

Stakeholder Engagement Principles- Awareness

AA1000 SES standard

General house keeping rules



Participants Introduction



- Name
- Company, Position & Background
- Knowledge & Experience in Stakeholder Engagement
- How long?
- Experience with other relevant areas or standards
- Expectations from this course (you can type in your system and submit)
- What do you want to get out of this course?

Group Activity Quiz



Course structure

Module	(days)	Description
Module 1	0.5	Commitment and integration to build strategic outcome
		Awareness on methods of establishing stakeholder engagement purpose scope mandate and ownership
		Understanding of engagement process
		Different levels of engagement
		Implementing engagement plan
		Report on engagement

Course assessment

Assessment Type	Weightage (%)
Attendance & participation	20
Pre-course Quiz	20
Exercise performance	20
Post course Quiz	30
Total	100

Who is a stakeholder and who is not?

Stakeholders are not just members of communities or non-governmental organizations.

They are

- those individuals,
- groups of individuals or
- organizations that

affect and/or could be affected by an

- organization's
- activities,
- products or services and associated performance with regard to the

issues to be addressed by the engagement.

WHAT IS CORPORATE STAKEHOLDER ENGAGEMENT?

Corporates need to make sustainable development happen by
generating economic growth with greater resource efficiency
minimize environmental impacts and
maximize social well-being for more people

Business is an indispensable part of the solution to the problems of the world.

What is the Objective ?

To improve our relationships with governments, NGOs and others.
through practical partnerships turn the idea of sustainable development into a growing reality on the ground (Organization and stakeholder together)

Categories Stakeholders

Stakeholders are divided into :-

primary stakeholders

(those who have a direct stake in the organization and its success), and

secondary stakeholders

(those who may be very influential, especially in questions of reputation, but whose stake is more representational than direct)



Typical
Primary
Stakeholders

Typical
Secondary
Stakeholders

We can also think of stakeholders as groups or individuals who define value propositions for the company

Thus it makes a sound commercial approach to building loyalty with customers, employees and investors.

Why engage?

**[We engage] to find solutions to
Shared challenges**

**Includes everything from creating
awareness about a topic to improving
company performance on the environment
and human rights, to finding solutions to
societal challenges**

Perspective of stakeholder engagement

- To help companies at the beginning of the learning curve manage the complexity of this new approach to doing business
- To share best practices with companies that wish to develop further their collaborative approaches
- To address concerns of advocacy groups, such as environmental and human rights organizations, as well as representative groups, such as labor organizations, about the value and legitimacy of processes that demand their attention and scarce resources
- To explore how the tools used in stakeholder engagement processes currently underway and planned for the future can be ethically grounded and drive value – for everyone involved

What are the issues?

Environmental	Social	Economic
Air and water discharges, extraction and other impacts	Employee health and safety, satisfaction, training and development, displacement	Sharing intellectual property without impacting profitability
Material and energy use	Equal opportunity and diversity issues	Supply chain issues
Climate change	Equal opportunity and diversity issues	Corporate contributions to local, regional and national economic development
Reclamation issues	Equity and developing world issues, including health, availability of drugs	New public-private partnerships
Regulatory issues	Community contributions	
New technologies (e.g., genetically modified organisms, nanotechnologies)	Relationships with indigenous peoples	

Your ideas ?

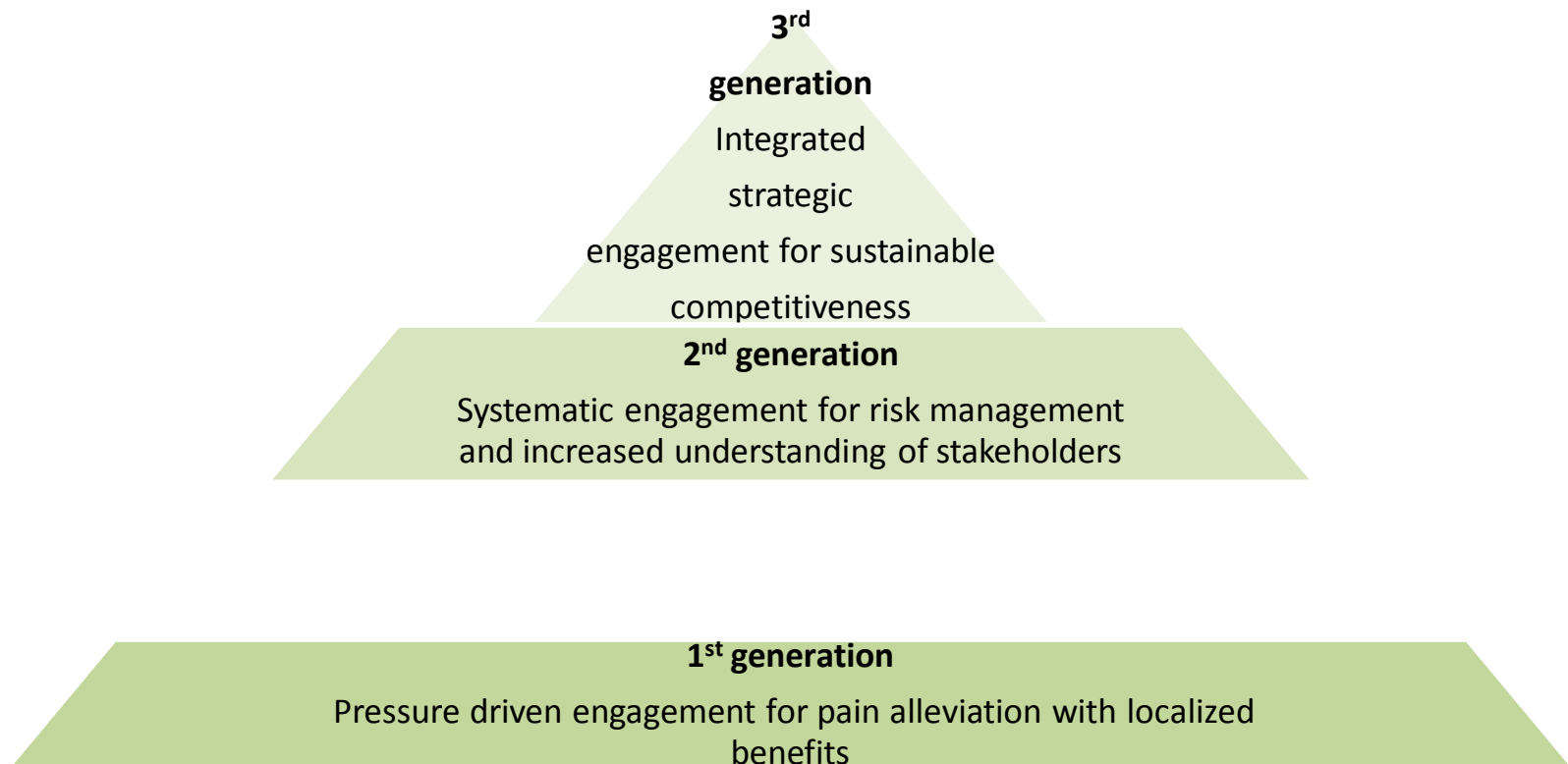
Ways
to engage
Stakeholders !

Questions & Discussions



Communication	Consultation	Dialogue	Partnership
•Information sharing	•Questionnaire surveys	•Multi-stakeholder forums	•Joint ventures
•Employee training	•Focus groups	•Advisory panels	•Local sustainable development projects
•Project bulletins and letters to targeted audiences	•Workplace assessments	•Leadership summits	•Multi-stakeholder initiatives
•Company brochures and reports	•Ad hoc stakeholder advisory meetings (e.g., community consultations)	•Virtual engagement on intranets and the internets	•Alliances
•Internal and external newsletters	•Standing stakeholder advisory forums		
•Web sites	•Online feedback and discussion forums		
•Technical briefings			
•Speeches, conference presentations, displays, handouts and videos			

Three eras of stakeholder engagement



Attentive Era

MID 1980s The Awareness Era	Early 1990s The Attentive Era	Early 2000s The Engagement Era
Environmental	Environmental, social	Increasingly complex environmental, social, economic
Local	Global	Global
High impact , high visibility industries	Less visible industries	Multi-stakeholder partnerships

DRIVERS

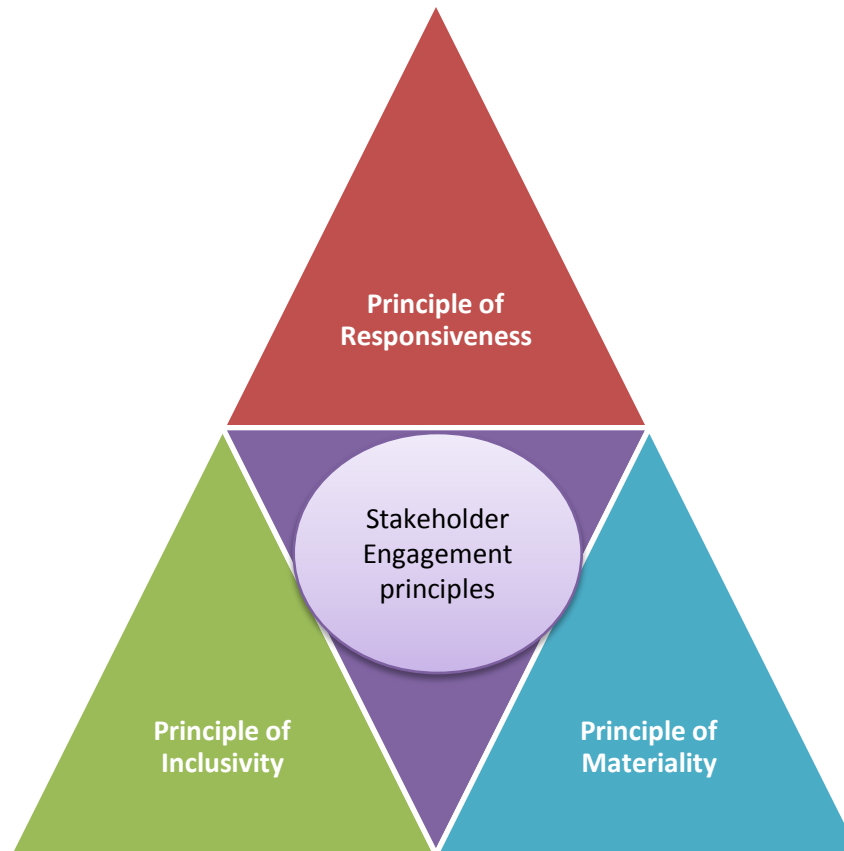
DRIVERS	DRIVERS	DRIVERS
Deteriorating public opinion, mistrust of business	Increasing awareness of threats to resources, interconnectedness of environment, social, economic issues	Growing issue linkages, complexity
NGO, activist pressure to reduce environmental impacts	Calls for corporate responsibility on environments, social issues	Growing anti-globalization movement
Negative media	Rise of NGO influence powered by electronic communications	Increasing influence of global multi-stakeholder organizations
Increasing community tensions		Recognition of value creation from engagement for a company and its stakeholders
Consumers boycotts		
Difficulties, delays in permitting		
Threats to license to operate		

Principles and standards for stakeholder engagement

Quality stakeholder engagement must:

1. be based on a commitment to the AA1000APS principles;
2. clearly define the scope;
3. have an agreed decision making process;
4. focus on issues material to the organization and/or its stakeholders;
5. create opportunities for dialogue;
6. be integral to organizational governance;
7. be transparent;
8. have a process appropriate to the stakeholders engaged;
9. be timely; and
10. be flexible and responsive.

Three Principles of Stakeholder Engagement



Methods of engagement and inclusivity

Methods of Engagement	Increased inclusivity of relationship
Communications via one-way channels designed to spread information	Trust Us
Consultation and dialogue via interactive channels	Show Us
Partnerships that create value and are focused on finding solutions	Involve Us, Hear Us

Increasing Sophistication in Corporations' Approaches to Engagement

Questions & Discussions



Some tools for stakeholder engagement-1

Tools	Consultation	Dialogue
Surveys	<ul style="list-style-type: none"> •Track attitudes and perceptions of customers or employees •Example: BT surveyed 19-million residential customers to learn how it could improve service •Example: Novo Nordisk surveyed employees in five countries and published its findings in the company's 1999 Environment and Social Report 	n/a
Ad hoc stakeholder engagement	<ul style="list-style-type: none"> •Consultation to gather stakeholders' perspectives on a company's corporate responsibility initiatives or on focused topics •Example: Several companies seek input on their environmental or sustainability reports 	Dialogue through informal and ongoing relations with NGOs, community groups, scientific experts or via multi-stakeholder meetings hosted by the company on specific issues on an 'as-needed' basis

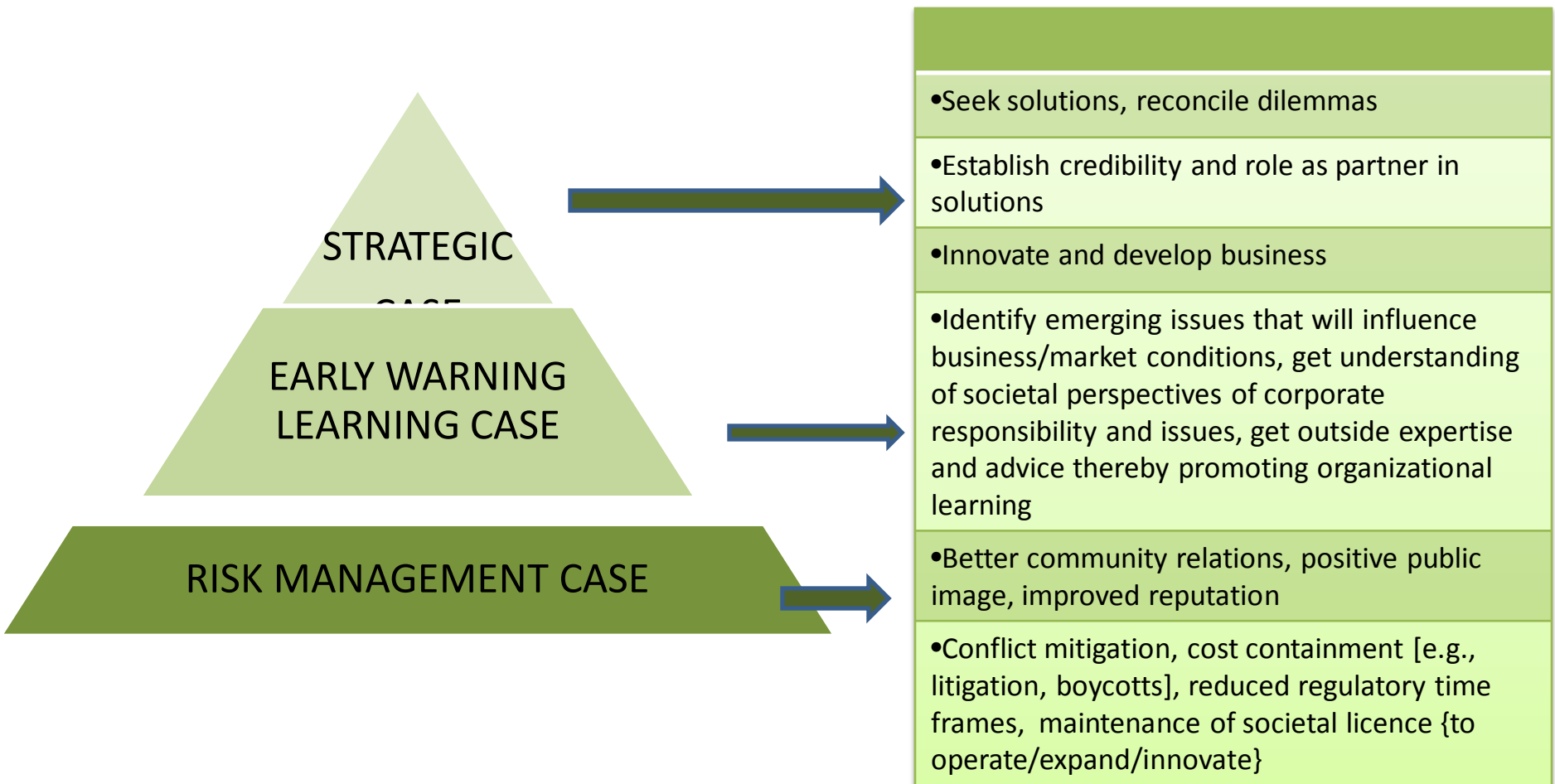
Some tools for stakeholder engagement-2

Tools	Consultation	Dialogue
Standing stakeholder advisory forums	<ul style="list-style-type: none"> •Community advisory panels, multi-stakeholder advisory councils, scientific advisory committees, customer liaison panels and others that meet several times a year to provide a sounding board for corporate decision-making •Example: Companies, such as Dow Chemical, Intel, Racer Dome and Lafarge, have set up community advisory panels at all manufacturing or mining sites. Others such as BT or Nike, have established multi-stakeholder assurance panels. 	<ul style="list-style-type: none"> •Advisory panels frequently evolve into more open and flexible forums for dialogue between a company and its stakeholders •Example: The global stakeholder on Dow Chemical's corporate Environmental advisory council have been meeting since 1991 to advise Dow on strategic environmental and corporate responsibility issues, helping to develop the company's Sustainable Development Principles for guiding strategic decision-making and shaping a variety of environmental , health and safety strategies. In 2001, Electricite' de France set up a sustainable development panel(formerly Agenda 21 panel) at group level to help integrate its sustainable development strategy

Some tools for stakeholder engagement-3

Tools	Consultation	Dialogue
Web-based tools	<ul style="list-style-type: none">•Online forms solicit feedbacks on how a company is doing•Example: Shell pioneered posting its corporate responsibility report on its website, encouraging its stakeholders to “Tell Shell” by soliciting their feedback online.	<ul style="list-style-type: none">•Intranets bring together corporate directors, managers and employees for “real-time “ dialogues on a company’s performance, but virtual engagement beyond communication and consultation with external stakeholders•Example: BT is leading the way in the Information and Telecommunications Technology sector by experimenting with e-mail and live online debates, ‘to provide a discussion forum’ for debating issues of interest and relevance to BT’

The business case for stakeholder engagement- from risk management to strategic positioning



STAKEHOLDER ENGAGEMENT IN FIVE STAGES



STAGE 1

Think strategically about engagement

P1: Mapping your stakeholders

P2: Setting strategic objectives for engagement

P3: Identifying issues

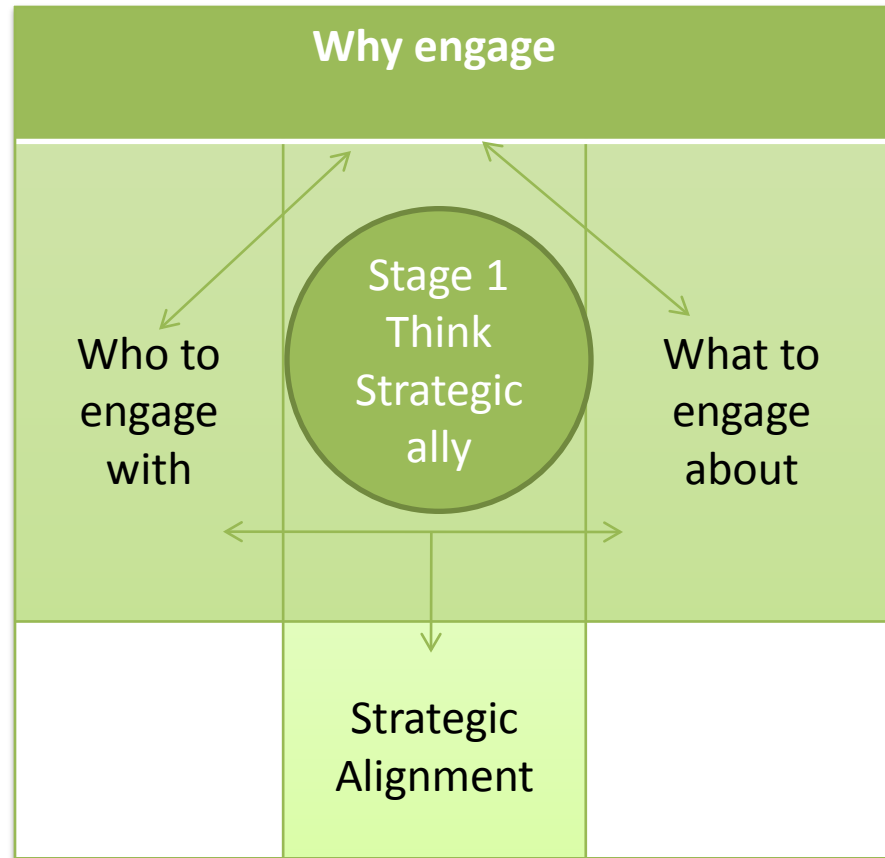
P4: Prioritizing stakeholders and issues

THE ACCOUNTABILITY COMMITMENT AND PRINCIPLES		
The Accountability Commitment “Inclusivity”		
‘acknowledging stakeholders right to be heard, and accounting for one’s actions to stakeholders’		
	Principles	
Materiality	Completeness	Responsiveness
‘Knowing what is important to you and stakeholders’	‘Understanding your impact & what people think of you’	‘Demonstrating adequate response’

The Relevance of Materiality, completeness and Responsiveness to the five stages of Stakeholder Engagement

Stakeholder Engagement Stage					
Stage	Think strategically	Analyst and Plan	Strengthen Capacities	Engage Stakeholders	Act and Review
Dominant Principle					
Materiality					
Completeness					
Responsiveness					

Stage 1: Think strategically



The four stages of Issue Maturity

Stages	
Latent	<ul style="list-style-type: none">•Some activist communities and NGOs are aware of the issue•There is weak scientific or other hard evidence•The issue is largely ignored or dismissed by the business community
Emerging	<ul style="list-style-type: none">•There is political and media awareness of the societal issue•There is emerging body of research, but data are still weak•Leading business experiment with approach to dealing with the issue
Consolidating	<ul style="list-style-type: none">•There is emerging body of business practices around the societal issue•Sector wide and issue-based voluntary initiatives are established•There is litigation and an increasing recognition of the need for legislation•Voluntary standards are developed and collective action occurs
Institutionalized	<ul style="list-style-type: none">•Legislation or business norms are established.•The embedded practices become a normal part of a business-excellence model.

STAGE 2

Take time to analyze and plan the engagement

P5: Reviewing your progress

P6: Learning from others and identifying potential partners

P7: Assessing your current engagements and drafting stakeholder specific objectives

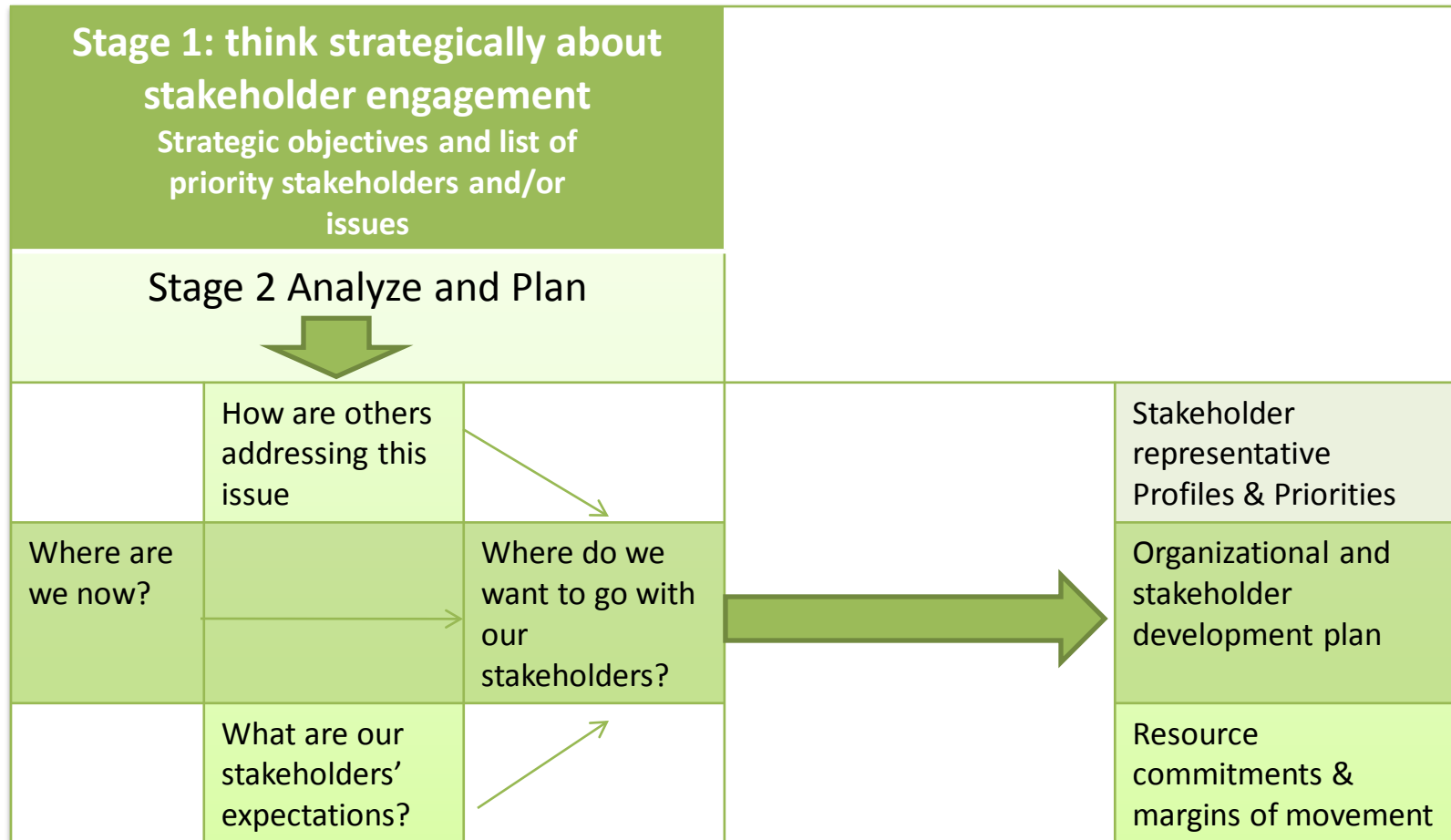
P8: Understanding and learning about stakeholders and their representatives

P9: Checking for resource commitments and defining “margins of movement”

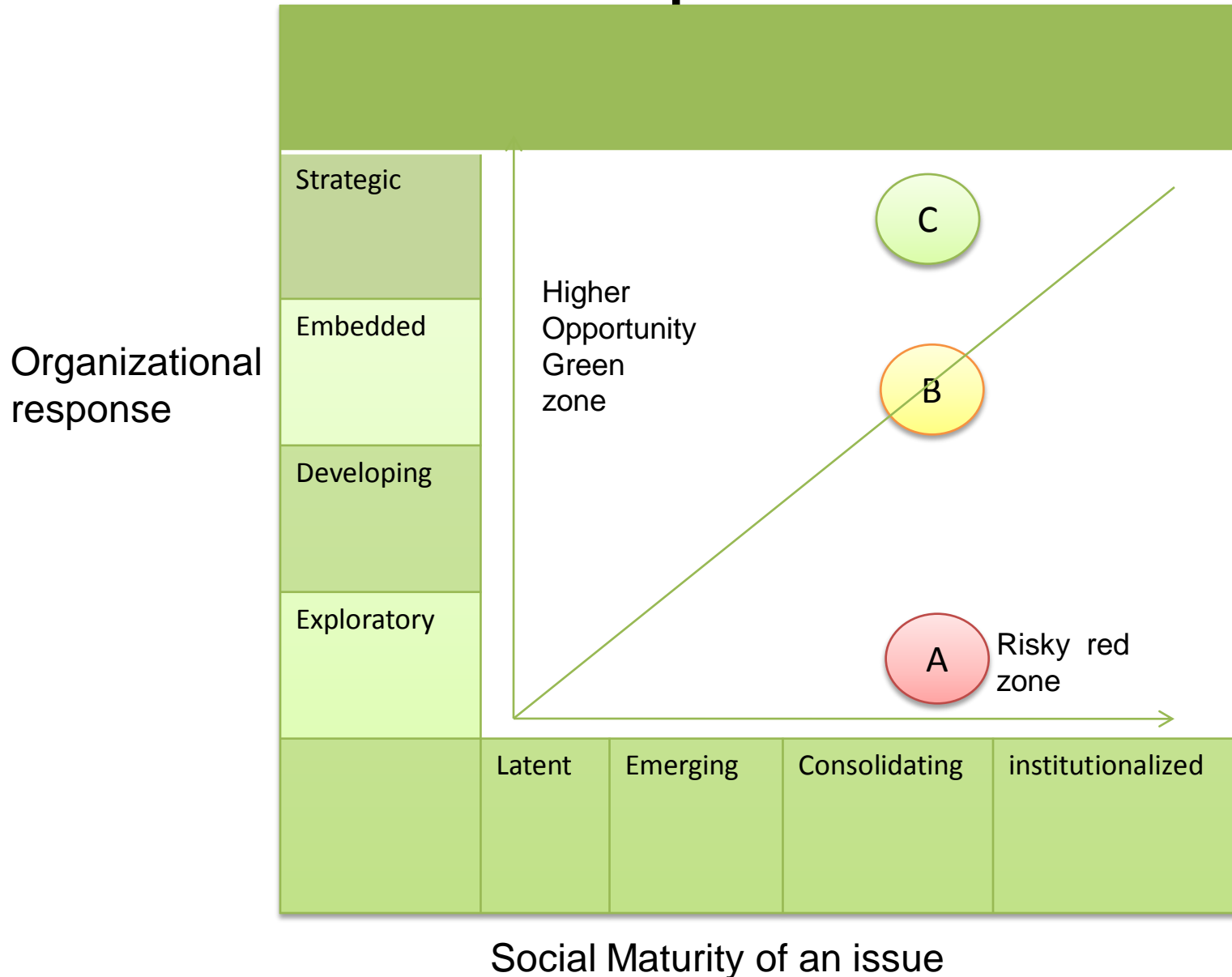
P10: Creating an issue focused plan for stakeholder engagement

Stage 1

Think Strategically



The issue response matrix



STAGE 3

Maintain and strengthen the capacities needed to engage effectively

P11: Strengthening your company's ability to respond

P12: Developing the internal skills and characteristics needed for stakeholder engagement 86

P13: Consider your stakeholders' requirements for engagement

Stage 3: Strengthen Capacities for engagement



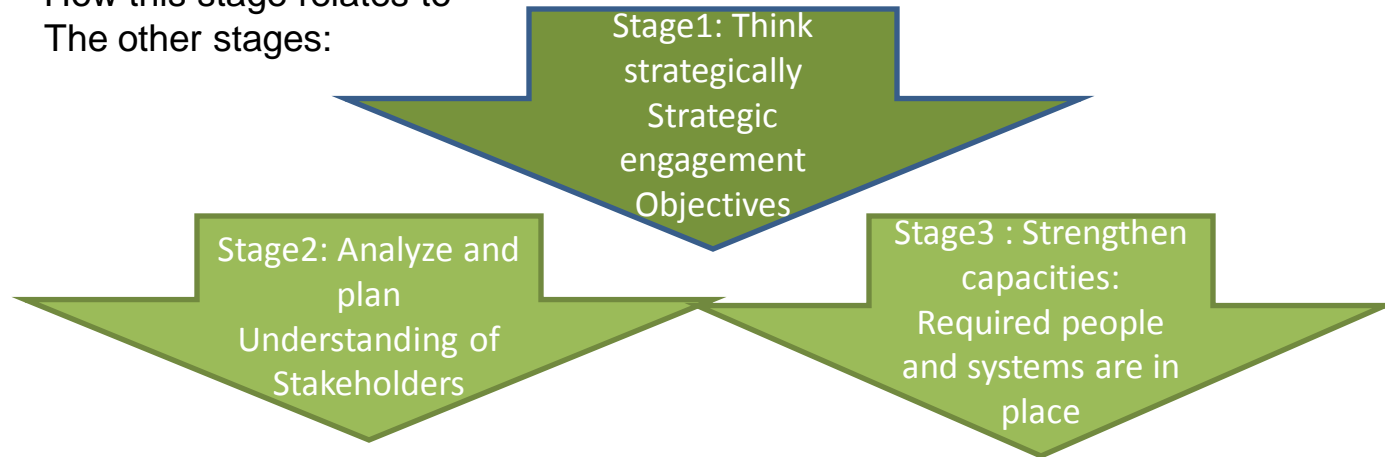
STAGE 4

with your stakeholders in ways that work

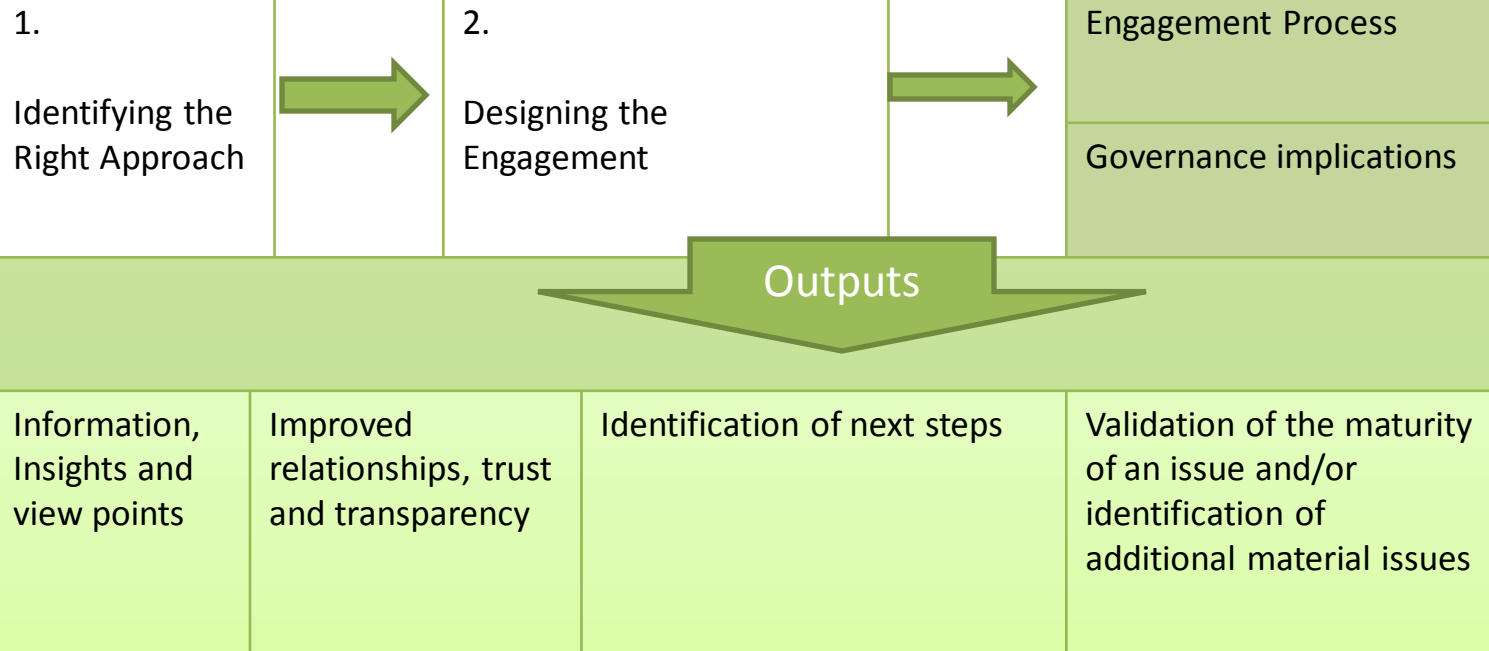
P14: Identifying the most effective engagement methods Common
Stakeholder Engagement Approaches

P15: Designing the engagement process

How this stage relates to
The other stages:



Stage 4 : Engage with stakeholders



STAGE 5

Take action and review the engagement

P16: Creating a plan for action

P17: Reporting back and giving assurance to your stakeholders

P18: Reviewing the engagement process

Stage4: Stakeholder engagement
Insights, information, agreements,
strengthened relationships

Stage 5: Act

What next?
What decisions
need to be taken?



Reporting and
assurance

How to report and
feedback on
engagement?



Action Planning

What can we learn
from the process
itself?



Further
improvements to the
engagement process

Summary: The Engagement Outcome Implementation Matrix

[illegible]

WHAT ARE SOME SUCCESS FACTORS FOR EFFECTIVE ENGAGEMENT?

- Use stakeholder engagement strategically
- Streamline the operationalization of stakeholder engagement
- Understand the connections

WHERE ARE THE CHALLENGES?

- It takes time and resources
- It requires considering the mindsets of members
- It requires reviewing one's priorities

Finally

- **Make a commitment to action**
- **Maintain the right to disagree**
- **Act with transparency and accountability**
- **Don't expect to change the world overnight**

Questions & Discussions



Group Activity Quiz

