform and serve as concrete evidence for policymakers, and ENGOs should use their strong relationships with companies to urge them to exercise their political clout to lobby for new climate legislation in the face of US congressional inaction. As Joel Makower, Chairman and Executive Editor of GreenBiz Group, puts it:

"Today, leadership companies are those that speak up and speak out in favor of ambitious climate policies, and companies will increasingly be held accountable on that score" (EDF+Business, 2019).

ENGOs should further prioritize activities that connect VEIs to new commercial opportunities. They can, for instance, strengthen the private provision of public goods (such as clean water) by linking more sustainable production changes to new demand markets (e.g. consumers who will pay extra for pesticide free food). There is growing evidence that such measures are more beneficial to the environment and the bottom line of the companies involved.

Finally, by helping companies to design and verify the results of their VEIs - and coordinating closely with other influential stakeholders such as investors, activist NGOs, or certification organizations - ENGOs safeguard against greenwashing and substandard environmental performance.

These activities highlighted by +Biz and the latest research in this report do not provide a boilerplate set of new solutions that ensure VEI effectiveness. They do, however, offer practical examples for the wider ENGO community to prioritize in its efforts to reduce the environmental impact of the private sector and accelerate the development of new federal environmental policy measures, which are critically needed to address the world's most pressing environmental concerns.

Appendix

Figure 1 - Interview Questions

The following 11 semi-structured questions were used to conduct this study's interviews. To view the full list of questions and the disclaimer developed with the Duke IRB, please visit the following site: <https://duke.box.com/s/rbcj9lz0ke6idgy31nwrnvipncotm0z0>

1. Can you walk me through an average work day or week and what you spend the bulk of your time on?
 - a. For each of the top 2-3 things, what is the deliverable or outcome you're driving towards?
2. What we're really trying to understand with this study is how your work can most effectively impact a company's environmental performance. Can you give me a few examples of where you were most successful (in having an impact) and what your approach was?
 - a. Were you able to measure the environmental impact you had?
 - b. Which specific actions (or activities or parts of that engagement) do you feel really moved the needle and led to this success?
3. Going back a bit further before that successful project, what had to happen first for your team to even be in a position to work with the company?
 - a. How did the relationship start and how has it evolved?
 - b. Did they reach out to you, were there a number of strategy meetings between your leadership and the company, did you share any written publications, or invite them to an event or webinar?
 - c. Has the scope changed and why?
4. Moving forward, will your approach stay the same or are you looking to engage with them differently?
 - a. If so, why do you see it evolving and how?
5. What were some unexpected outcomes of the work you're doing?
 - a. Put another way, were there ripple effects as a result of the success you had above?
6. What are some examples where you weren't able to have an impact with a company and what was the approach you took?
 - a. Why wasn't it successful?
 - b. Is that unique to this company or have you seen similar results with others?
7. Are there activities that take up your time that your team needs to stop doing
8. Do you feel your team is doing enough with the private-sector?
 - a. If not, what is missing?
9. At what point should your team stop working with a company and why?
10. Of all the work "you've" done on your team, what are you most proud of?

- a. What about more generally across the organization, even if it's not work you partake in directly?
11. Put another way, the work that matters the most to you that you feel it needs to do more of is...
- a. Could you elaborate a bit further on why it's so valuable to you?

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