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**Stakeholder Engagement Procedure**

**Table of Contents**

**1. Objectives** 3

**2. Roles and responsibilities of relevant person** 3

2.1 Individual in charge 3

2.2 Operators create engagement of stakeholders of the company 4

**3**. **Scope** 4

**4**. **Implementation** 4

4.1 Objectives of Stakeholder Engagement 4

4.2 Stakeholder Identification and Prioritization 6

4.3 Stakeholder Engagement Planning 11

4.4 Stakeholder Engagement Implementation 17

4.5 Handling Stakeholder Engagement Risks 20

4.6 Monitoring, Review and Improvement 21

**5. Appendix** 22

5.1 Glossary 22

5.2 Stakeholder Analysis Tools 23

**1. Objectives**

This manual is intended to be a guideline for determining key stakeholders, as well as an illustration of the management and response to any stakeholder concerns of Egyptian Chinese Drilling Company. or ECDC at the company level. It should also act as an assessment of the response procedures for stakeholders, in order to be able to set additional measures to maintain good relations between the company, along with all important stakeholder groups. The guideline for creating participation consists of 5 topics.

The guidelines are as follows:

1. Objectives and scope of engagement creation

2. Identification and analysis of stakeholders in order of importance

3. Planning of engagement creation with stakeholders

4. Implementation of engagement creation with stakeholders

5. Reviewing and monitoring

**2. Roles and responsibilities of relevant person**

Individuals involved in the creation of engagement of stakeholders of the company should consist of persons with the following duties:

**2.1 INDIVIDUAL IN CHARGE**

The main department, which has the direct responsibility to carry out processes related to the creation of participation of stakeholders of the company is the sustainability and climate change section of the company, in which the following roles and duties apply:

▪ Define the objectives of creating stakeholder participation, including determining the scope of engagement creation, such as creating stakeholder participation, in order to identify key issues in the company’s sustainability reporting, etc.

▪ Carry the responsibilities for initiating the process of identifying, analyzing and creating stakeholder engagement plans. This process must be considered by the opinions of various

departments in the company, which must work together with different groups of stakeholders that have relationships, influences, as well as interests to the company.

▪ The individual in charge of the process of creating stakeholder participation should follow up on the implementation of the engagement agreement as well.

**2.2 OPERATORS CREATE ENGAGEMENT OF STAKEHOLDERS OF THE COMPANY**

The agency that manages the creation of engagement of stakeholders should be responsible for any potential issues that may arise or should be the department responsible for the participation process, which may include the company’s communications section and the sustainability policy, with the duties of the stakeholder engagement processes being as follows.

▪ Take part in identifying, analyzing and creating stakeholder engagement plans

▪ Carry out the engagement process and report on the implementation of the engagement plan with stakeholders.

▪ Implementing the action plan according to the agreed upon stakeholder participation process

**3. SCOPE**

This guideline applies to all executives and employees of the company and subsidiaries including departments involved in the operation of creating engagement with internal and external stakeholders.

**4. Implementation**

**4***.***1 OBJECTIVES OF STAKEHOLDER ENGAGEMENT**

4.1.1 Define objectives of creating participation with stakeholders, in order to support the direction of the company and any business needs of the company by considering:

▪ To determine the scope regarding the activities arising from the company

▪ To specify the activities of the company and any issues from the operations of the company that may arise

* To identify possible changes that may occur to the company due to any external or internal factors
* To define the creation of engagement and its objectives, as well as what constitutes success regarding this process

The creation of engagement with stakeholders at various stages of the company, such as during the purchase or development of large-scale projects, may have different objectives at these different time-points or during the undertaking of different activities of the company. An example of the purpose of engaging with stakeholders is shown in *Figure 1*.

**Figure 1: Examples of objectives of the creation of engagement with stakeholders**

▪ Develop and create good relationships between the company and the stakeholders of the company, especially with those directly affected by the activities of the company (such as in regards to projects or factories). These good relationships may help to promote both the operations of the company and benefit stakeholders.

▪ Communicating the information of the company to stakeholders at the right time and in the appropriate manner.

▪ Inform stakeholders regarding the activities the company is planning to perform in a timely manner, such as licensing operations, opening or closing operations in certain areas, etc.

▪ Allowing stakeholders to participate in the decisions of the company during times when these may affect the lifestyles of the stakeholders in question.

▪ Promote the ability of stakeholders (eg. communities) to identify potential unexpected effects from the operations of the company and to communicate those issues to government agencies to obtain resolutions.

▪ Ensure that stakeholders are able to report concerns and complaints to the company and that these are able to be responded to in a timely manner.

▪ Monitor the effectiveness of engagement creation and adjust strategies accordingly.

▪ Setting goals for continuous improvement by identifying key indicators that will aid in building partnerships with stakeholders.

**4.2 STAKEHOLDER IDENTIFICATION AND PRIORITIZATION**

4.2.1 Stakeholder Identification

Normally speaking, different stakeholder groups can be found in companies, which are able to be further identified as individuals, groups or companies. This depends upon the extent to which these individuals are affected or those groups which influence the activities, products or services of the company. In this regard, different stakeholder groups that are affected to varying degrees will

receive different levels of participation in the company. Opinions or concerns regarding the activities of the company to varying extents and stakeholder identification for entering into the stakeholder engagement process should be conducted by agencies or sections of the company, which would include the individual responsible for the said process, according to the objectives and scope that were set.

Identifying stakeholders may begin by posing questions and deliberating on basic issues, such as who the recipients of the goods and services of the company are. This also should include those affected by the production of goods and services of the company, influencers in the production of these goods and services of the company, those interested in the products and services of the company, suppliers of goods and services of the company, etc. The posing of specific questions related to the purpose of this particular process should also be undertaken, in order to systematically rank and create connections among stakeholders. The company may consider the extent of participation of the stakeholders according to the nature of their participation in the company with each group being considered as follows:

**Table 1 Principles of stakeholder identification**

|  |  |
| --- | --- |
| **Participation** | **Explanation** |
| **characteristics** |
| Reliance on the | Stakeholders that rely on the activities, goods and services of the  company both directly and indirectly or stakeholders that the company must rely on to conduct business. |
| company (Dependency) |
| Corporate responsibility | Stakeholders of the company must be responsible for operations in  various fields both now and in the future, such as in commercial law, business practices, and ethics. |
| (Responsibility) |
| Company support | Stakeholders who require assistance from the company in economic,  social and environmental forms. |
| (Tension) |

|  |  |
| --- | --- |
| Company influence  (Influence) | Stakeholders who influence the company and opinions of other  stakeholder groups or any decisions processes. |
| Alternative opinions on  the company  (Diverse perspectives) | Stakeholders with various opinions that can lead to the result of  implementing new concepts and methods that have yet to be undertaken. |

*Source: AA1000 (2015), Stakeholder Engagement Standard (SES)*

Once stakeholders have been identified in accordance to the extent of the engagement of each stakeholder, the company may begin to consider the formation of a group representing vulnerable groups or any group that may have concerns, however lack the influence to make a claim in society. At the same time, the company must be cautious to include any stakeholder group that may not in actuality possess a real stake in the company, but rather may negatively affect the reputation of the company. Additional stakeholders also may be identified after the engagement process begins, which often stems from recommendations from stakeholders or internal persons of the company who are involved with the said process.

**4.2.2 Stakeholder Prioritization**

Stakeholder prioritization is an important step in analyzing and prioritizing groups of stakeholders that the company must create engagements with and also includes establishing appropriate measures to carry out crucial stakeholder participation processes in a timely manner by taking the following factors into consideration:

**1. Influence** refers to the degree to which stakeholders have an effect on the operations of the company, with the power to change or prompt decisions in any area of the company.

**2. Interest** refers to the degree to which stakeholders are interested in the operations of the company.

Ranking of the degree of influence and interest for the company for each stakeholder group, proceeds by ascribing a rating of 4 different levels according to the principle of determining the level

of influence and interest as shown in *Table 2* and further descriptions can be found in the stakeholder matrix as shown in *figure 2*.

**Table 2 Rating levels used to assess the prioritization of stakeholders**

|  |  |  |
| --- | --- | --- |
| **Score** | **Y-axis**  **(Influence)** | **X-axis (Interest)** |
| 1 | **Low** – Low power or influence in  determining company outcomes. | **Low** – Low interest or place little  importance on determining company outcomes |
| 2 | **Moderate** – Moderate power or influence  in determining company outcomes. | **Moderate** –Moderate interest or  placing of importance on determining company outcomes. |
| 3 | **High** – High power or influence in  determining company outcomes. | **High** – High interest or placing of  importance on determining company outcomes. |
| 4 | **Very high** – Great power or influence in  determining company outcomes and can halt company operations. | **Very high** – Very high interest and  placing of importance on determining company outcomes and are able to halt company operations. |

High

3 4

**Context setters** *(Maintain satisfaction levels)*

**Key players**

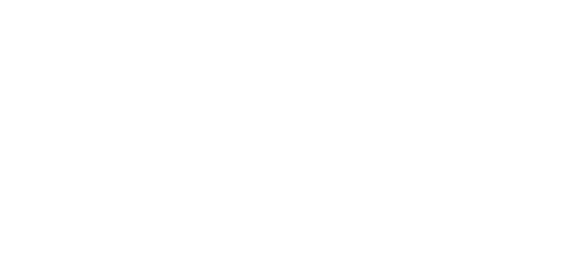
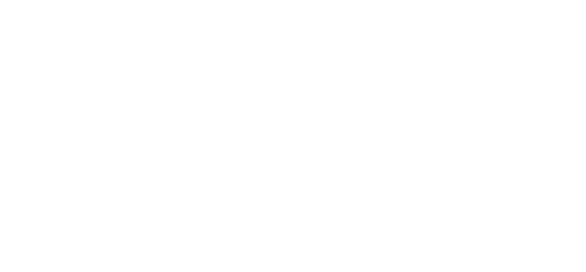
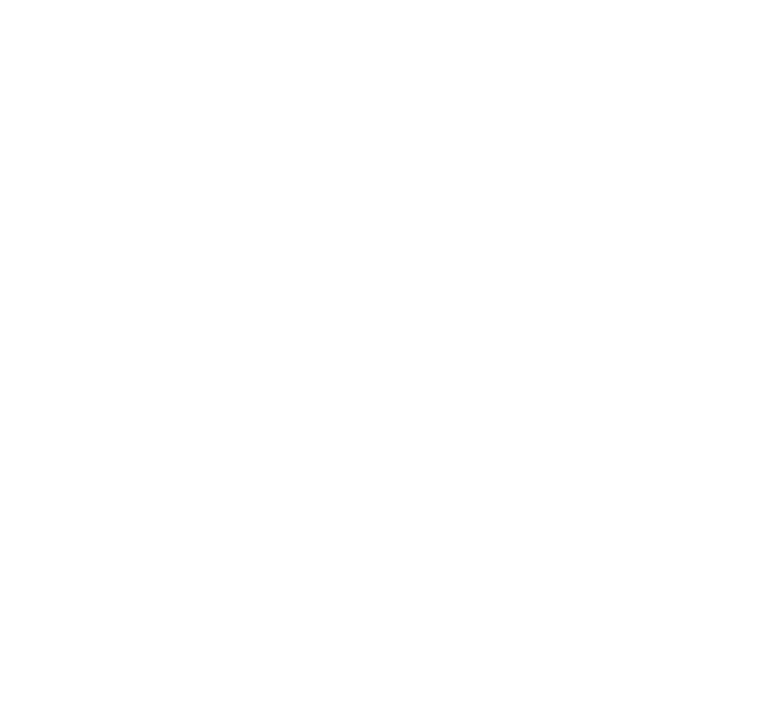
*(Close management)*

Low

**Influence of stakeholders**

1 2

**Crowd** *(Requires minimal effort to manage)*



**Subjects** *(Continuously collect data)*

Low High

**Interest of stakeholders**

**Figure 2 Chart representing the ranking of stakeholders and guidelines for creating participation of each group.**

*Source: Eden, C. and Ackermann, F. (1998). Making Strategy: The Journey of Strategic Management, London Ackermann A. and Eden C. (201-1), Strategic Management of Stakeholder: Theory and Practice*

The ranking of stakeholders in the stakeholder matrix chart can be divided into 4 groups with their different priorities being as follows:

**1. Key Players** refers to influential and interested stakeholders, who possess the ability to positively or negatively affect the operations of the company. Therefore, the company should give priority to this group of stakeholders by maintaining the highest satisfaction of these individuals.

**2. Context Setters** refers to stakeholders with high influence, but have little interest in the company. This group possesses the influence to potentially alter the context by either facilitating or hindering the operations of the company. Hence, the company should create awareness of this group, while also developing a positive view for these individuals in regards to the company, which may lead to the development of interest of this group, in order to transform these individuals into the key players group or in order to mitigate the negative effects to allow for the maintaining of satisfaction with the company.

**3. Subjects** refer to stakeholders with little influence, but possess a high level of interest. The company may support the integration of interest groups to increase the power and influence that is conducive to the operations of the company and is adapted to the key players.

**4. Crowd** refers to interested parties with low influence and interest. The company may consider this group as a group with the potential to develop interest in or influence on the company. The company should therefore need not to allocate much effort in managing this group, as it is one of least importance (Eden & Ackermann, 1998).

**4.3 STAKEHOLDER ENGAGEMENT PLANNING**

After having specified and prioritized stakeholder groups, the company should consider the issues stakeholders take interest in, as well as their respective influence on such issues, in order to identify appropriate ways in creating participation with stakeholders. In this regard, the company may create guidelines for initiating participation with stakeholders in accordance with the stakeholder analysis (through considering the level of importance of stakeholders), which can be divided into the three following main strategies:

▪ Strategies and participation building plans – The company aims to create proactive participation, whereby stakeholder groups are reached out to, to ask for their cooperation, as well as to allow them to voice their concerns, in order to respond to various issues to prevent potential problems from occurring. The participation strategies and plans are to be a continuous operational process of the company.

▪ Mitigation measures – Responding to concerns or complaints from stakeholders should be done in accordance to the established guidelines. These guidelines will be implemented in the same manner as the complaint handling guidelines.

▪ Company investments in society – Investments made by the company for social aspects aid in planning and creating stakeholder engagement.

The company can perform activities to create stakeholder participation by utilizing different methods according to the importance of stakeholders and their relationship with the company.

**Table 3 Stakeholder consultation methods obtained from the stakeholder ranking chart**

|  |  |
| --- | --- |
| **Stakeholder groups** | **Methods for engagement creation worthy of consideration** |
| Key Players | Emphasis should be placed on two-way communication and this  should be proactively undertaken, in order for this group to be most satisfied with the operations of the company (by empowering this group and bolstering collaboration). |
| Context setters | Due to the high potential influence of this group, guidelines that can  be easily managed and controlled should be used, in order to maintain their satisfaction with the operations of the company (by prioritizing collaboration and involvement). |
| Subjects | The management of communication and communication data  regarding issues of concern of individuals from this group must be maintained (prioritizing involvement and consultation). |
| Crowd | Maintain communication and continuously track the level of influence,  as well as the overall interest of this group. (focus placed on communication). |

According to *table 3*, it can be seen that the groups of lesser importance (Crowd) are to be those that the company allocates the least amount of effort in engagement creation, with only one- way communication being performed to provide information, while also constantly maintaining observation over these groups. Meanwhile, the company must engage with the most important group of stakeholders or “Key players” on a regular basis by being attentive to ideas regarding two-way communication and maintaining the satisfaction level of this group of stakeholders, which must include taking into consideration the usage of different methods, along with their respective benefits and limitations that are to be appropriate in accordance to the engagement program in *table 4*.

**Table 4 Participation creation guidelines with stakeholders (Stakeholder Engagement Approaches)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Forms and methods** | **Advantage** | **Disadvantage** |
| ***1. Information****: One-way communication* | | | |
| 1.1 | **Fact Sheets,**  **Information sharing:** Offering information through various media, such as via announcements, flyers, the internet media and email with important information being summarized. | ▪ Easily accessible to a  large number of stakeholders.  ▪ Information can be  developed to be specific to the stakeholder group. | ▪ These are one-way communication  methods. |
| ***2. Consultation****: Limited communication methods* | | | |
| 2.1 | **Survey:** Conducting  specific surveys on various subject matters by using open-ended questions. | ▪ Being straightforward  and reaching the target audience directly.  ▪ Enables the supply of plentiful information. | ▪ The collection of qualitative data may be  difficult  ▪ Certain answers may be irrelevant. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | ▪ Is able to be easily  adjusted. | |  |
| 2.2 | **Opinion polls:** | ▪ Fast and inexpensive.  ▪ Feedback can be given at a specific time.  ▪ Uncomplicated and highly accurate. | | ▪ Certain matters may be restricted and  unable to be commented on entirely. |
| Conducting surveys |
| to predict results by asking for feedback. |
| 2.3 | **Workshop:** | ▪ | Enables | ▪ Process can be lengthy.  ▪ Requires a high budget.  ▪ All stakeholders must devote considerable time with one another. |
| Organizing activities |  | communication, |
| for stakeholders to |  | analysis and |
| take part in regarding |  | presentation of |
| certain issues. |  | guidelines on |
|  |  | complex issues. |
|  | ▪ | Allows for |
|  |  | collaboration and the creation of ownership regarding various ideas. |
| 2.4 | **Expert Panel:** A  collection of opinions from various experts. | ▪ Highly specific | | ▪ Careful consideration must be taken  when deciding which issues require such opinions.  ▪ May require a support area should a large group be needed. |
| information obtained. | |
| ▪ In depth retrieval of information. | |
| 2.5 | **Public meeting:** Non-  specific public meeting. | ▪ Allows stakeholders  the opportunity to address issues or ask questions.  ▪ Enables opportunities to create new ideas | | ▪ Risk of seizing power of speeches/talks. |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | and to build new  relationships.  ▪ Large group communications are available. |  |
| 2.6 | **Interview:** Via face-to-  face communication and telephone communication. | ▪ Ability to access  qualitative data from people.  ▪ Highly reliable data.  ▪ Each individual can present their specific issues. | ▪ Possible forced or coercive conditions  may arise.  ▪ Requires plentiful amounts of information to be accurate.  ▪ Preparations must be done in advance. |
| 2.7 | **Web 2.0:** Conducting  surveys via the internet with stakeholders. | ▪ Diverse sets of  information can be obtained and a large number of individuals showing interest can be tracked.  ▪ Allows for an expansive opportunity to express opinions. | ▪ Can only be accessed through the  internet.  ▪ High budgets are required for development and care at times. |
| 3. Involvement: Two-way or multi-way communication | | | |
| 3.1 | **Action research:**  Conducting studies to support the company and stakeholders in recognizing various issues. | ▪ Provides qualitative  information.  ▪ Provides comprehensive information.  ▪ Offers a degree of flexibility and can be utilized as a source of | ▪ Qualitative data is difficult to obtain.  ▪ Certain answers may be irrelevant. |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | information to resolve  potential problems. |  |
| 3.2 | **Advisory committees:**  Communication with experts or a representative from an organization. | ▪ Specific information  can be obtained.  ▪ Information can be passed on to other stakeholder groups. | ▪ Limitations to such processes may lead  to incomplete data being received. |
| 3.3 | **Open space meeting:**  Stakeholders are the main participants in the participation process, from the process of establishing the meeting agenda, to scheduling of operations, etc. | ▪ Creates participation  in the event.  ▪ The activities proceed according to the interests of  stakeholder parties or those directly  affected. | ▪ May not be appropriate for individuals  with lower scholastic backgrounds. |
| 4. Collaboration: Two-way communication/role enhancement (Empowering): Stakeholders who  participate in management | | | |
|
| 4.1 | **Future search** | ▪ Encourages | ▪ The process should be handled carefully  and risks should be appropriately assessed. |
| **conference:** An | stakeholders to be |
| approach that | motivated and |
| focuses on | develop and support |
| participation, which is used to develop  future action plans or  shared vision. | different agreements.  ▪ Diverse range of stakeholders. |
| 4.2 | **Participatory-editing:** | ▪ Creates a sense of  ownership. | ▪ The companies of stakeholders must be  considered. |
| The way in which  stakeholders take part in the |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | preparation of reports  or documents and notarization. | ▪ Reflects the views  and participation of stakeholders.  ▪ | | ▪ Criticism may arise should the results of  reports not be in accordance to those previously prepared. |
| 4.3 | **Stakeholder** | ▪ | Diverse range and | ▪ Requires many operators.  ▪ Vast amounts of information would need to be collected and analyzed.  ▪ Must be particularly cautious when  summarizing concrete issues. |
| **visioning:** Methods or  shared ideas to be proposed by stakeholders for future outlines, including the company action plans. | ▪  ▪  ▪ | great number of stakeholders are able to participate.  Allows for building relationships. Creates experience and knowledge for stakeholders.  Allows for the creation of action plans. |

*Source: Department of Finance, Government of Western Australia (2015), Stakeholder Engagement*

*Guideline for community Services Procurement AA1000 (2015), Stakeholder Engagement Standard*

*(SES)*

**4.4 STAKEHOLDER ENGAGEMENT IMPLEMENTATION**

An important principle in creating stakeholder participation includes adequate planning, as well as preparation for the most efficient approaches and processes. This should therefore begin by taking into consideration the relationships of stakeholders and the ways in developing the existing relationships of stakeholders, by utilizing the appropriate methods for the priority stakeholders, which includes considering the most suitable timing for the implementation of each of these processes. In addition, the company must be forthcoming regarding providing honest information, in order to build trust among stakeholders. In which case the company will choose to use guidelines that focus on communicating and interacting with stakeholders. The engagement process can be divided into the following six steps:

**1. Inviting interested parties to partake in the participation process.**

The company may decide in using engagement process approaches that differ between stakeholder groups. In the case that a two-way communication is considered, the company would need to communicate to stakeholders allowing the company itself to understand its objectives, scope, duration, important issues that are of interest, which may require the opinions of stakeholders, benefits to stakeholders from this said process, basic information of the selected process, information disclosure and the proceeding steps once the participation process ends. The company should also formally invite stakeholders and follow upon said invitations by further considering providing alternative means of communication for stakeholders.

**2. Providing information to stakeholders**

The company should document the engagement creation process, along with other important issues in advance for stakeholders, which are the main aspects of such a process. In addition to the information that must be given to stakeholders during the invitation for the participation of this process, the company must also provide basic information regarding important issues to be discussed, including the mitigation of risks and opportunities of the company. Stakeholders should also have been provided the current operating guidelines of the company, in order to be able to tend to important issues, policies or guidelines that the company deems necessary to be used in addressing such issues in the future. For example, it may be considered in the engagement creation process to include certain groups of stakeholders to take part in this activity.

It is important for the company to fully concentrate on the provision of information to all stakeholders in a clear manner, since such pieces of information may affect the way in which expectations are managed for individuals participating in the engagement process and reflect the intention and/or the credibility of the company in implementing the aforementioned process.

**3. Consultation with stakeholders**

The method of consultation to obtain opinions and suggestions from each stakeholder group varies according to the relationship and importance of the particular stakeholder to the company.

Nevertheless, the company should be attentive of the following, by adhering to these basic guidelines to allow for effective engagement processes with stakeholders.

1) Respect the rules of the engagement process, which agrees with stakeholders who participate in the consultation.

2) Allow each stakeholder an opportunity to fully express their views and opinions, with all individuals holding equal rights in doing so.

3) Respect the right to not comment or disclose information on certain issues and respect the right to confidentiality or requests to not disclose the name of the informant in the said process.

4) Utilizing guidelines aimed at finding solutions by discussing important issues that require collaborative efforts only in developing solutions during the consultation with stakeholders. The company may adjust the purpose and scope of the processes as deemed appropriate, while taking into account the risk management that may take place throughout the process. This is to ensure that the overall process will be able to promote equality among all individuals and will be able to alleviate conflicts that may occur between stakeholder groups and the effects these can have on the company as well.

**4. Documentation of consultation results**

The company should record consultations, along with the results from the stakeholder engagement process, in order for these to be utilized for later analysis, as well as further development of the operational plan of the company. This is done by collecting the names of stakeholders during the engagement process and during activities carried out, conclusion of concerns, expectations, understanding of important and relevant issues of stakeholders. Summarizing noteworthy matters during the conversation, questioning and suggestion processes should be undertaken, including the results of the engagement creation, such as collective agreements or recommendation documents,

etc

**5. Action plan developmen**

An action plan should be developed by the company through taking consideration regarding suggestions, expectations and concerns of all stakeholders, in order to integrate these into the action plan that resonates most with stakeholders. This may take the shape of an action plan in improving the management policies, guidelines, strategies, objectives, indicators or other company practices to allow for important issues in which solutions are being explored by the company, to be appropriately dealt with. The action plan should also explicitly specify the responsibilities of the relevant agencies and set a time frame for operations as well.

**6. Communication of stakeholder engagement results and action plan**

The summary of the stakeholder engagement process should be communicated by the company, as well as that of the action plan both thoroughly and swiftly. This is undertaken by communication between the company with every stakeholder with the same format being used in all cases (eg. in the form of reports sent to all stakeholders) and should offer the possibility of a response, in order for individuals to express comments or concerns. A follow-up should be conducted by the company, to ensure stakeholders have received the results of discussions and action plans. The company may also consider disclosing information to the public should stakeholders be in agreement and deem such to be appropriate.

**4.5 *HANDLING STAKEHOLDER ENGAGEMENT RISKS***

The company should identify risks and undertake important risk management plans, including those risks that may arise from the stakeholder engagement process as follows:

● Conflict between stakeholders during the engagement process.

● Harassment from stakeholders due to their lack of willingness to be involved in the stakeholder engagement process.

● Stakeholder expectations from companies that are unable to respond to their needs.

● Stakeholders without power nor awareness of any information regarding the company

**4***.***6 MONITORING, REVIEW AND IMPROVEMENT**

After the implementation of the stakeholder engagement process, the company should follow- up and evaluate this undertaking, in order to improve its future efficiency. The implementation of the action plan should be monitored with the integration of opinions and recommendations from stakeholders regarding important issues of the company. Finally, the company should also report the process of stakeholder engagement to the public. Meeting results, along with potential impacts of the engagement process should be communicated to stakeholders, as well as the public outside of this process to allow for their understanding of the scope of the company. This occurs by the company disseminating information to external parties, which would help to reflect the value the company places on this process, as well as the suggestions by stakeholders in helping to determine the strategy and project implementation of the company. Various channels for reporting may be used, such as through the annual company sustainability report, reporting via the website, etc. It may also be considered to report important content to groups of stakeholders participating in the engagement process, such as the guidelines, methods used, frequency of engagement creation, the main issue or concerns discussed during the engagement and measures or procedures to tackle said important issues.

**5. Appendix**

**5***.***1 Glossary**

|  |  |
| --- | --- |
| **Terminology** | **Definition** |
| Issue | Events or situations that cause a positive or negative impact on the  company, with these issues possibly relating to the environment, safety aspects, occupational health or other issues. These issues may be short- term or long-term, depending on management methods and scope, both locally, nationally and globally. |
| Stakeholder | Persons, groups of people or departments that influence the decision-  making process of the company, which can affect the goals and overall success of the company. Those affected by the decision-making processes of the company can also be referred to as stakeholders, along with those who are interested in the business operations of the company. |
| Stakeholder  engagement and issue management | The process of analysis, understanding and planning responses to  events, situations and stakeholders involved in the company (or are related in some way), with the aim to reduce the negative impacts on the company. This process can also extend and enhance the positive impacts, as well as the reputation of the company. |
| Vulnerable Group | People with physical conditions, certain socio economic or economic  status or individuals with higher risk tendencies than average in experiencing problems or adversities and are more prone to be affected by social, economic and the environmental factors that may have resulted from the operations of the company more than the operations of other groups. Groups are divided into the two following categories: 1) Sensitive groups may include children, youth, the elderly, the disabled, veterans, migrants, emigrants or deported migrants, households affected by HIV/AIDS and minorities. 2) Sensitivity and effects may vary according to gender. |

**5.2 Stakeholder Analysis tools**

These tools are used to classify stakeholders according to their relationship with the company, which can be utilized with all phases of the company by considering the level of influence and interest of stakeholders towards the company. In the case that a group for community development were to be organized, the importance of tackling issues and complaints will depend on

each group.

**5.2.1 Stakeholder identification**

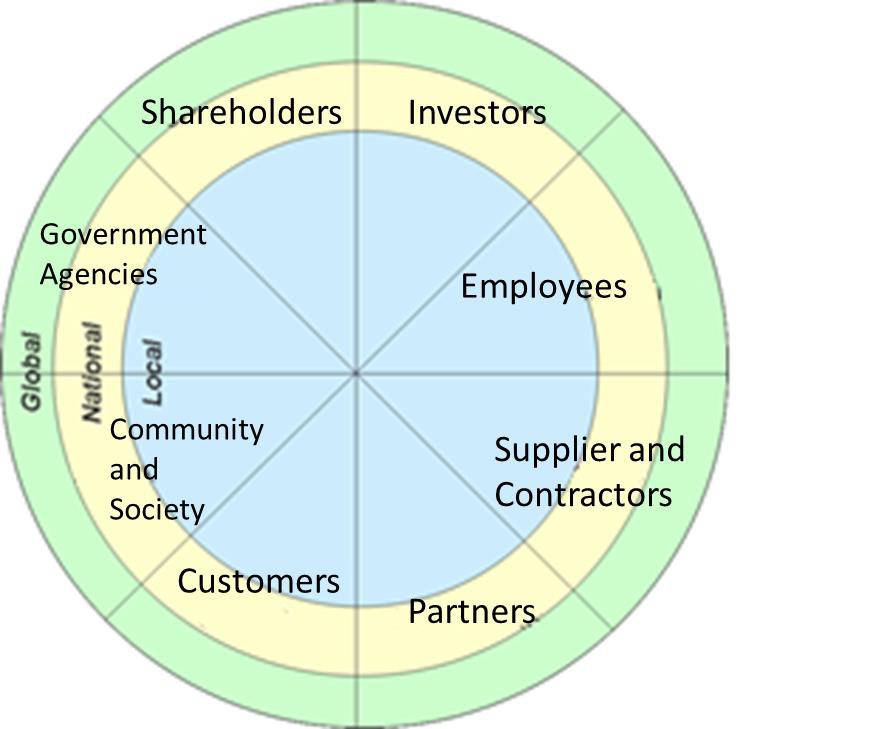
There are various groups of stakeholders that require proper identification, such as national government agencies, international non-profit organizations (NGOs), community-level organizations, religious organizations. Stakeholders are individuals and/or institutions and/or communities, which possess the following characteristics.

▪ Being directly and/or indirectly affected from the company operations.

▪ Possess “interest” in projects or the parent company.

▪ Tend to influence the operations of the company.

**Picture 3 Various stakeholder groups**



Examples of stakeholders

▪ Employee unions

▪ Contractors

▪ Individuals directly affected by the company, such as those in need of possible evacuation, nearby hospitals or community schools

▪ Individuals possibly affected by the changes imposed by the company

▪ Sensitive groups that may require special attention or assistance, including the elderly, the disabled and the minority

▪ Organizations that are interested in the company, such as non-profit organizations

▪ Interested individuals from the public

▪ Academic groups, institutions or business groups that may be interested in the company

▪ Government

▪ Politicians, other companies, religious organizations, national environmental and social agencies and the media

Stakeholder identification should take into account gender and ethnic diversity, as well as age and social status.

**5.2.2 Stakeholder analysis and grouping**

Methods

1. Select and specify the main stakeholders.

2. Prioritize the importance of stakeholders from the level of influence and interest to the company.

2.1. Influence level on the company (4 - very high, 3 - high, 2 - moderate, 1 - low) Evaluated by considering factors in power, urgency, legitimacy and distance from the company.

2.2. Level of interest (4 – very high, 3 – high, 2 – moderate, 1 - low) Rated by considering the probability, sensitivity, duration and level of interest.

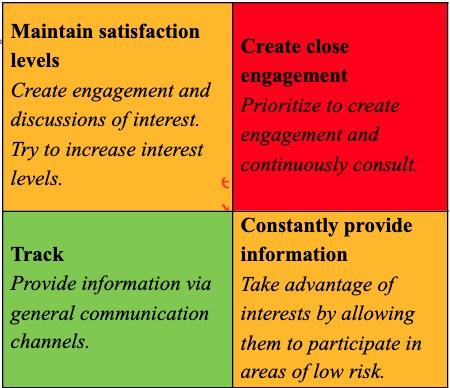
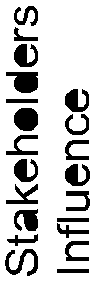
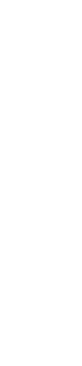
3. Stakeholder attitudes towards the company can be considered as positive, indifferent and negative, which are represented with the symbols +, 0 and – respectively

4. The stakeholder groups can be organized using table 5.3 in order to find the appropriate communication methods.

**Table 5 Stakeholder Analysis Table**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Stakeholder group Subject matter Influence level on Interest level of Stakeholder Order of importance**  **the company stakeholders position/relationship to (influence x interest)**  **company** | | | | | |
|  |  | (4 – very high, 3- high, 2- moderate, 1-low) | (4 – very high, 3- high, 2- moderate, 1-low) | positive (+), indifferent  (0) or negative (-) |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**Figure 4 Examples of stakeholder groupings (influence/interest)**



Stakeholder interest

**Table 6**

**Examples of stakeholders and their relationships with the company. (Influence/interest)**

Stakeholder group Relationship with company

|  |
| --- |
| Decision group |
| Civil service – National level National, regional and local governments play an  Civil service – Regional level important role in licensing. Civil service – Local level |
| Communities directly affected |
| Local community Households and communities that will be affected  Community organization (both positively and negatively) from the company. |
| Land owner/land user |
| Finance related agencies |
| Business organization Person or organization capable of affecting  Vendor companies and contractors company finances or are affected themselves by  Recruitment company the company. Tour operator |
| Influential group |
| Political party Organizations that possess a direct interest in the  NGO – International level company and are capable of influencing the NGO – Regional level company directly or via public opinion may have NGO – Local level useful and in-depth information possible for Research/educational institution creating cooperation based on common interests. Religious organization  Bilateral/multilateral organization |
| Media |
| Media – International Foreign or local media that directly take interest in  Media – Regional the company. Media – Local |
| Financial organization |
| Credit organization International organizations that are capable of |

International bank

providing financial or insurance to the company.

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