Stakeholder Analysis

HANDOUT 1 – tasks

A family owned dairy company, established in the 80's with the core vision of "*satisfying the middle east consumers with high quality fresh milk and dairy products*", runs 2 milk processing sites, 2 cheese manufacturing plants, as well as 3 yoghurt and milk drinks manufacturing plants. The factory serves mainly the eastern part of the country, controlling almost 55% of its market demand.

Being the first manufacturing facility of this dairy company, the company used some old equipment, but was operated by the most experienced and talented technicians. After completing an Initial Screening, the company's top management decided to apply the TEST methodology for its old milk producing company. Based on the results, they would consider to apply the procedure in their remaining production sites.

The shareholders anticipate that the TEST methodology would increase their profits through rationalization of the production processes and reducing production costs. The plant manager perceives the project as an opportunity to increase productivity, while the company operators fear losing their jobs as a result of technology modernization. It is noted that the public awareness on sustainable products and public pressure on reducing industrial pollution (especially due to the discharge of whey into water bodies) has increased in the region, which is pushing the government to induce strict pollution abatement regulations.

Task:

1. *Who are the company key stakeholders?*

2. *Analyse stakeholders and their relationship with the company and its priorities (using the stakeholder analysis matrix below).*

3. *What are the suggested approaches and tools to manage relationship with different stakeholders?*

Stakeholder analysis matrix

List of Stakeholders	Category	Needs/Expectations	Relevance of stakeholder relationship to the business / priority topics			Level of importance of the stakeholder (scale 1 to 4*)
			Economic	Environmental	Social	
	Internal					

TEST Exercise   Scoping and Policy Step

List of Stakeholders	Category	Needs/Expectations	Relevance of stakeholder relationship to the business / priority topics			Level of importance of the stakeholder (scale 1 to 4*)
			Economic	Environmental	Social	
	External					

HANDOUT 2 – possible solutions

Task 1:

This task is intended to highlight the importance of defining the stakeholders at early stages of the project, as they might impact decisions and expectations from subsequent steps (drafting the policy but for example also selection of the TEST team, priority setting or feasibility analysis…).

Defining key stakeholders shall follow the following checklist:
- Who are the stakeholders with a legal relationship with the company?
- Who could be affected by future decisions or activities of the company?
- Who was affected by company decisions or activities in the past?
- Who could assist in mitigating the company's negative impacts?
- Who could be affected by the company's activities in the value chain?

For the given case, the key stakeholders can be:
- Original brand owners (family business)
- Shareholders
- Company management
- Management of sister companies
- Employees
- Customers
- Suppliers
- Financial institutions
- Government
- Local community

Task 2:

Possible results of an analysis of the company stakeholders identified in the previous step are illustrated in the matrix provided in the ANNEX.

Your actual matrix will reflect subjective knowledge and judgements of people participating in the stakeholder analysis. We suggest ensuring you have different backgrounds and experience covered within your team for the stakeholder analysis in order to make sure you do not miss any important stakeholder concerns to be considered and consequently managed.

Please note that similarly to the previous task on stakeholder mapping, the proposed matrix is only one of the possible approaches to implement stakeholder analysis. For more information, see the Stakeholder analysis tool (link to T 1.2 Stakeholder analysis) or the case study on a more sophisticated method of materiality analysis.

Task 3:

Examples of possible approaches and tools to manage relationships with different stakeholders are shown in the table below. For more details, refer to the Stakeholder analysis tool.

Stakeholder	Engagement and communication approaches
Brand owners	· Regular reporting and meetings · Roundtable of brand owners, shareholders and company managers on company policy and strategy integrating sustainable consumption and production · Use natural authority of the brand owners in promotion of company policy among the company members (within company-wide meetings which will include common celebration of achievements)
Shareholders	· Regular reporting of information identified together with shareholders · Justifying usefulness of RECP for achieving shareholders goals in the shareholder´s meeting · Common celebration of achievements with the other internal stakeholders
Company management	· Development of company policy together with the other company members · Presentation of policy to company members · Common celebration of achievements with internal and external stakeholders
Management of sister companies	· Common consultations on development of company policy and its internal and external communication · Common online platform for information transfer · Regular meetings including knowledge sharing, common reflection and celebration of achievements.
Employees	· Establish ERCP team

	· Use existing communication structure within the management systems to regularly inform employees and to involve them in innovative activities · Establish regular newsletter informing among others on the RECP activities · Launch regular social meetings focusing on celebration of achievements
Customers	· Evaluate key customers and propose a regular communication channel including consultation meetings with top management representatives · Continuously improve standardised management systems and inform customers about achievements · Offer a common program for applying RECP in the value chain to customers · Consider launching a code of conduct
Suppliers	· Make guided interviews with all customers to better understand their needs, common issues and possibilities for common improvement · Offer a common program for applying RECP in the value chain to suppliers
Financial institutions	· Strengthen relationship with the existing bank providing financing for company investments through regular consultations and reporting
Government	· Set up a proactive transparent reporting system · Launch a project on implementation of circular economy and RECP in the value chain and search for governmental support for it
Local community	· Issue Facebook and Twitter communication to the public focusing on the local community · Launch guided interviews with selected representatives of the local community, evaluate results and reflect them in meeting with local community representatives, launch local social responsibility program · Celebrate achievements