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des **Entreprises**
de **France** 

CSR GUIDE DIALOGUE WITH STAKEHOLDERS PRENANTES

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EDITO

Corporate Social Responsibility (CSR) is a company's contribution to sustainable development. The European Commission defines it as "the responsibility of companies for the effects they have on society". Companies must therefore comply with current legislation and collective bargaining agreements, and have initiated - in close collaboration with their stakeholders - a process designed to integrate social, environmental, ethical, human rights and consumer concerns into their business strategy and activities.

CSR is a way for companies to anticipate the changing demands of society, and thus enhance their performance in the short, medium and long term. Every company, whatever its size or sector of activity, is encouraged to adopt a CSR approach in order to integrate economic, social and environmental issues at the heart of its strategy and management.

Given the diversity of issues covered by the CSR approach, it is important for the company to build it by involving the stakeholders who participate in and/or interfere with its activities. Indeed, dialogue with stakeholders is an integral part of the CSR approach, as it enables :

- **gain a better understanding of the impact of the company's activities on society as a whole, and thus better prevent risks ;**
- **to develop relevant, pragmatic actions and is a lever of innovation for concrete, acceptable and sustainable.**

This guide is aimed at managers of small and medium-sized businesses, company directors, operational and functional managers and corporate foundations, to give you the keys to setting up this dialogue with stakeholders.

What is stakeholder dialogue?

What is a stakeholder?

Stakeholders are natural or legal persons (individuals, companies, institutions, organizations) who impact or could be impacted by a company's activities or services. A distinction is made between internal and external stakeholders, each made up of a wide range of players (non-exhaustive list):



Why take an interest in your stakeholders?

Companies and institutions need to consider the relationships they have with their stakeholders, and how to develop them. **The** primary objective is to **consolidate relations with stakeholders**, but also to reflect on new modes of dialogue and the benefits of going beyond existing relationships. By establishing this dialogue, each stakeholder participates in the life of the company, and vice versa. It is therefore essential not to neglect any of our stakeholders, and to treat them all on an equal footing.

Why establish a dialogue with stakeholders?

This approach is not intended to replace the social dialogue that already exists within the company, and constitutes a privileged forum for dialogue with employee representatives. On the other hand, **new players** (NGOs, bloggers, experts, etc.) and new modes of relationship (social networks, panels, etc.) have emerged, making it necessary to establish a regular state of relations with stakeholders and **to develop existing modes of dialogue. Monitoring the company's strategic challenges is an essential tool for progress in this area.**

In the experience of companies that have adopted this type of approach, dialogue with stakeholders is :

- a tool for understanding one's environment and context ;
- a factor of anticipation to facilitate relations with stakeholders, including in cases where dialogue does not take place at the company's initiative;
- a means of enabling its development, creating market opportunities
- a lever for business acceptability;
- a means of managing one's reputation, one's image ;
- long-term influencing work;
- cross-fertilization of expertise to enrich strategy;
- an opportunity to identify weak signals, anticipate and prevent risks and regulations.

Stakeholder dialogue is far from being the preserve of large companies: **SMEs, with their strong local roots, are in contact with numerous stakeholders, and they too need to maintain and develop these relationships.**

In short, dialogue with stakeholders is a key to the success of a company's strategy. Carrying out this exercise helps prevent certain risks and identify opportunities for the company. The standard

The international standard for corporate social responsibility (ISO 26000) enshrines stakeholder identification and dialogue as a fundamental practice of corporate social responsibility.

How do you engage in dialogue with your stakeholders?

Step 1

Identify stakeholder categories

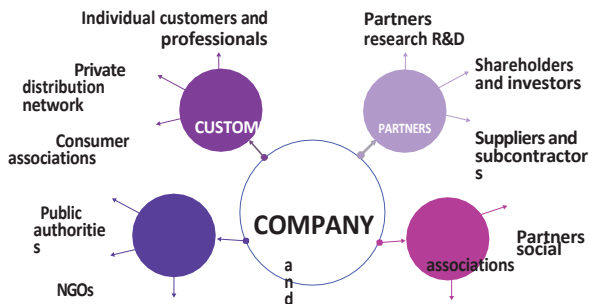
The aim of dialogue with stakeholders is to take account of the context, with a long-term vision, in order to act effectively over the long term. Several criteria can be used to identify and evaluate the stakeholders with whom the company should prioritize its dialogue, depending on the company's challenges, context and core business.

Please note: an individual or an institution/organization can belong to several interest groups. This is particularly true of employees, who may be consumers, shareholders, members of an NGO, etc., all at the same time. It is advisable to pay particular attention to these groups.

Tip no. 1

Start by identifying the stakeholders close to the company, those with whom it already has relations, then extend the identification to those with whom it does not yet have relations and who are important to the company.

The diagram below shows an example of the stakeholders identified by a company.



Local authorities

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Please note: the General Data Protection Regulation (GDPR) is a regulation that frames the processing of personal data within the European Union. It makes it mandatory to inform all persons whose personal data has been recorded. This applies to all companies as part of their stakeholder identification process. The latter must comply with the RGD.

Step 2

Qualifying stakeholders

Once identified, the company is recommended to pragmatically qualify its stakeholders according to 2 criteria:

1. The quality of the relationship and the stakeholder's interest: the company assesses the stakeholder's degree of support or opposition to the company and its activities;
2. Influencing and/or decision-making power: the company assesses the stakeholder's ability to impact the company and its activities (physical and digital networks, for example).

Tip no. 2

Depending on your business sector, qualify your stakeholders according to their power to harm or support. This will enable you to define specific actions (see diagram below). Note that some stakeholders may be "neutral" with regard to the company and its



activities.



Step 3

Prioritizing stakeholders

All stakeholders deserve the company's attention. But since the company will often not have the opportunity to engage with all of them at the same time, it is important to identify those with whom to engage in dialogue as a matter of priority.

The company can use several criteria to evaluate and select its stakeholders, including :

- knowledge of issues and levels of expertise ;
- legitimacy and representativeness ;
- decision-making power, level and ability to influence (see step 2 qualification);
- identification of stakeholder interests and relationship quality (cf. step 2 qualification) ;
- ability and willingness to engage in dialogue, degree of dependence on the company (see Tip 2) ;
- identification of the nature of requests made by stakeholders (legal, ethical, economic, media-related, etc.).

Tip no. 3

Start by engaging in dialogue with constructive stakeholders (those who are prepared to exchange views, regardless of the category in which they fall), and then consider approaching others to open up a possible dialogue. The company is advised to capitalize on the diversity and complementarity of its stakeholders, in order to gain a global vision of its business.

In particular, the company can use existing networks and organizations in which it participates as a springboard to less accessible stakeholders. Professional federations and local MEDEFs can be a good way in.

This characterization will make it possible to clearly identify the interlocutors (institutions or individuals) and better adapt the type of

relationship to be established and the expected results.

This exercise will be very useful, even if it is not totally exhaustive, or if the identification is bound to evolve. Depending on the subject and the context, the company may revise this identification and qualification, and it is important to approach it with a dynamic and evolving vision, and not to consider the categories as fixed.

Step 4

Select dialog mode

Depending on the issues at stake, the subject, the degree of maturity of the internal approach, the timeframes involved, and the history of the relationship, the company needs to ask itself what form of dialogue to adopt for each stakeholder, depending on the objectives being pursued.

Of course, there may be different levels of relationship depending on the stakeholders involved. The company can develop bilateral relations (more or less formalized dialogue) and/or opt for multilateral forms involving several stakeholders at the same time. The choice is not set in stone, and is bound to evolve as the relationship between the company and the stakeholder develops (positively or negatively).

Thus, there are several possible modes of dialogue, depending on whether the company wants a temporary or recurring relationship:

Examples	Bilateral dialogue	Multilateral dialogue
Temporary dialogue	<ul style="list-style-type: none"> • Informal dialogue (exchange of views and positions, influencing strategies, etc.). 	<ul style="list-style-type: none"> • Local consultation committees. • Consultations organized on an indicative basis.

<p>Ongoing dialogue</p>	<ul style="list-style-type: none"> • Institutional support (from a stakeholder to the company or vice versa). • Direct information process (through information distribution or regular meetings). • Partnership (consultation on certain strategic decisions, organization of joint events, etc.). • Co-construction of products and offers (co-innovation approach). 	<ul style="list-style-type: none"> • Leading multi-stakeholder panels (at global/group or local level). • Structuring discussions and actions within an industry (sector lobbying). • Co-construction of products and offers (co-innovation approach). • Opinions on the company's CSR approach included in the management report or dedicated report.
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Tip no. 4

Draw up an inventory of dialogue procedures, distinguishing between information and consultation by stakeholder category.

Step 5

Preparing and engaging in dialogue with stakeholders

The company needs to ask itself very early on how it intends to relate to its stakeholders. It is advisable to take the time to ask yourself the following questions, as initial reflection and preparation are crucial to the smooth running of the relationship.

- ▶ What are the stakes, the goals, the objectives in relation to the context? What are the expected results? Critique of sustainable development policy? Contribution to annual report? Identification of weak signals? Identification of strategic partnerships? Co-construction of offers?)
- ▶ What is the interest/benefit/added value expected by stakeholders? What are their motivations?
- ▶ What are the advantages and disadvantages? What are the risks and opportunities (strategic analysis, monitoring)?
- ▶ What type of dialogue does the company want to develop (see step 4)?
- ▶ What scope and positioning within the organization should be chosen, depending on the issues at stake and the stakeholders involved?
- ▶ What degree of transparency in relationships and what shared confidentiality rules?
- ▶ What is the estimated cost of this approach, how can it be financed, and do we need to give any quid pro quos to stakeholders for their

participation?

- ▶ How and when should progress be assessed? When and how to summarize the work and share feedback with the parties concerned?
nantes?
- ▶ Should a mediator/third party be involved (or not)?
- ▶ When, how, why end the relationship?

What are the conditions for success, and what are the mistakes to avoid?

To do	What not to do
Clearly define the rules, both internally and with stakeholders, to govern the operation and mode of consultation, particularly with regard to rules of confidentiality and communication. The important thing is to ensure the sincerity and coherence of exchanges.	Forget the initial strategic analysis of the company's stakes and context (risk of "off-the-ground" relationships).
Succeeding in convincing people internally and launching an approach: knowing how to communicate on the risks/opportunities, the benefits of the approach and the expected results. The involvement of management remains a very important factor: it must play a driving role in launching the process. It is also important to raise awareness among all management teams, and to ensure the cohesion of management committees.	Failure to clarify objectives from the outset (risk of divergent expectations and disappointment in the relationship).
Setting up monitoring and measurement indicators and communicating the results will facilitate internal mobilization and help sustain the dialogue/relationship. Keep stakeholders regularly informed of company news.	Confusing communication and publicity (which serve to publicize a brand, product or service) with dialogue with stakeholders (which aims to establish an exchange and create a relationship).
Knowing how to keep the dialogue alive over time by making it evolve and renewing the subjects and even the stakeholders. The company must have the means to nurture it, notably through ongoing interaction with management.	Assuming that dialogue exists or has been established once and for all (risk of stakeholders becoming bored).
Define the different levels of dialogue deployment (international/national/local) and ensure policy coordination between the Group, its subsidiaries and sites (variable geometry and geography).	Wanting to continue at all costs when dialogue isn't working at an instant T with certain players (risk of boomerang effect with worsening relations).
Knowing how to manage the unforeseen richness of dialogue with stakeholders, accepting creativity while having defined the limits and boundaries beyond which the company does not wish to go.	Getting the timing wrong: don't wait for a period of crisis to initiate a relationship, it's better to benefit from a calm and favorable climate.

Certain tools can also help companies to build and maintain dialogue with their stakeholders. For example, companies can refer to the sector-specific reference frameworks developed by certain professional federations.

The UN's 17 Sustainable Development Goals (SDGs), which aim to eradicate poverty, combat inequality and combat climate change, are also a good tool for framing dialogue with stakeholders, particularly **SDG 17**, which aims to set up partnerships to achieve the goals. In particular, there are a number of CSR labels that provide companies with a framework for dialogue with their stakeholders.

Conclusion

Engaging in dialogue with stakeholders is a long-term process, with potential ups and downs, successes and frustrations. **The Mouvement des Entreprises de France encourages all companies to embark on this approach**, as it creates long-term value for the company, its stakeholders and society as a whole.

Example of Agri 2000-Environment

Operating in the public works and forestry sectors, this group of some fifty employees initiated a dialogue with stakeholders when it won a contract to clear the forest on the Tours-Bordeaux South Europe Atlantic High-Speed Line (LGV SEA), a project involving major social, societal and environmental challenges.

Key stakeholders have been identified and a dialogue has been set up with them: consensus-building on production methods and biodiversity preservation with local environmental NGOs, a direct information process with public authorities and principals to establish a relationship of trust, awareness-raising and support for subcontractors on the social, societal and environmental demands of stakeholders, etc.

This approach contributed to obtaining a second, larger tranche of work on this contract. It also brought about a change of mentality internally, a gain in expertise and the opening up of new opportunities.

Example of the Sanofi site at Chilly-Mazarin

A major player in pharmaceutical innovation, the Sanofi Group has a strong presence in France. Through its various sites, Sanofi aims to create a genuine territorial footprint and build lasting relationships with its stakeholders.

For example, at the Chilly-Mazarin/Longjumeau site, Sanofi promotes innovation in the healthcare field by setting up scientific partnerships with local players. These include local schools and associations such as Institut Pasteur, Institut Gustave Roussy and AP-HP. In this way, Sanofi participates in and contributes to the development of the region.

The site's employees are also involved in the approach, carrying out a variety of volunteer work and skills sponsorship initiatives to reinforce the local impact. These include

- ma caméra chez les pros: an initiative designed to introduce middle school students to the pharmaceutical industry;
- ma journée patient: an initiative that allows Sanofi employees to spend a day with a volunteer patient association in France. Île-de-France.

Further information

- ▶ Find all CSR resources on **the MEDEF dedicated page**
- ▶ Guide "**PME et ETI : des réponses à vos enjeux clés grâce aux Objectifs de développement durable**", *Global Compact France*, 2022
- ▶ Guide "**Social responsibility - Discovering ISO 26000**", ISO International Organization for Standardization, 2010
- ▶ Guide "**Construire ensemble : l'engagement territorial des entre-prises**", Mouvement des entreprises de France and Le Rameau, 2018
- ▶ Publication "**Dialoguer avec ses parties prenantes pour améliorer sa résilience: où en sont les entreprises françaises?**", Comité 21 and Challenges and people
- ▶ Booklet No. 1 "**A rethought stakeholder committee**", ORSE, 2021
- ▶ Booklet no. 2 "**Materiality analysis for stakeholder dialogue**", ORSE, 2021
- ▶ Booklet No. 3 "**The operational application of dialogue, a guarantee of integration in its ecosystem**", ORSE, 2022

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