

# AA1000SES Consultation Feedback Form

## GREECE

AA1000 SES Consultation, in Athens, Greece on November 20, 2009

### Session 1 - Stakeholder Engagement in General

#### 1. What is stakeholder engagement?

Most of the participants agreed that Stakeholder engagement takes the form of the following activities:

- Satisfaction or opinion surveys (with employees, customers etc.)
- Interviews
- Ad hoc dialogue with different groups of stakeholders (e.g. local community, employees..) for problem solving (one off projects)
- Information of Investors
- Focus groups
- Management of Complaints
- Prioritisation of Stakeholders
- Internal stakeholder process. The employees must play an important role in the implementation of CR policy.
- Inform and be informed by society

The most important thing for each company is to identify its key stakeholders (many of the participants indicated that they draw a stakeholder map for their company). Theoretically, they then identify and prioritize their needs. It is important to have a dialogue with them on special issues in particular and with a formal procedure.

**Problems:** An issue for Greek companies is the lack of feedback they take from their stakeholders (unidirectional/one-way communication). Also many of the participants noted that the formal procedure of stakeholder mapping and engagement is time – consuming and there is no dialogue culture in the wider local context. Furthermore, they almost all agreed that stakeholder engagement differs in each company and it is even more difficult for public sector companies or organisations because of their legal status and for SMEs because of their size and limited resources. Finally, another barrier in stakeholder engagement is that there are ostensibly no tangible and immediate benefits (that are understood by the management as such), especially economic ones and there is always the fear of the unknown (while the cost in terms of dedicated personnel resources is known and frequently high).

**Degree of consensus:** High

**2. How does stakeholder engagement contribute to accountability and sustainable development?**

- Most of the participants agreed that it helps contribute to the social license to operate, the identification of needs and expectations, as well as the "validation" of current performance.

**3. Why do organizations undertake stakeholder engagement and who benefits from stakeholder engagement?**

Most of the companies want to understand their stakeholder's needs and problems, how these relate to the companies' activities and outputs and how they affect the bottom line and reputation. To understand priorities for stakeholders and focus on these where the companies activities have and or can have an impact. The feedback they take from them can be very important to improve their strategy and operations. Also SE helps with broader risk mitigation. In general, stakeholder engagement benefits stakeholders, the company and in many cases the broader society. This is this is the overall view of the participants in theory with rather less concrete evidence expressed in practice from these benefits.

**Degree of consensus:** High

**4. What is the role of stakeholder engagement in different contexts:**

- a. Business/organisational strategy
- b. One off projects
- c. Government/public sector consultation

Stakeholder engagement differs per group of stakeholders. Sometimes for a project, sometimes for general feedback. There is not a general view for all stakeholders. Some of the participants agreed that in business strategy it's very important and in many cases a requirement. For example the voice of customers helps in the development of new products. In the public sector it is very important as one part of an overall plural, democratic system. Also community engagement should be in the political agenda.

**Degree of consensus:** Low

**5. How does stakeholder engagement relate to other sustainability standards, guidelines and initiatives?**

Most of the participants agreed that they do not use the AA1000 standard and were not very familiar with it. The majority of them use the GRI because it has clear guidelines, is broadly known and uses specific KPIs that can be readily used off the shelf. The UNGC provides guidance but no practical methodology.

Without stakeholder engagement any sets of standards that address CSR and sustainability issues lose their validity and prestige and may become meaningless. Stakeholder engagement is the foundation.

Most of the participants agreed that what they need is a clear method which will give them actionable, clear, easy-to-understand steps.

**Degree of consensus:** High

**6. What are some of the common success factors and common challenges to good quality stakeholder engagement**

- A good robust systematic approach
- Local application addressing issues at local level
- Use established methods and experts / trained people to approach stakeholders and gain their feedback via a systematic approach that will enable identification of stakeholders and their needs and priorities, prioritisation of these, a link to companies' broader activities and gain valuable feedback from stakeholders throughout this process not just at the beginning, should be more than interviews

- Create understanding and awareness
- Knowledge of broader context of the business and how SE can contribute to achievement of core business objectives

**Barriers:** Most stakeholders do not have the resources including time and knowledge to participate in elaborate procedures. Also the significant competition among companies for the attention of well-informed individuals and groups (such as specialist NGOs) is a barrier. The surveys are important, too, but there is apprehension regarding feedback. Also, specific guidelines and clear issues/agenda items to discuss with their stakeholders is a particularly important challenge faced by most companies who would like to be more open and transparent but are also concerned about opening up a proverbial can of worms when facing stakeholders who are not used to such kinds of focused discussions on specific issue areas.

**Degree of consensus:** High

7. What are some of the barriers to making stakeholder engagement a more strategic consideration in organization (or where this has been achieved, what were the important factors)

- Cultural and Country specific barriers
- 'Company' culture and view of board of directors: in Greece most companies are still very conservative about openly and transparently communicating with stakeholders on an equal footing
- CEO and senior management views
- History of interaction between stakeholders and ' the company'
- Resources in terms of limited number of individuals in most companies dealing with sustainability issues – a single CSR manager can only promote so many worthwhile sustainability related endeavours

**Degree of consensus:** Medium

## Session 2 - AA1000SES

1. What should the focus/aim of the AA1000SES be (i.e. should it remain focused on CSR issues, or should it address wider engagement/dialogue and participation issues)?

While CSR and sustainable development issues are seen to be the primary driver, ideally stakeholder engagement should serve as a core business feedback mechanism to inform and influence the company's core strategy more broadly

- Clear systematic approach for CSR issues and on strategic level
- Public consultation
- Broader sustainability
- Environmental risks
- Also to address other issues of a wider perspective and a mechanism / process to channel these to the appropriate authorities/organizations and stakeholders – should be seen as an opportunity to have foundation to 'do more good' in a wider perspective but with a solid process flow how this info should be channelled and where.

Another especially important focus area is for each department to map its key stakeholder. For some of the participants, stakeholder engagement is not merely the purview of the CSR department but of a number of other departments too (e.g. marketing, procurement, investor relations, etc).

**Barriers:** A need for a high level internal champion who will promote the stakeholder engagement process to make it a corporate-wide issue.

**Degree of consensus:** Medium

**2. Are there any gaps in the market that AA1000SES should try and fill?**

Most of the participants agreed that there should be a link between the methodology and best practices or examples. A methodology should include guidelines, back up support and case studies.

**NB:** The standards should not be overly complicated as this is off-putting! Practitioners who want to use standards might understand a detailed, step-by-step approach but might be hard pressed to "sell it" to their management as something way too advanced and out of their league. No one wants to get in over their head.

**Degree of consensus:** High

**3. What should the scope of the AA1000SES cover?**

- A systematic approach to develop a stakeholder engagement strategy (make a matrix of what we need)
- Assistance in measuring and evaluating effectiveness of engagement
- Separate where possible between macro and micro engagement guidelines
- Case studies along with standard procedures and guidelines will always help
- A link between stakeholder engagement and financial performance, e.g., what is the long-term business case?
- Value of the outcomes and way to measure the results
- Provide indicators

**Degree of consensus:** High

**4. How can the AA1000SES link stakeholder engagement more effectively with strategy and core operation?**

- Needs to be part of the overall corporate strategy; the key objectives of a company, part of the culture and a vital link to the cross functional operation of a company with a clear link to CSR action plans, translating the engagement results and priorities to actions within a company
- Link to other similar practices of the company and not a stand-alone or one-off exercise
- Link with enterprise risk management

**Degree of consensus:** High

**5. What elements of good practice and which challenges does it need to address?**

Conflict between stakeholders should be addressed and is a challenge, prioritization of stakeholders themselves and also of their needs and issues, communication of results to stakeholders and a dynamic relationship emerging from this engagement process

Barriers: limited participation of stakeholders

Gap between company's expectations and stakeholder's expectations. This is perhaps the greatest barrier to SE in the local context and requires extensive advance preparation in terms of educating and informing stakeholders (on technical issues especially) in an atmosphere based on trust and mutual respect. Third party arbiters can help mitigate this challenge but only if they demonstrate sufficient independence and are not seen as a corporate puppet.

**Degree of consensus:** High

**6. Which other standards does it need to aligned with and how?**

GRI, ISO 26000, ISAE 3000, AA100 AS, UN GLOBAL COMPACT, UN PRI, SA 8000, WORLD BANK/IFC requirements, ILO

**Degree of consensus:** High

**7. What should the balance be between requirements and guidance?**

Participants' views were mixed in this area and no overall consensus emerged whether it should be a requirement or a guidance-type document. In general, there was agreement that that it should be easy to follow, with case study examples that could help operationalizing the standard according to industry, size of company, etc.

**Degree of consensus:** Low

**8. How should the standard function in the market place (e.g. should it become a certification standard, remain as guidance or something else?)**

By focusing initially on compliance (to a standard) this will encourage companies to adopt the stakeholder engagement practices and then to appreciate the value that it can provide; it is thus suggested that the initial focus should be on having a high level certifiable standard, accompanied by local sector-specific guidelines that are relevant / appropriate to the local context. It is important however to exercise caution to ensure that the standard does not develop into a hindrance that undermines the underlying value and ethos of stakeholder engagement

In general, certification will give more validity and carry more weight but with a certain level of risk of becoming a bureaucratic 'red tape monster' as with so many other certifications in other fields and lose its focus.

**Degree of consensus:** Medium

**9. What do you like/dislike about the original AA1000SES and the first draft of the new standard?**

The matrixes / tables at the annexes of the original standard were very practical and helpful and should be included in the revised standard too.

**Degree of consensus:** High