



Report Environment & safety seminar 2016

Introduction

Dear reader,

On the 5th of July, 2016, a new Environment & safety seminar took place at the Philips Fruittuin in Eindhoven. Around 30 sustainability managers and business professionals from various companies attended this event which main objective was to share experiences and best practices.

The topic of the seminar was ***“Stakeholder engagement approach adding business value and advancing sustainability performance”***. Speakers from Vodafone, DSM and Philips shared their views and their companies’ practices which stimulated a lively discussion.

In this report highlights of the presentations and discussions are shared. The presentations of Vodafone, DSM and Philips are available in the attachment.

On behalf of the organizing team, I thank all participants and presenters for their valuable input. We look forward to keep in contact with you so feel free to contact us or visit our next seminar.

Warm regards,



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Saskia Verbunt – Philips Innovation Services - The spectrum of stakeholder engagement

“Stakeholder engagement is the process by which an organization involves people who may be affected by the decisions it makes or can influence the implementation of its decisions”.

Saskia Verbunt of Philips Innovation Services started the session by looking back at the history timeline of stakeholder engagement. Over the last 20 years, stakeholder engagement has become essential for organizations that foster more responsible and sustainable practices.

Saskia argues that the success of a business depends on its relationships with the external world: regulators, potential customers and staff, activists, and legislators. Decisions made at all levels of the business, from the boardroom to the shop floor, affect that relationship. A good relationship with NGOs, citizens, and governments is not some vague objective that’s nice to achieve if possible. It is a key determinant of competitiveness and companies need to start treating it as one.

Saskia ended her introduction by presenting the 3 main approaches of stakeholder engagement: inform, consult/engage and collaborate.





Vodafone, DSM and Philips experiences on stakeholder dialogues and partnerships

Vodafone – Martin de Jong (Sustainable business manager)

DSM – Judith Smit (Global market development manager)

Philips - Jan-Willem Scheijgrond (Head of international partnerships)

Reputation (perception & trust) is one of the key KPI's of Vodafone. That is why Vodafone, like many other companies, measures trust among the general public. This is the basis for their stakeholder approach. Know what the stakeholders feel, think and need and direct your business accordingly and strengthen your reputation.

At **Vodafone**, Martin de Jong explained, a structured stakeholder engagement approach has been established, aligned with the purpose of the company. Two types of stakeholder dialogues are conducted: on specific topics like conflict minerals and on more general topics with a broader audience (e.g. on materiality). In addition, different tools targeted at different roles are used within the company to involve and empower all employees. Two examples are the daily e-mail to all employees with news that is relevant for Vodafone and an app for senior management that lists and explains the roles and viewpoints of all relevant stakeholders.

Judith Smit explained that **DSM** deals with stakeholders for the DSM Nutrition Improvement Program by partnering with different types of organizations.

Partnerships allow to combine resources and reduce costs to have a larger impact. Judith illustrated this by using the example of the DSM-World Food Program (WFP) partnership for the delivery of nutrition. DSM provided support across the supply chain to ensure food quality and safety. As for the next steps, DSM is developing new ways of partnership (Rwanda and in Singapore) such as collaborating with social entrepreneurs.

As Judith put it: key success factors for fruitful partnerships are a common goal, a lot of trust, sharing risks and fun!

For **Philips**, Jan-Willem Scheijgrond, explained that the organization's sustainability program "*Healthy people, sustainable planet*" is linked to specific United Nations (UN) targets. Among the 17 UN Sustainable Development Goals (SDGs), Philips identified goal 3 "ensure healthy lives and promote well-being for all at all ages" as one of the two goals which Philips can make its biggest impact. Because of this agreement in goal setting Philips identified the UN as a key stakeholder. Accordingly, Philips has identified and prioritized the UN bodies that are most closely aligned with Philips' mission and priorities for SDG health goals such as women, children, adolescents,



Non-Communicable Diseases (NCD's) and health system strengthening. These UN bodies became the key stakeholders in the UN engagement strategy.

Tips and tricks from the speakers (as answers to questions from the audience):



- How to connect stakeholders: make stakeholder engagement a top priority on the right organizational level: for example by planning frequent one-to-one meetings between management and stakeholders.
- Regarding employee involvement: beware of overkill. Ideas that make people proud are OK, but don't try too hard to get everyone involved. A company should have at least one person advocating hard to engage with stakeholder, making it visible.
- Reputation and knowledge lead to influence. If you miss one of those, you can forget it.

Insights from the group discussions

Discussions were held on 3 topics following the spectrum of engagement, as defined in the first part of the seminar:

- Business imperative and up-scaling of strategic partnerships;
- Stakeholder dialogue;
- Forms of stakeholder engagement.

Business imperative and up-scaling of strategic partnerships

Engaging with stakeholders is essential. For strategic partnerships, there is a need to scale-up, pilot those partnerships and convince influencers by:

1. Convincing top management and let them drive stakeholder engagement and partnerships so supporting strategy and targets are in place. Start from the company mission & vision.
2. Developing a business case to demonstrate the added value (that is not necessarily only financial but can be reputation, employee loyalty etc. as well).



3. Choosing the right partners: execute analysis on common goals, complementary capabilities and maturity of organization
4. Also including employees as stakeholders. An ambitious sustainability program attracts young talent these days.

Stakeholder dialogue

According to the participants, the key to successful stakeholder dialogues is listening and transparently sharing (“sharing is the new competing”). A company should apply an open attitude that shows its willingness to share its findings and outcomes of stakeholder dialogues.

Forms of stakeholder engagement

In case of extensive and pro-active stakeholder engagement, collaboration is needed on each of the levels within the organization in order to get the maximum out of the stakeholder. Apart from that, a lot of empathy and patience is needed when dealing with stakeholders when “bad stuff” happens, e.g. children having accidents and parents being very emotional. This should be tackled pro-actively, before the emotions overflow.

Using existing channels to get stakeholder information can lead to friction within these channels. Therefore a strategy needs to be wisely chosen, e.g. to use more non-powerful actors in a company, such as accounting, to get information on certain stakeholders (to summarize: “attack” via hidden angles). As to dealing with standardizations: industry associations are seen as an effective way to establish standardizations. Also you can use the experience and knowledge of the different stakeholders for your own help. As such, they are a powerful way to legitimize these standardizations.





What's next?

The seminar was organized by the Environment & safety group (PES) of Philips Innovation Services. Our 30 safety & environmental consulting experts have many years of industrial experience and can provide you with pragmatic and cost-effective, yet fully compliant solutions for your environment, safety and sustainability challenges. Amongst other PES supports companies in their stakeholder engagement strategy and activities.

This seminar received positive feedback from the participants. This encourages us to continue organizing similar seminars. Our **next seminar** will take place in September and will be about safety and radiation protection. Should you want to share ideas or you want more information about upcoming events, feel free to contact PES colleagues.