



# Using Stakeholder Engagement to Improve Business Outcomes and ESG Impact

**Melanie O'Brien, AccountAbility**

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DUBAI

LONDON

NEW YORK

RIYADH

# About Melanie

## Head of Research & Standards



Melanie is responsible for developing and promoting the AA series of standards and AccountAbility's research initiatives.

Based in New York City, Melanie is an experienced management consultant and researcher with 10+ years of experience working in CFO research and advisory, sustainability, and other commercial advisory services.

She has worked in numerous consulting roles, often as the lead stakeholder engagement consultant managing relationships with government jurisdictions, private sector companies, and industry bodies.

# AccountAbility is an expert ESG Advisory and Standards firm

## About AccountAbility



### ADVISORY

Practical, relevant,  
and innovative  
solutions customized  
to meet client needs



### STANDARDS

Simple, adaptable, and  
easy-to-use frameworks to  
guide responsible and  
impact-driven performance



### INSIGHTS

Expert perspectives,  
forward-looking  
trends, and  
industry context

# We are recognized as leading global ESG Management Consultants

## Global Industry Recognition



For 3 years in a row,  
Forbes has listed  
AccountAbility as one of the  
**World's Best Consulting  
Firms for 2022-2024**



The Financial Times has ranked  
AccountAbility as a **Leading  
Management Consulting Firm** for the  
**7th consecutive year**



Capital Finance International ([CFI.co](https://cfi.co)),  
of the World Bank, IMF, and IFC have  
Awarded AccountAbility  
**Best ESG Strategy Development  
Partner – Global** for  
**3 consecutive years**

# We deliver *practical* and *relevant* services to our clients

## Advisory Service Offerings



Strategy Design  
and  
Implementation



Governance &  
Investor  
Relations



Stakeholder  
Engagement



Materiality  
Review



Impact  
Assessment



Reporting &  
Communications



Frameworks &  
Standards



Training &  
Capacity  
Building

We help our clients improve **business performance** and build sustainable **competitive advantage** by:

- ▶ Engaging **stakeholders**
- ▶ Facilitating **innovation**
- ▶ Increasing **revenue**
- ▶ Mitigating **risks**
- ▶ Reducing **costs**
- ▶ Enhancing **reputation**

# Our Stakeholder Engagement Standard sets us apart

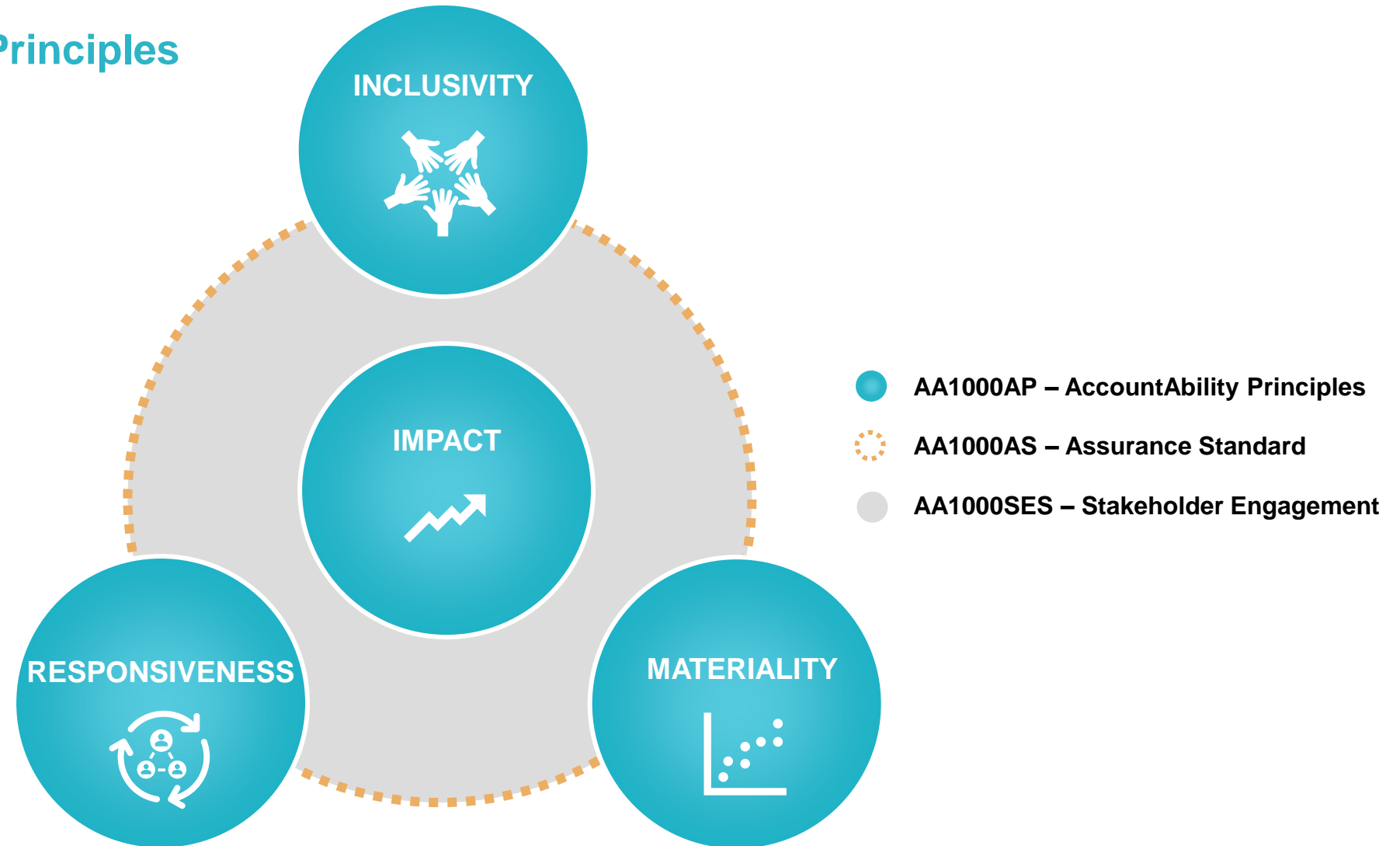
## Advisory Service Offerings



The **AA1000 Stakeholder Engagement Standard (2015)**

# AA1000 Principles provide a balanced and comprehensive approach for stakeholders

## AA1000 AccountAbility Principles



# Stakeholder Engagement is a strategic advantage

## Amplifying the Impact of Stakeholder Engagement

“Companies that are aligned with the needs of their stakeholders—whether employees, customers, or communities—are more likely to be successful and to create long-term value.”

Larry Fink, CEO of BlackRock

“Engaging with stakeholders is not just a regulatory requirement; it’s a strategic advantage. It allows us to understand and respond to their concerns, leading to more informed decision-making and stronger, more sustainable business practices.”

Emma Walmsley, CEO of GlaxoSmithKline

“Business leaders have a responsibility to address the needs of all stakeholders, not just shareholders. Engaging with stakeholders ensures that companies understand and manage the social and environmental impacts of their operations, which is central to building sustainable businesses.”

Paul Polman, former CEO of Unilever

# How Value is Changing For Organizations

What is tangible vs intangible value?

A diagram consisting of two concentric circles. The inner circle is a light blue color, and the outer ring is a darker blue color. A dashed line originates from the center of the inner circle, extends horizontally to the left, and then turns vertically downwards to point towards the 'Tangible Value' text.

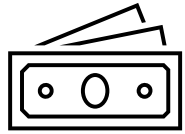
## Tangible Value

refers to the worth of physical assets that can be appraised and assigned a financial value

# How Value is Changing For Organizations

What is tangible vs intangible value?

**Tangible assets:**



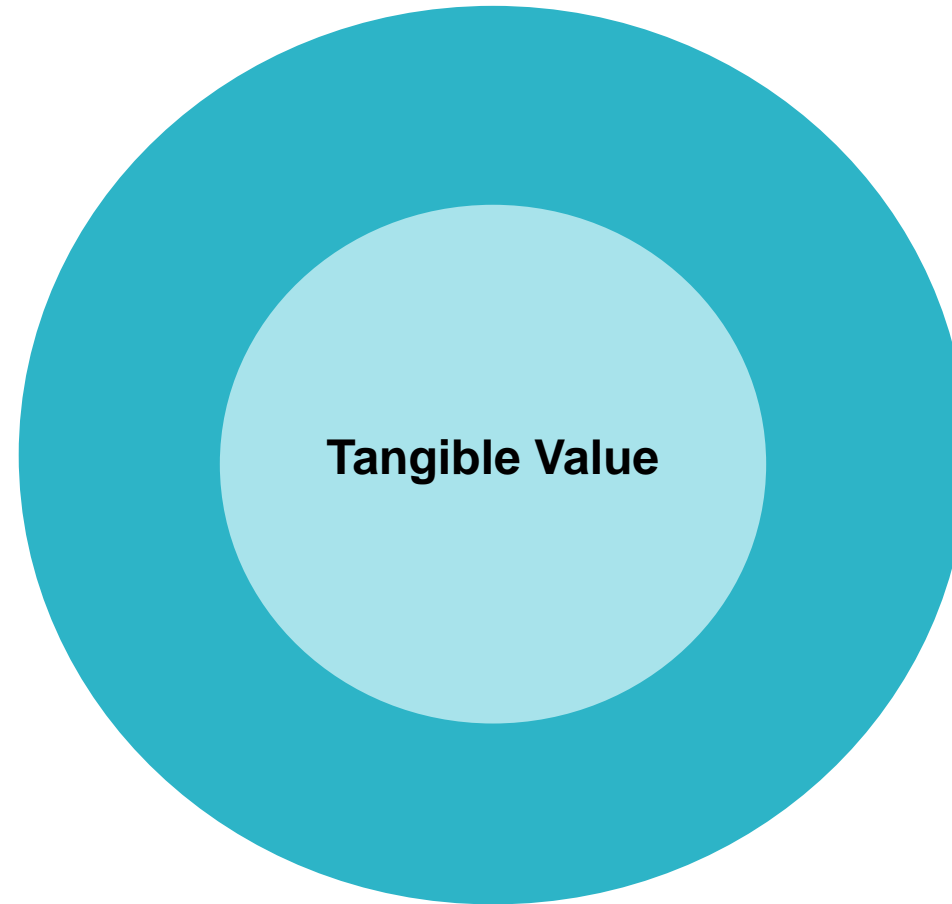
**Cash on hand**



**Computers and Technology**

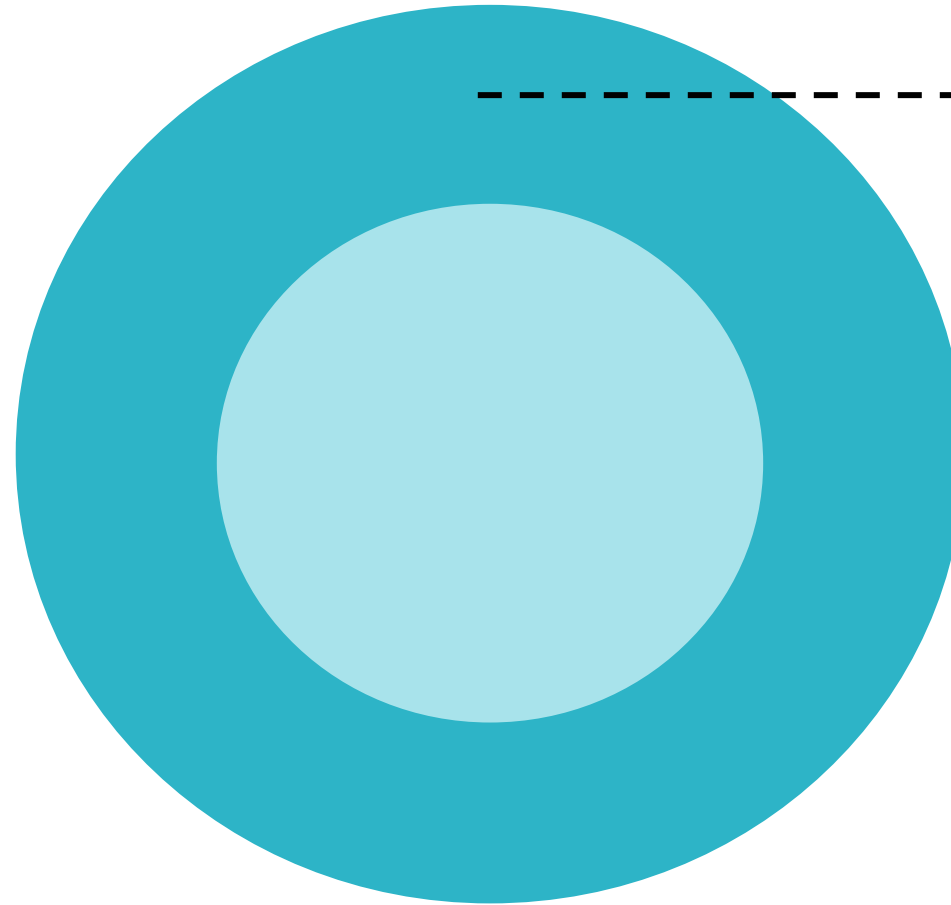


**Property**



# How Value is Changing For Organizations

What is tangible vs intangible value?

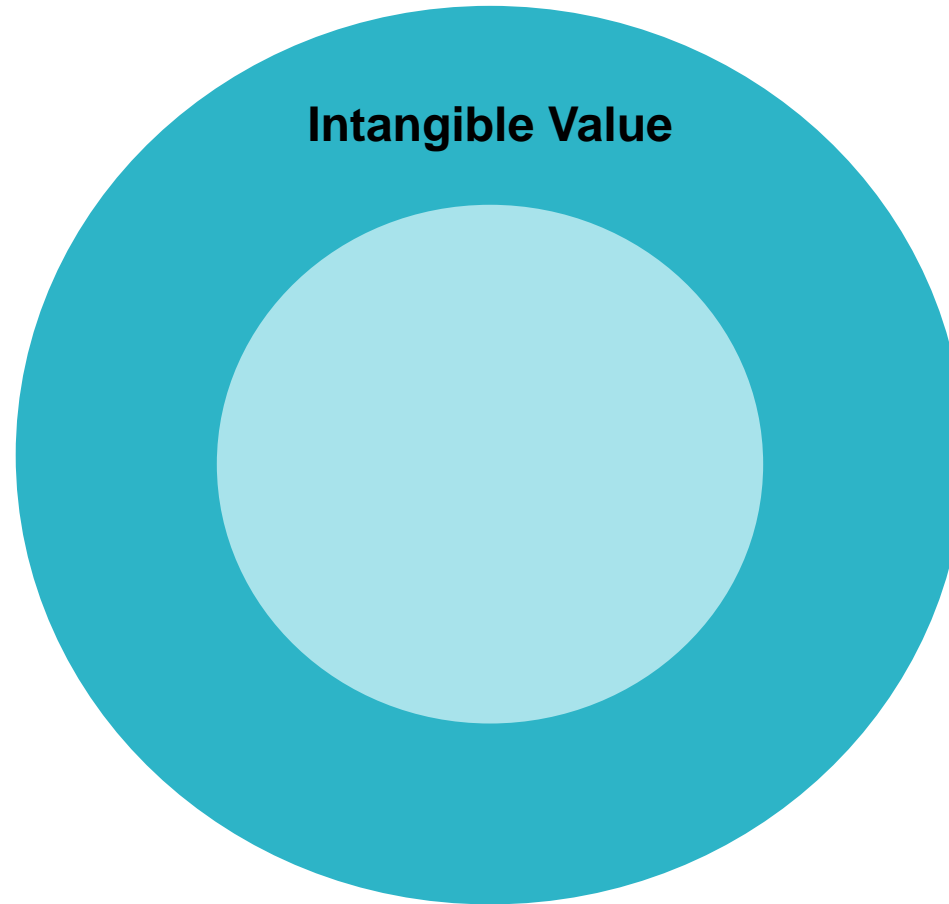


## Intangible Value

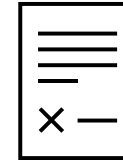
refers to the worth of non-physical assets that contribute to a company's overall value

# How Value is Changing For Organizations

What is tangible vs intangible value?



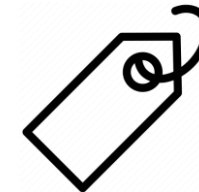
**Intangible assets:**



**Patent**



**Trademark**

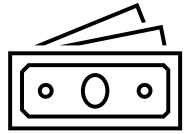


**Brand  
recognition**

# How you can make it YOUR advantage

Intangible assets are a competitive advantage

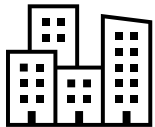
## Tangible assets:



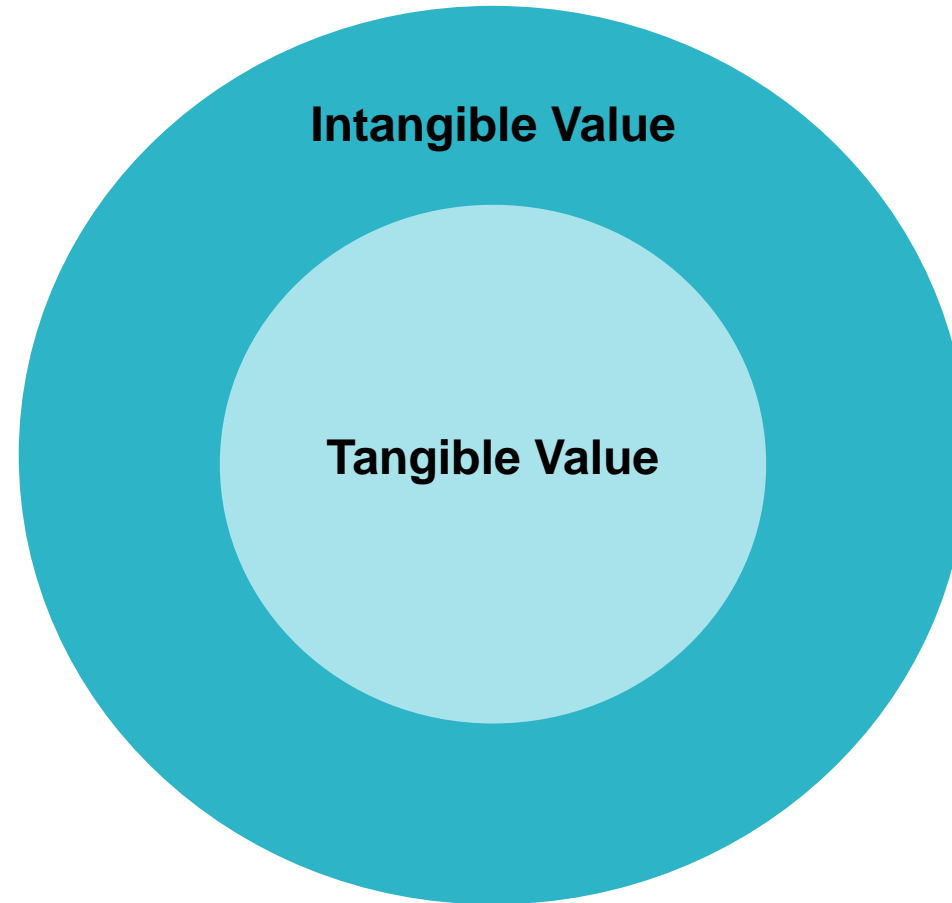
**Cash on hand**



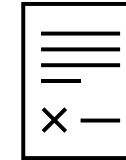
**Computers and Technology**



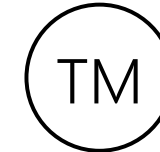
**Property**



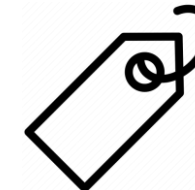
## Intangible assets:



**Patent**

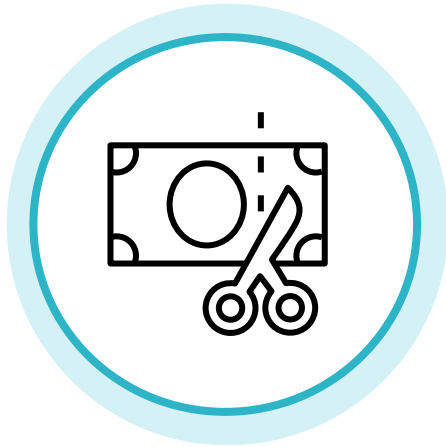


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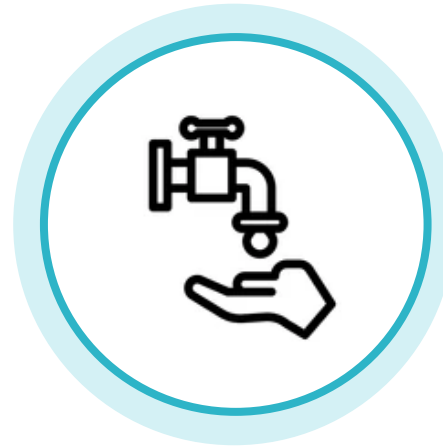


**Brand recognition**

# Challenges for stakeholder engagement teams



**Budget squeeze**

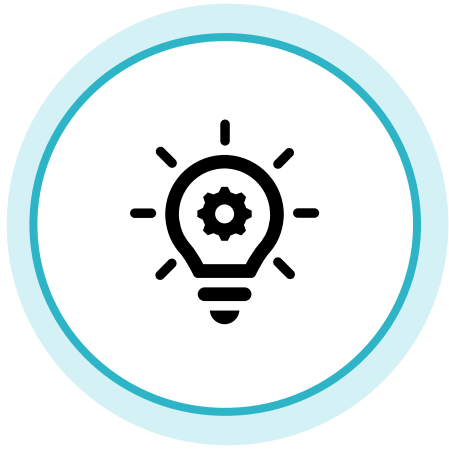


**Resource constraints**



**Resistance to change**

# Stakeholder engagement is considered an asset when an organization...



**Collaborates across  
business functions**

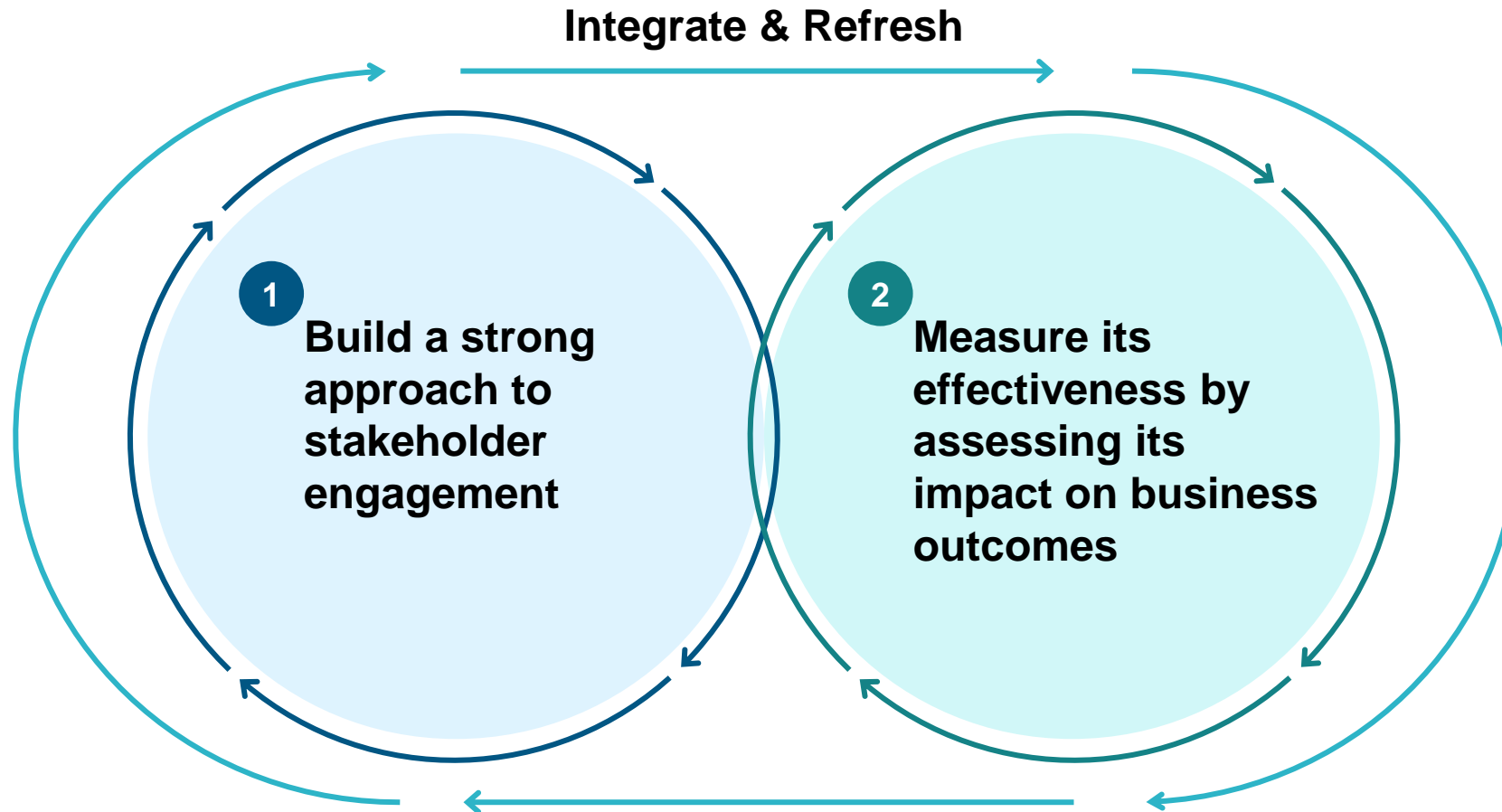


**Integrates engagement  
into decision making**



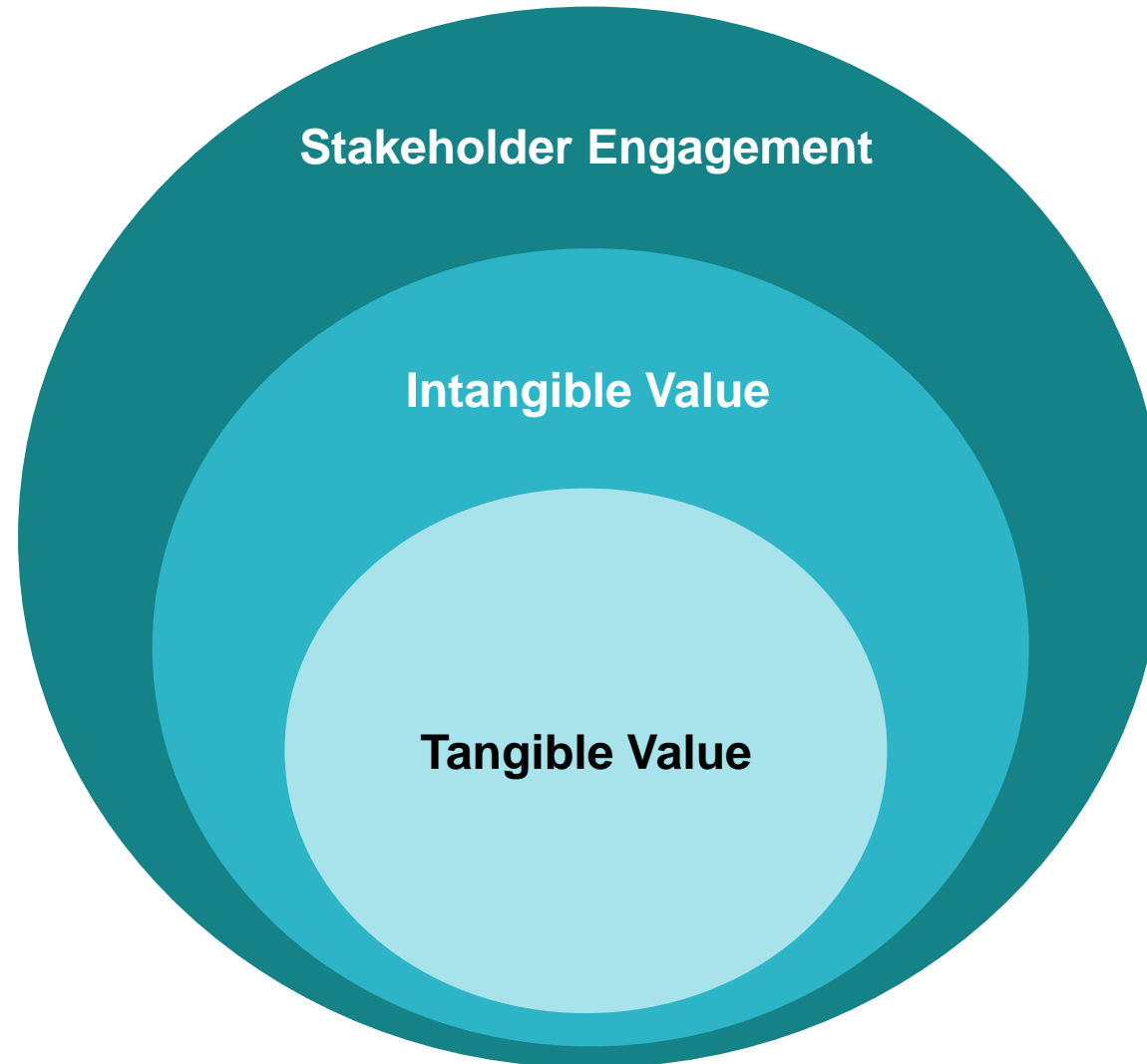
**Treats stakeholders  
consistently**

# A holistic approach to stakeholder engagement integration



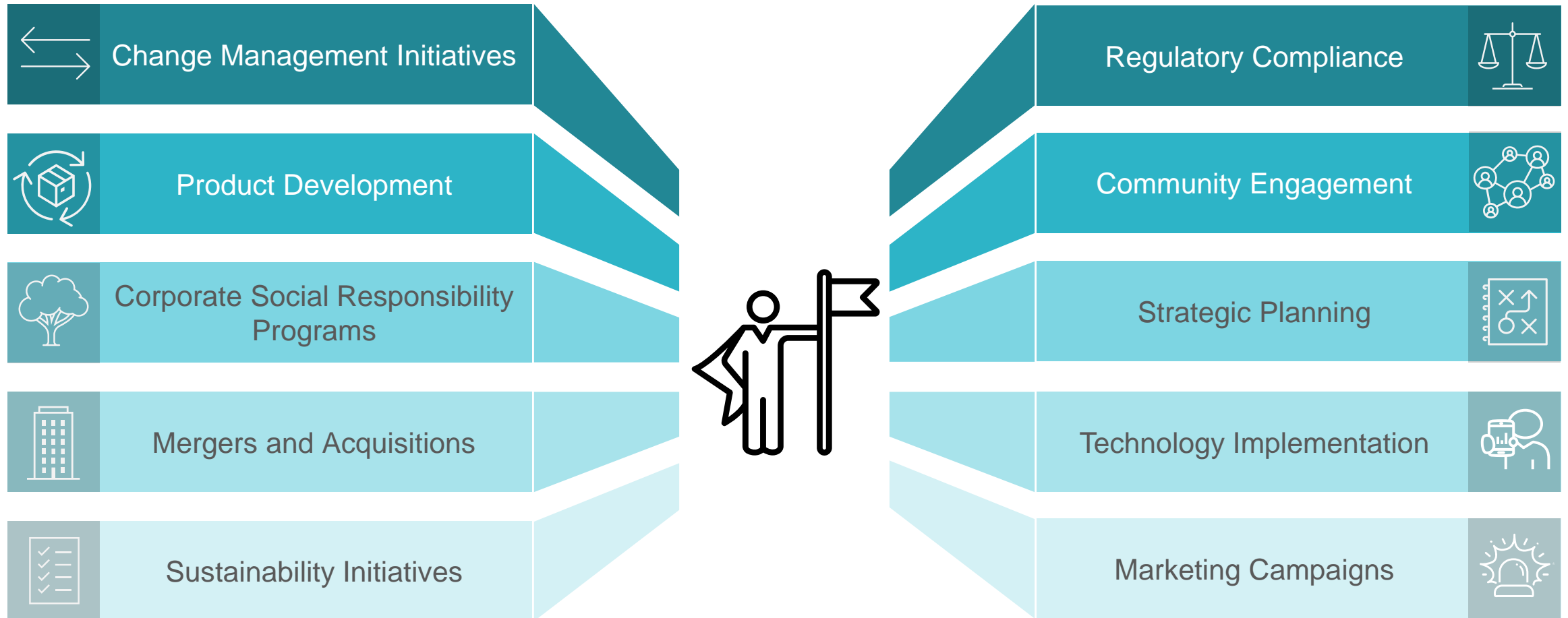
# Stakeholder engagement is critical to developing intangible value

Stakeholder engagement is an asset



# Stakeholder engagement improves business operations

## Improved business activities



# How stakeholder engagement teams can plug into sustainability

## Leading stakeholder engagement practices in corporate sustainability

### Materiality Matrices

Conduct assessments to identify and prioritize significant sustainability issues for their business and stakeholders. Involves gathering input through surveys and interviews to create a visual representation of material issues.

### Stakeholder Mapping

Involves identifying key stakeholders, understanding their interests and influence, and tailoring engagement strategies accordingly.

### Engagement Workshops

Organizing workshops with stakeholders to brainstorm and discuss sustainability challenges and opportunities.

### Surveys and Questionnaires

Deploying targeted surveys to gather quantitative and qualitative feedback on sustainability practices helps gauge stakeholder perceptions and expectations.

### Focus Groups

Conducting focus group discussions with specific stakeholder segments provides deeper insights into their values, concerns, and suggestions related to sustainability.

### Sustainability Advisory Panels

Forming panels with stakeholders, including experts and community representatives, can provide ongoing advice and feedback on sustainability initiatives.

# How stakeholder engagement teams can plug into sustainability

## Leading stakeholder engagement practices in corporate sustainability

### Public Consultations

Holding public meetings or forums allows for broad community input, especially for projects that may impact local stakeholders significantly.

### Feedback Loops

Establishing mechanisms to gather continuous feedback, such as suggestion boxes or online platforms, allows stakeholders to share their thoughts regularly.

### Collaborative Projects

Engaging stakeholders in joint projects—like community gardens or clean-up initiatives—can strengthen relationships and demonstrate a commitment to shared goals.

### Case Studies and Best Practices Sharing

Highlighting successful examples of stakeholder engagement in sustainability efforts can inspire others and foster collaboration.

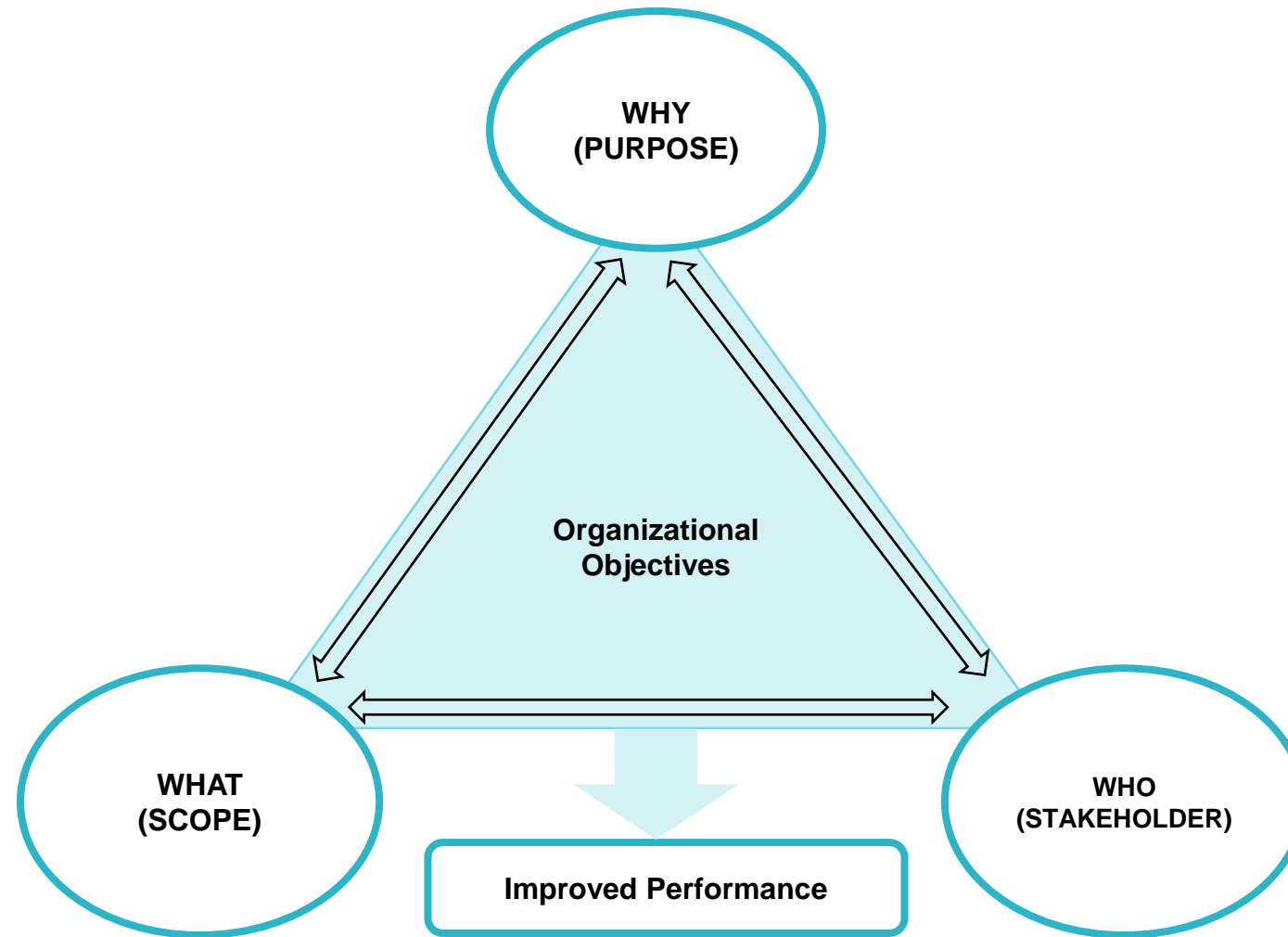
### Social Media Engagement

Using social media channels to solicit opinions and ideas from a broader audience can enhance transparency and reach.

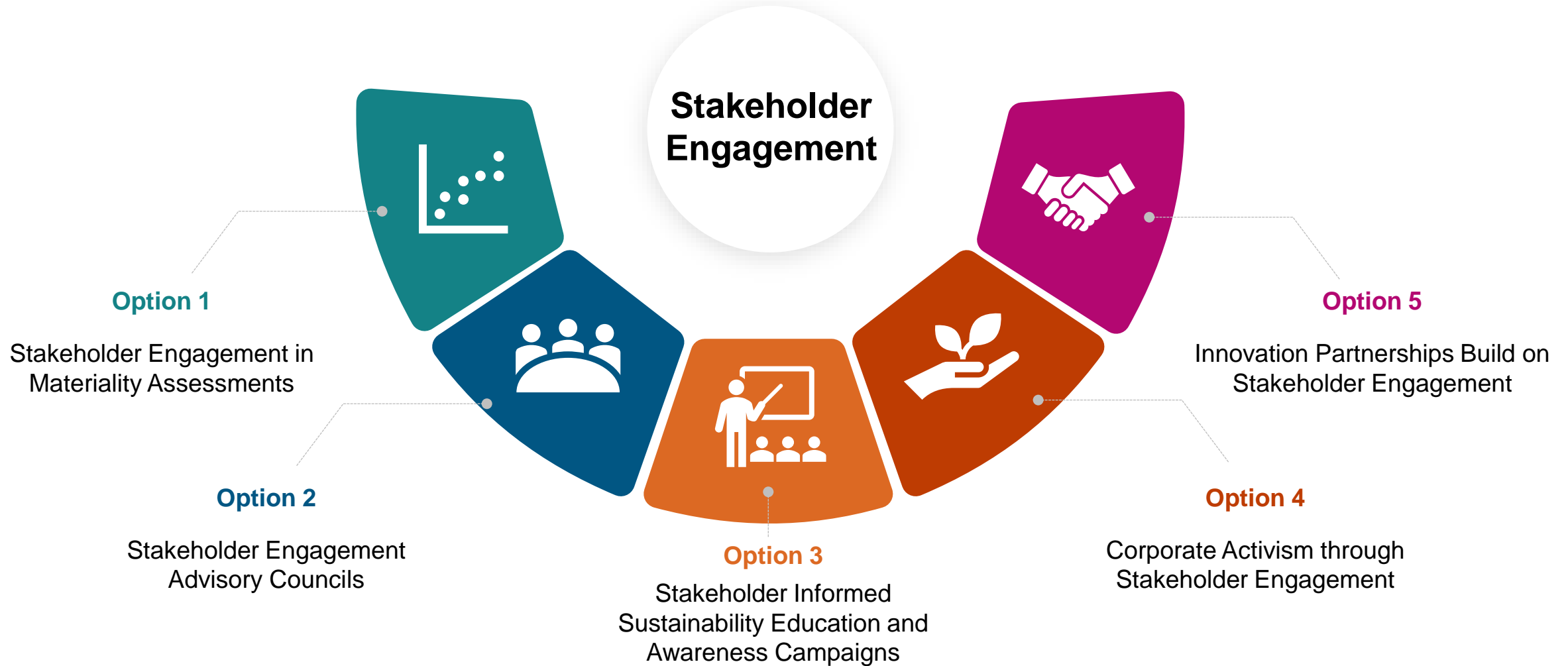
### Sustainability Roadshows

Hosting events or informational sessions to educate stakeholders on sustainability goals and progress can foster greater involvement and support.

# Leveraging the Stakeholder Engagement Standard



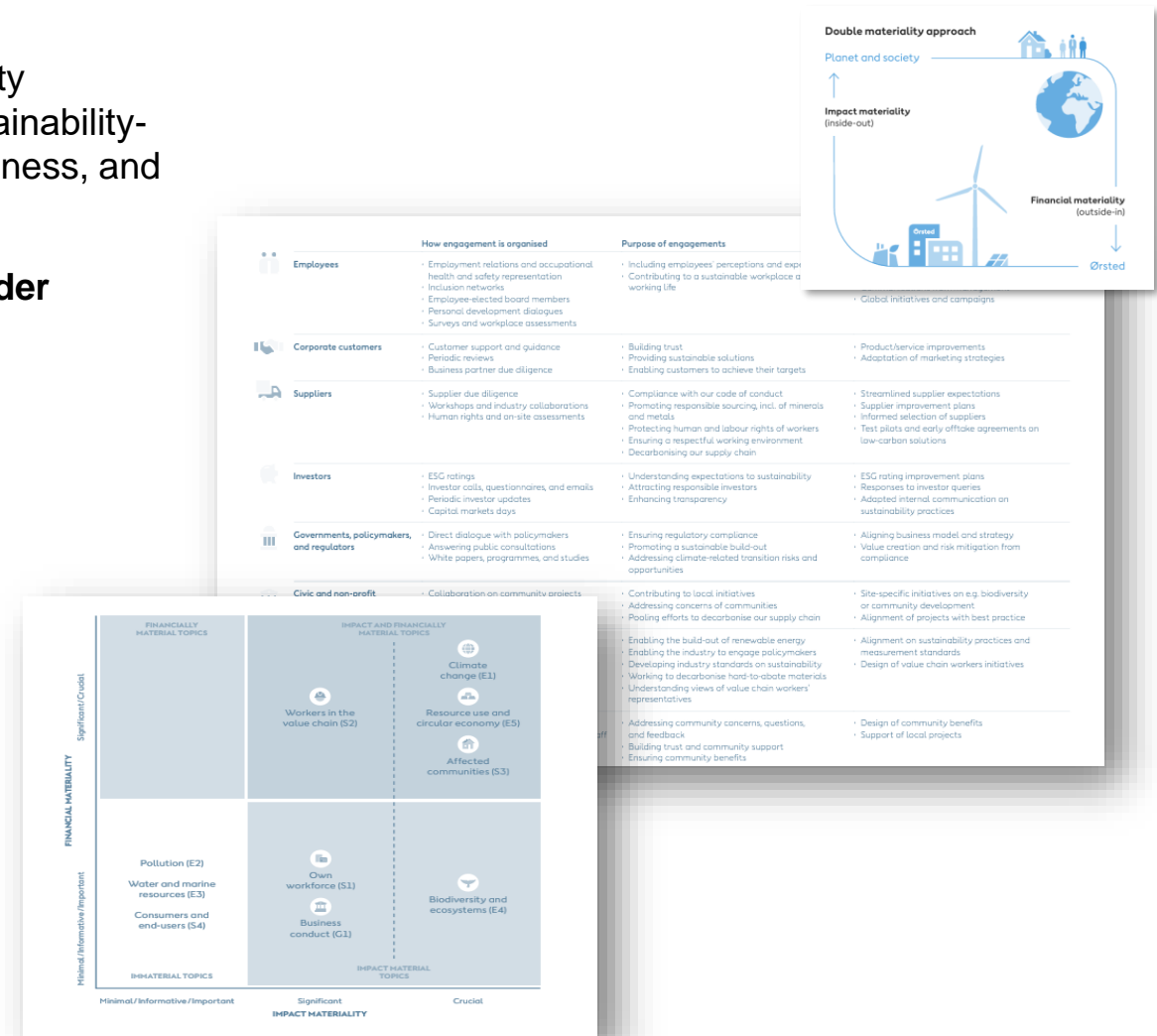
# Options for Stakeholder Engagement in Sustainability Planning



# Option 1: Stakeholder Engagement in Materiality Assessments



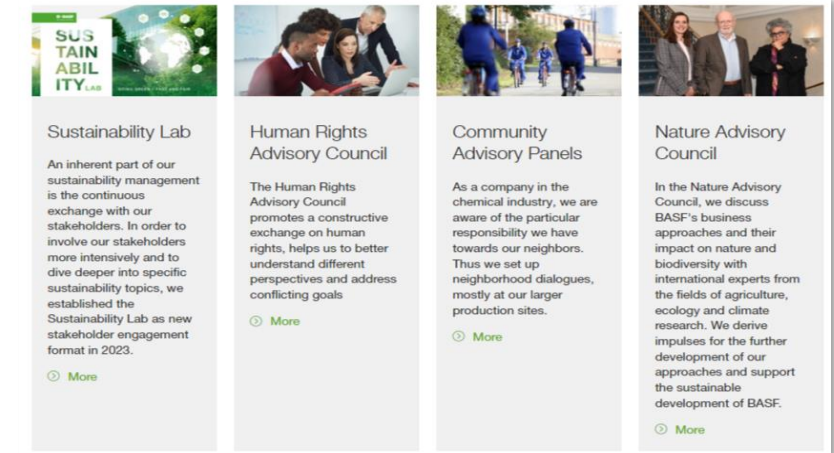
- In preparation for the EU CSRD, Orsted conducted a double materiality assessment to understand the current state of the organization's sustainability-related **impacts on the environment, its stakeholders**, and the business, and **financial risks** that relate to sustainability matters
- The five-step process for materiality **begins and ends with stakeholder engagement**, first input and finally, review:
  - Engagement of stakeholders
  - Scoping of risks
  - Assessments of individual risks
  - Calibration of material risks
  - Stakeholder and management review
- Engagement with critical stakeholders has resulted in:
  - ✓ Supplier improvement plans
  - ✓ Agreements on low-carbon solutions
  - ✓ Design of value chain worker initiatives



# Option 2: Stakeholder Engagement Advisory Councils



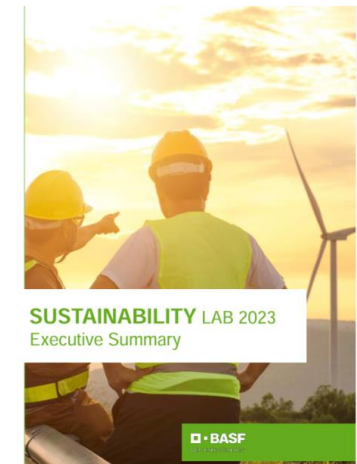
- BASF has established three Stakeholder Engagement Advisory Councils to **address issues and leverage expertise** related to Human Rights, Community, and Nature
- To involve stakeholders more intensively, and **gain outside-in perspectives** from science politics, and civil society fields, BASF established the **Sustainability Lab** in 2023 as an extension of the Stakeholder Advisory Councils
- The Sustainability Lab enables BASF to:
  - ✓ **Focus on a specific issue** that is important to the business and its stakeholders – in July 2023, the focus was the energy transformation
  - ✓ **Identify additional questions and challenges** on an economic, ecological, and social level
  - ✓ **Address challenges and action ideas** by having Sustainability Labs every two years, ensuring there is time to address the concerns brought forward at events



Going green – fast and fair.  
Key levers for BASF and its stakeholders for the energy transition we all want.

- Increased sustainability literacy based on transparent, yet positive communication of the transition.
- Clear incentives and explicit ecological, societal, and economical benefits along the value chain that lead to action.
- Significantly higher investments that are distributed fairly to accelerate the green transition globally.
- Strong leadership that inspires employees, value chain partners and society to act.
- A political and regulatory framework that focusses on competitiveness and gives operational freedom to implement innovations.
- Willingness to stay in open and honest dialog and new levels of complementary collaboration and partnerships.

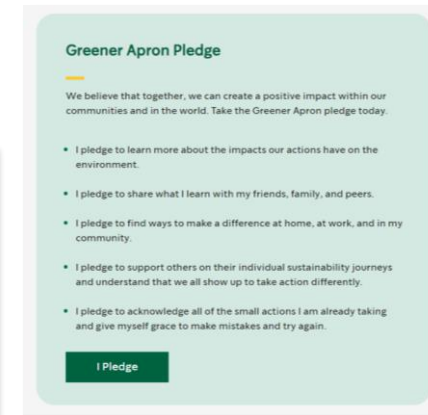
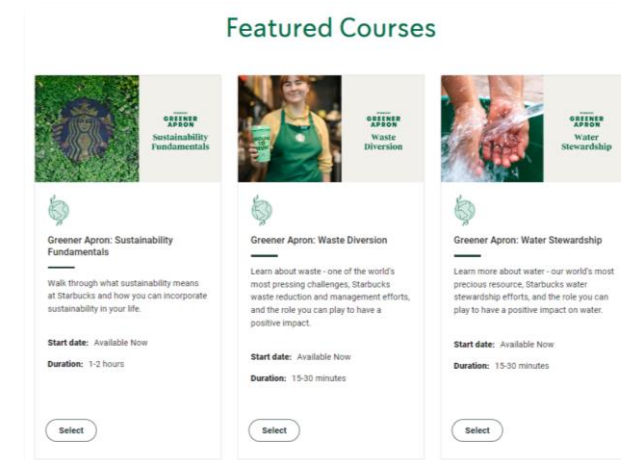
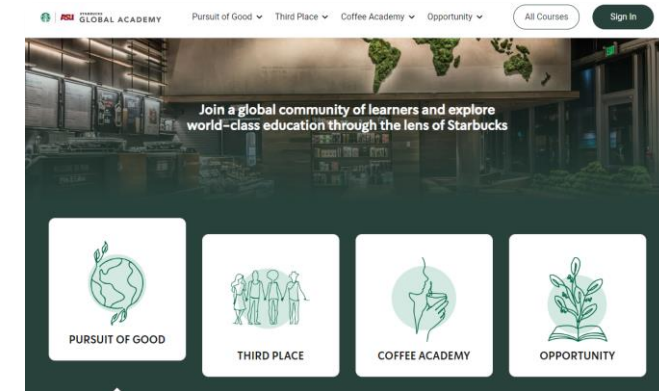
If you wish to stay updated about BASF's sustainability journey, visit us on our [Sustainability Website](#) or browse our [Sustainability News](#).



# Option 3: Stakeholder Informed Sustainability Education and Awareness Campaigns



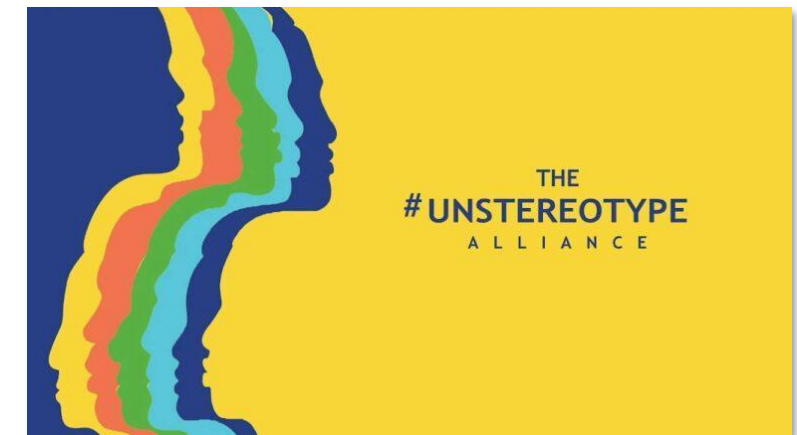
- Starbucks **engages employees, customers, and communities** in its sustainability efforts at **no cost** through the Starbucks Global Academy
- There are a variety of courses available, including the "Starbucks Greener Apron" program which shares lessons on sustainability, Starbucks' actions, and what stakeholders can do to get involved
- Greener Apron features three courses on Waste Diversion, Sustainability Fundamentals, and Water Stewardship
- It is **widely accessible online in multiple languages** across North America, Europe, Middle East, Africa, Caribbean, and Asia Pacific
- Starbucks Global Academy has seen:
  - ✓ ~ 20,000 people complete the 'Starbucks Greener Apron' program in 2022-23
  - ✓ Over 150,000 enrollments in the 'Starbucks Greener Apron' program in 2023



# Option 4: Corporate Activism Through Stakeholder Engagement



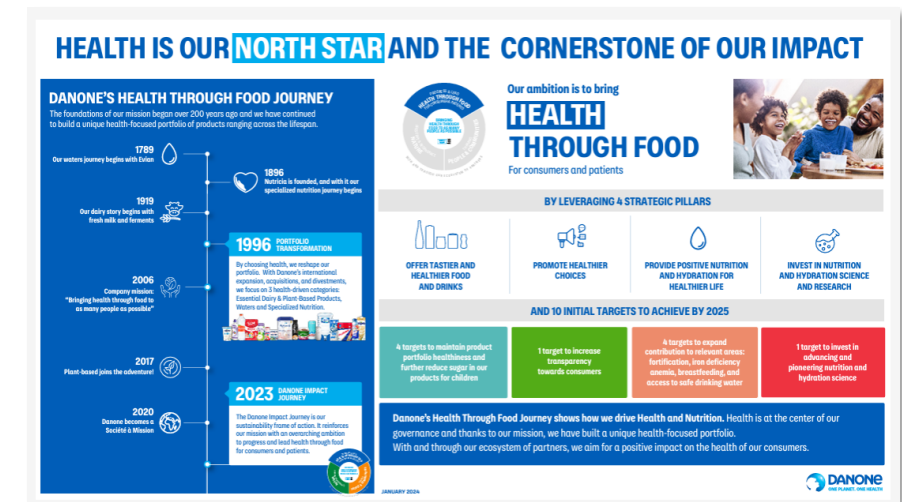
- Informed by surveys, partnerships, and dialogues, Unilever established the Sustainable Living Plan to achieve the UN Sustainable Development Goals
- The company **engages with a broad range of stakeholders**, including customers, suppliers, NGOs, and communities, to inform its Sustainable Living Plan
- This engagement has helped the company **reach early targets in improving access** to toilets, and eliminating nonhazardous waste to landfills
- Recent activities to engage stakeholders, and address consumer concerns, include:
  - ✓ Training over 13,000 farmers in better agriculture practices
  - ✓ Designing freezers that use 40% less energy than older models
  - ✓ Setting targets to use 25% plastic recycled plastic in packaging by 2025



# Option 4: Corporate Activism Through Stakeholder Engagement

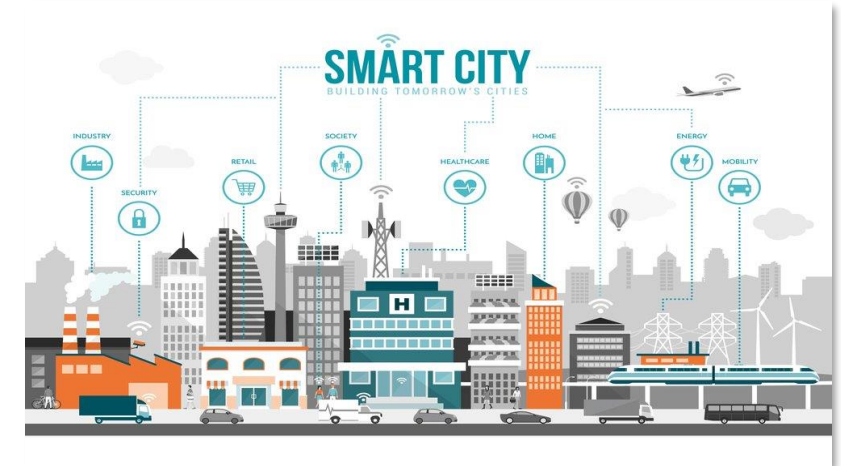
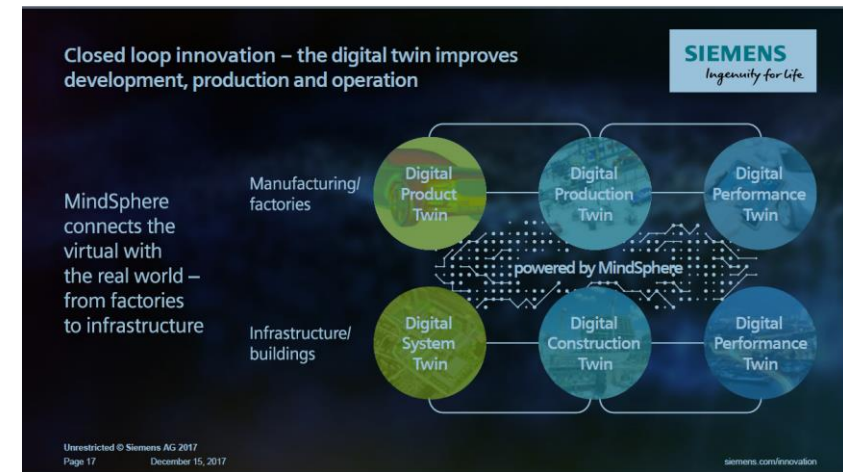


- In 2017 Danone launched, “One Plant. One Health”, a framework that **integrates stakeholder engagement at all levels** to adopt a future underpinned by four sustainability ambitions interlinked with the food and beverage industry
- Danone actively **seeks feedback from consumers** about their products, with surveys, social media interactions, and product innovation
- Recent initiatives include:
  - ✓ **Conducting regular farmer dialogues** to discuss sustainable agricultural practices, ensuring that farmer voices directly influence their strategies
  - ✓ **Engaging with governments and policy makers** to advocate for sustainable initiatives, such as the Zero Emissions Freight Initiative
  - ✓ **Offering more plant-based, hybrid and low carbon dairy alternatives** in response to consumer preferences



# Option 5: Innovation Partnerships Built on Stakeholder Engagement

- Siemens often collaborates with other organizations, including startups, research institutions, and industry consortia, to enhance its scenario planning capabilities and drive innovation in sustainable technologies
- Partners offer **additional expertise** that can be leveraged to **fill capacity gaps**, helping to accelerate innovation and **respond to customers' business needs faster**
- Siemens has been involved in various projects that illustrate its approach, such as:
  - ✓ Smart City Initiatives: **Collaborating with cities worldwide** to use digitalisation to develop smart solutions that enhance energy efficiency and improve quality of life
  - ✓ Digital Twins: Utilizing Digital Twin technology to simulate different industries and environments to assess the impact of various scenarios on infrastructure and services



# Enhanced Stakeholder Engagement Practices Align with the AA1000SES



**Materiality matrices** establish the business areas that have the most significant impact on stakeholders, and this can be used to **map stakeholders** and determine appropriate **engagement methods**



**Advisory councils** bring together stakeholders with subject matter expertise under a **clear engagement mandate** and can address issues over time through **action plans**



**Sustainability education and awareness campaigns** show that an organisation is **committed to inclusive stakeholder engagement** and building **stakeholders' skills** to engage



**Corporate activism** demonstrates a proactive approach to **invite stakeholders to engage**, and then **respond to their feedback** through integrating input into action plans and operational strategy



**Innovation partnerships** can help to bridge a capacity gap within an organisation, and reflecting on engagements can encourage **continuous learning and improvement** over time

# Call To Action

## What you can do

01

Consider your stakeholder engagement program a core part of sustainability planning for greater returns in sustainability initiatives.

---

02

Create opportunities for innovation and growth through responsive action and ensure that SE is used to inform decision making.

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03

Consider how processes and initiatives you currently run could be utilized to inform other business processes – do you have intel another team would love to have?

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04

Adopt the stakeholder engagement options as described in this presentation to create more efficiencies between stakeholder engagement inputs and sustainability strategy/planning.

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# THANK YOU

AccountAbility is providing this information overview for discussion purposes.

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