

3B - Coordinated resources: Establishing the means for dialoging and communicating with the stakeholders in order to assess the company's wealth generation potential

Companies are more and more involved in establishing a dialogue with all their stakeholders regarding the social, environmental and economical issues. According to Marjolein Baghuis, Director of Communications & Network Relations at Global Reporting Initiatives, every firm should publish a sustainability report and communicate it to the stakeholders. This trend may be in continuous augmentation since 1999 but it is not sufficient yet.

Stakeholder engagement is very important when making the sustainability report and thus three steps have to be identified: 1 - Define the stakeholders (Governments, clients, employees, suppliers...), 2 - consult them so they can provide different perspectives on organization's strengths and weaknesses. Moreover, it helps avoiding unexpected criticism at the end and makes them feel they are considered. 3 - Show the report to stakeholders: they must see results from their inputs.

Grupo Sancor Seguros, based in various countries in South America, has set up CSR measures since 2005. They have been defining a sustainable development strategy associated to an ethical relationship of dialogue with their stakeholders. Betina Azugna, CSR Coordinator at GSS, explains that they use international standards to measure social engagement, such as UN Global Compact or ISO 26000 (GSS is the first company to apply this norm in Argentina). The process of dialogue with interest groups is as follow:

- Internal preparation: mapping of interest groups
- Listening to the interest groups in order to define the issues to be discussed (through satisfaction surveys for instance)
- Deciding: implementation of action plans and indicators to measure social engagement.
- Answering: every consulted group gets action plans and gives a feedback.
- Communicate the social report.

All this process is monitored by Bureau Veritas so that transparency is encouraged. At the external level, such a dialogue process resulted in the setup of formations in schools for instance. At internal level, it permitted the group to learn about the necessity of dialogue, of social and environmental indicators, etc.

Another example is the one of PalTel Group, the 2nd largest employer in Palestine. Samah Abuoun Hamad, the General Manager, explains that CSR plays a major role in human development from the business prospective. Sustainability has to be improved in a challenging context (Palestinian crisis, competitive environment) because it has many positive side effects: better risks management, higher performance, faster innovation, strengthened relationships, reputation, brand, image... It can even fundamentally shift business thinking.

Internally, dialog helps PalTel top management develop strategies built on sustainability and implement them. Externally, the PalTel Group Foundation invests in Education to enhance job opportunities and tries to bridge the Digital Gap (the aim is to connect 2000 schools to high speed internet and to develop online educational materials).

Finally, we can see that social and environmental concerns have to be discussed with stakeholders as well as financial concerns, in order to improve performance. Dialogues with the stakeholders about sustainability have an increasing importance in the companies.