

# Welcome

#StakeholderInclusion | #UnitingBusiness

## Webinar Stakeholder Inclusion

29 October 2020  
2 p.m. - 3:30 p.m.

**We will begin shortly**



Global Compact  
Network Netherlands



**STAKEHOLDER  
INCLUSION**  
AS ACCELERATOR FOR  
THE SUSTAINABLE  
DEVELOPMENT GOALS

**INSPIRATION FROM  
THE NETHERLANDS**



Global Compact  
Network Netherlands

# Join the conversation

#StakeholderInclusion | #UnitingBusiness

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# Housekeeping Rules



Please note that the webinar is being recorded

**Please use the chat to communicate with us for the following:**

- Ask questions
- Make comments
- Report technical issues (private message to host)

# Agenda

## 1. Welcome

*By Linda van Beek*

## 2. Accelerator for the SDGs

*By Hugo von Meijenfeldt*

## 3. Why Stakeholder Inclusion Matters

*By Jeroen Veldman*

## 4. Introduction to the Model

*By Erik Breen*

## 5. Inspiration from the Netherlands

*By Nicolette Loonen, Frederike Rijkse, Dylan McNeill & Ine Stultjens*

## 6. Closing remarks

*By Linda van Beek*



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION



“Business leaders must stand tall on their values as guiding principles, together with the public sector. United, we must, and we can, act with a clear responsibility and the ambition to create long term value for a better world and use the available competencies and resources for making a difference and creating prosperity for all, including future generations.”

**Feike Sijbesma**

Former CEO DSM, Co-Chair Global Center of Climate Adaptation



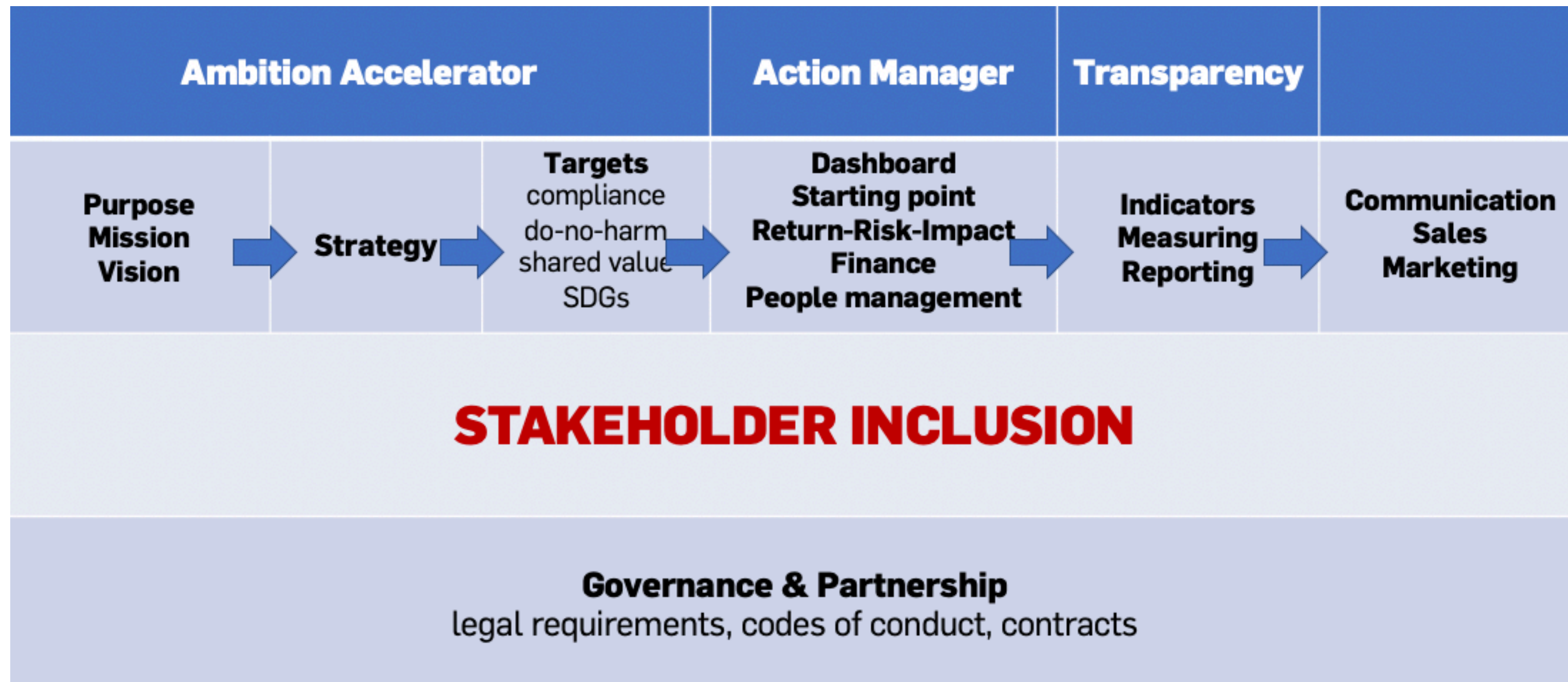
“Stakeholder inclusion is indispensable for a company’s transition to being purpose-led. Companies who are able to include stakeholders will be able to take responsibility to tackle the collective challenges of society. And that’s what we need in this decade of transformation and contributing to the SDG’s. So don’t wait. Start now!”

**Ingrid Thijssen**

President of VNO-NCW

# Corporate Toolkit

By Hugo von Meijenfeldt



# SDGs and Stakeholder Involvement Academic Perspectives

*By Jeroen Veldman*

- Stakeholder theory
  - “... groups and individuals that have a valid interest in the activities and outcomes of a firm and on whom the firm relies to achieve its objectives” (Freeman, 1980)
- SDGs as focus for stakeholder research:
  - Differentiation of types of stakeholder involvement strategies
  - Identification of successful implementation strategies
  - Identification of means for successful implementation
- Framing question:
  - What can we learn from best practices with regard to implementation of the SDGs in frontrunning companies in the Netherlands?



# SDGs and Stakeholder Involvement Academic Perspectives

- Desk research
  - Identification of six gears
- Surveys
  - 69 Companies
  - 24 NGOs
- Interviews
  - 11 companies
  - 4 NGOs
  - Russell Reynolds
- Development of gears
  - Differentiation in 4 steps per gear

# Stakeholder Inclusion Model

By Erik Breen

## Six aspects and four gears

### DISCLOSURE

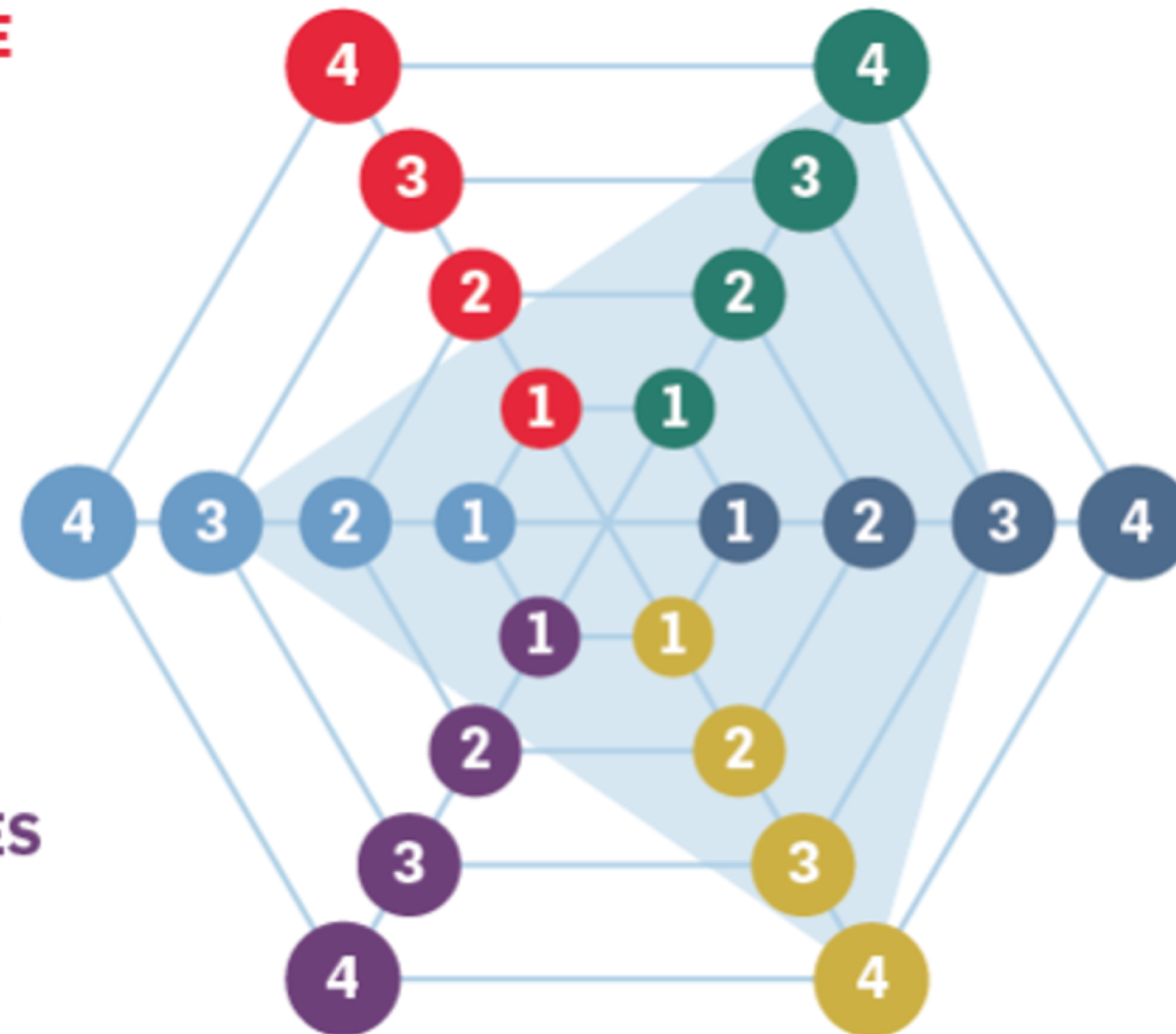
- 1. Mandatory
- 2. Opportunistic
- 3. Wider
- 4. Impact

### (PURSUED) OUTCOMES

- 1. Insight
- 2. Validation
- 3. Alternatives
- 4. Integrated value

### APPROACHES

- 1. Information
- 2. Consultation
- 3. Involvement
- 4. Partnership



### MOTIVATION

- 1. Legal-minimum
- 2. Risk-based
- 3. Opportunity-based
- 4. Stewardship

### ORIENTATION OF TARGETS

- 1. Compliance
- 2. Do no harm
- 3. Shared value
- 4. Purpose

### STAKEHOLDER TYPES

- 1. Internal
- 2. 1st tier
- 3. 2nd tier
- 4. 3rd tier

# Flow of the Four Gears



figure 1: flow of the gears

# Aspect 1

## HELPFUL QUESTIONS TO ASK



### MOTIVATION

1. What was the original vision on which your company was founded?
2. What do your stakeholders appreciate in your company's mission?
3. Can the mission of your company be linked to one or more of the SDGs?
4. How well are the values in your company's mission alive in your corporate culture?
5. What will your company have contributed to the real world on a ten-year horizon?
6. Why should all your stakeholders applaud your company?

# Aspect 1



## MOTIVATION

### GEAR 1 LEGAL-MINIMUM

### GEAR 2 RISK-BASED

### GEAR 3 OPPORTUNITY-BASED

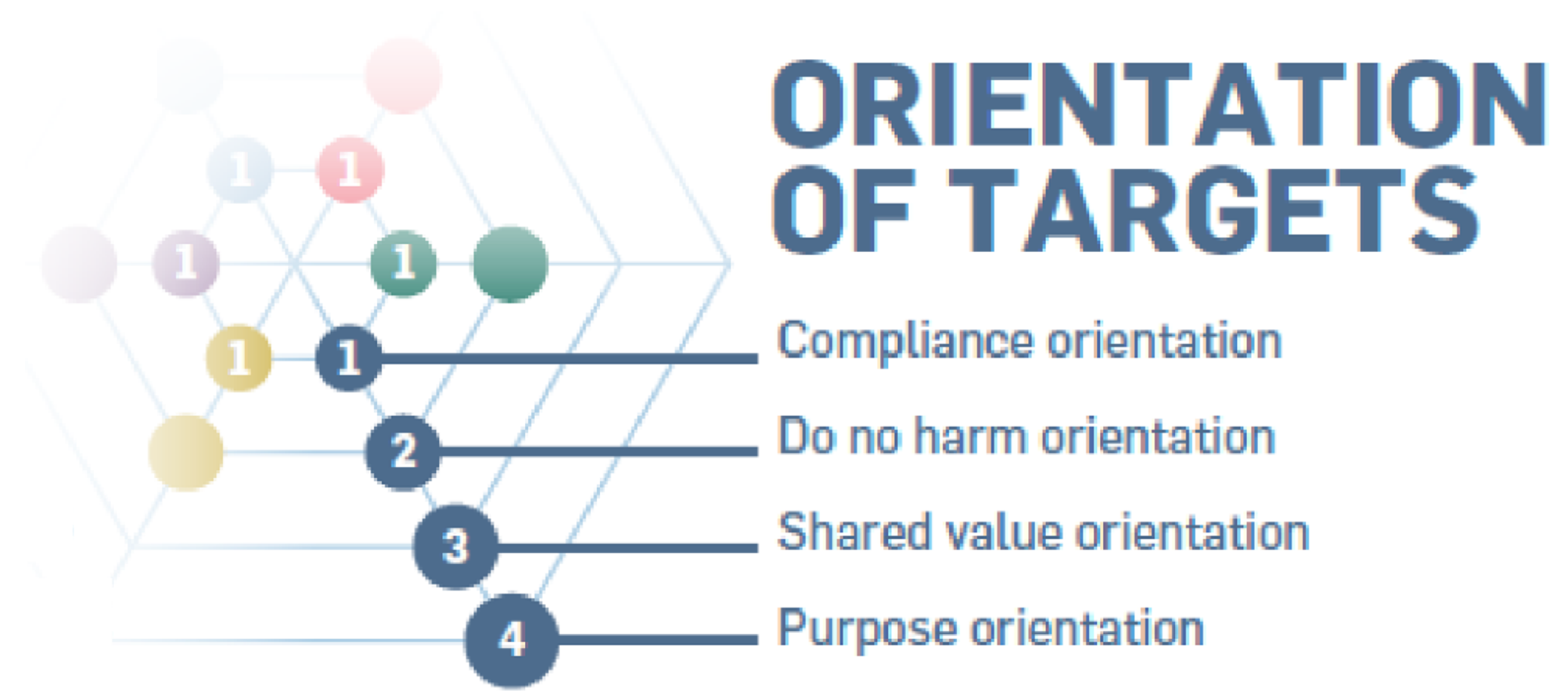
### GEAR 4 STEWARDSHIP

Motivation is to comply with soft and hard law and regulation.	Motivation is based on a risk perspective.	Motivation is based on opportunity perspective.	Motivation is based on stewardship thinking.
Stakeholder engagement is limited to legal obligations.	Stakeholder engagement is done mainly to prevent claims and litigation in order to secure short-term financial performance.	Stakeholder engagement is done with the goal to find business opportunities and improve long-term financial performance.	Stakeholder engagement is done to comprehensively learn about concerns and issues.
The company's mission statement or purpose typically pursues revenue and profit growth.	The company's mission statement or purpose typically pursues controllable product and/or service quality.	The company's mission statement or purpose typically seeks to be the preferred choice in specific customer segments.	The company's mission statement or purpose typically seeks to contribute to resolving world-wide recognized challenges.
	Mostly aligned with a 'do no harm' approach and the behavioural stakeholder theory.	Mostly aligned with the instrumental stakeholder theory.	Mostly aligned with the normative stakeholder theory.

table 1: characteristics of aspect 1

# Aspect 2

## HELPFUL QUESTIONS TO ASK



### TARGETS

1. What metrics can you use to measure the impact you have on your stakeholders?
2. Who is responsible for the non-financial KPIs?
3. How can you include non-financial KPIs in your management cycle in order to steer on them?
4. What KPIs do your stakeholders think are important for you to steer on?
5. How can you use the input of your stakeholders in an effective way?
6. How can you use impact measurement in your decision-making process?
7. Can you get assurance on non-financial KPIs?
8. Which partners do you need to reach the impact you want to have?

# Elaboration on other aspects is in the report

## DISCLOSURE

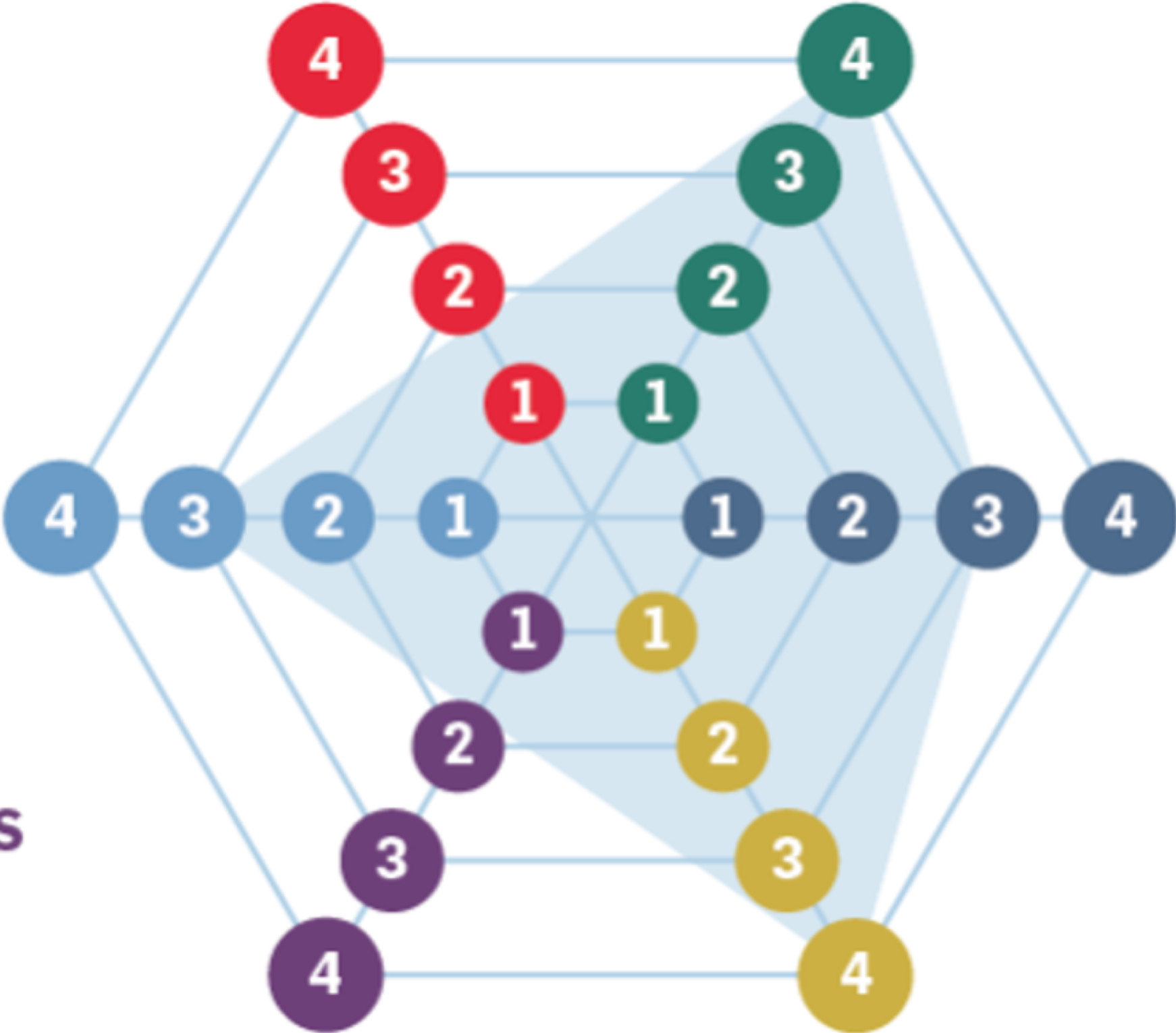
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# Inspiration from the Netherlands

*By Nicolette Loonen*



**Frederike Rijkse**  
Advisor Sustainability  
NN Group



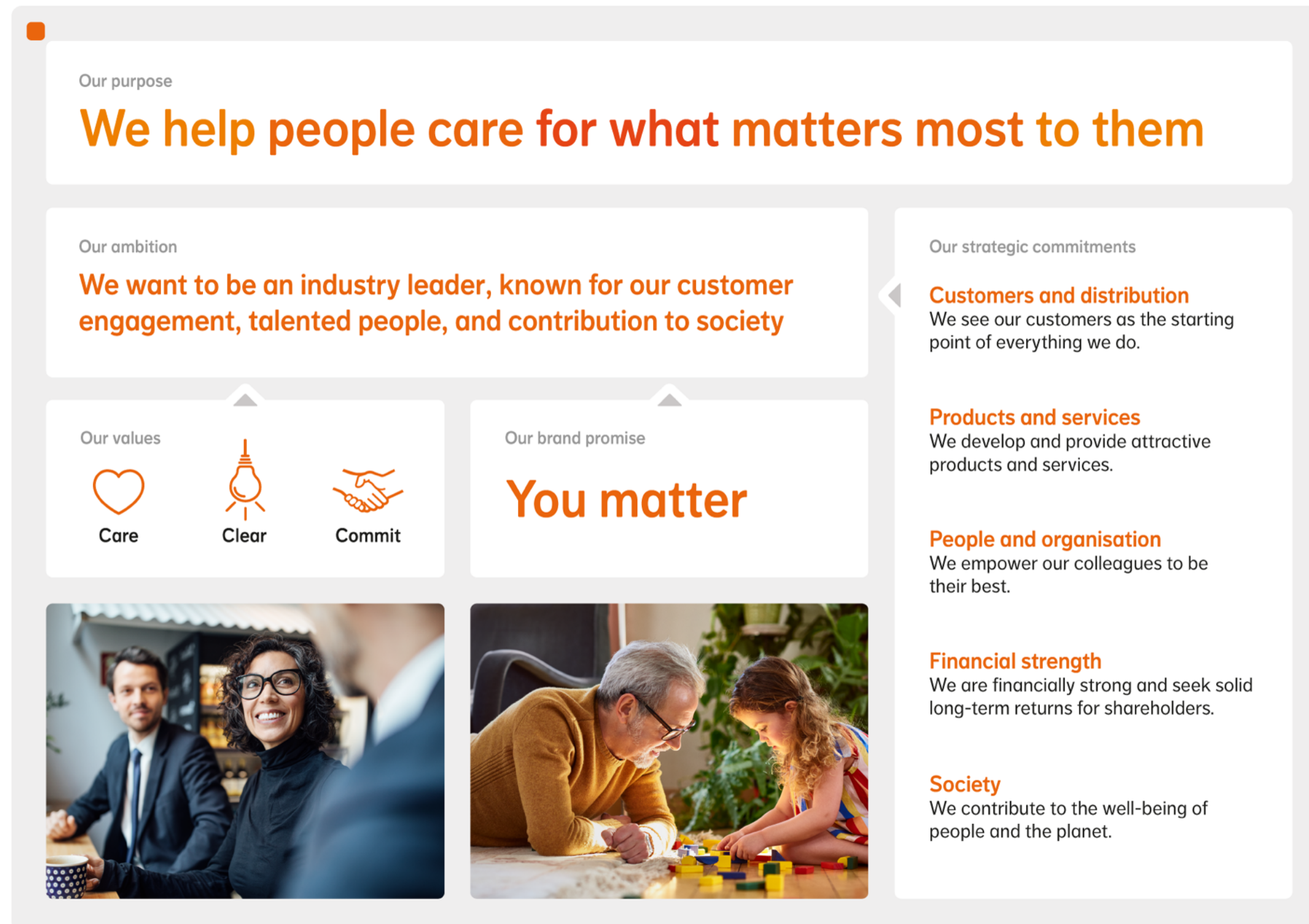
**Dylan McNeill**  
Director Supplier Sustainability  
Philips



**Ine Stultjens**  
Manager Marketing & Communication  
Royal Auping



# Creating long-term value for our stakeholders



- Led by our purpose and ambition, guided by our values and brand promise, and driven by our strategic commitments, we are able to create long-term value for our company and our stakeholders

# Our role as investor

## Responsible investing at the core of NN IP's strategy<sup>1</sup>



## ESG integration

- NN IP applies a stringent definition of ESG integration
- All three (E, S and G) factors included in each individual investment analysis
- Demonstrated and documented in a consistent way

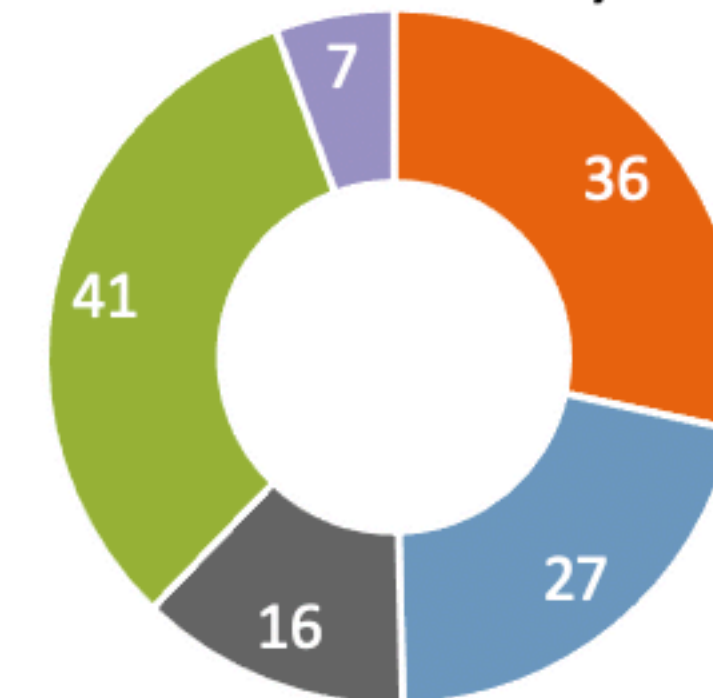


**71%**  
ESG-integrated strategies

- Target: 80% of AuM ESG-integrated by 2023

## Restriction: a measure of last resort

- NN Group's norms-based RI criteria: a reflection of relevant laws, internationally recognised standards and our organisation's values
- Number of restrictions by theme<sup>2</sup>



- Controversial weapons and/or arms trade
- Tobacco production
- Oil sands and controversial pipelines
- Thermal coal mining
- Violations of international standards of business conduct



1. In addition to the NN Group 2019 Integrated Annual Review, NN IP published its 2019 Responsible Investing Report in March 2020
2. Based on NN's Exclusion list published on our website. NN Group's Internal Restricted List is broader (for example, it includes private companies, and broader restrictions for Proprietary Assets)

# Using our influence to support the transition to a sustainable economy

## Voting, a powerful tool

- Voting on behalf of our own assets and our clients' assets
- Separate voting committees in place
- NN IP voted at 99% of the total voteable meetings<sup>1</sup>
- Supporting 190 shareholder resolutions linked to social and environmental topics

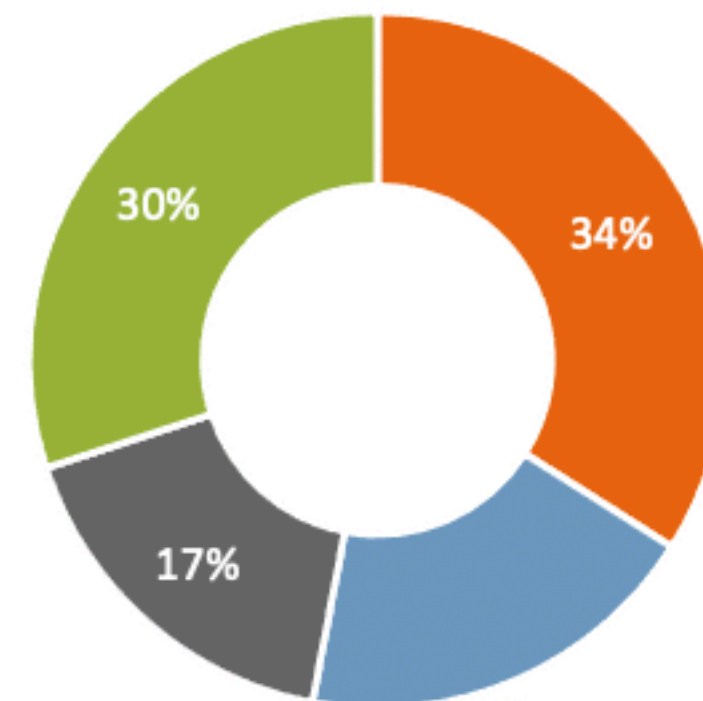
**2,752**

AGMs voted at<sup>2</sup>

**31,775**

Agenda items

## Dialogues and engagements on ESG topics in (662)<sup>3</sup>



Environmental Governance  
Social ESG overlap

## Examples of collective engagement programmes

**Climate Action 100+**  
Global Investors Driving Business Transition

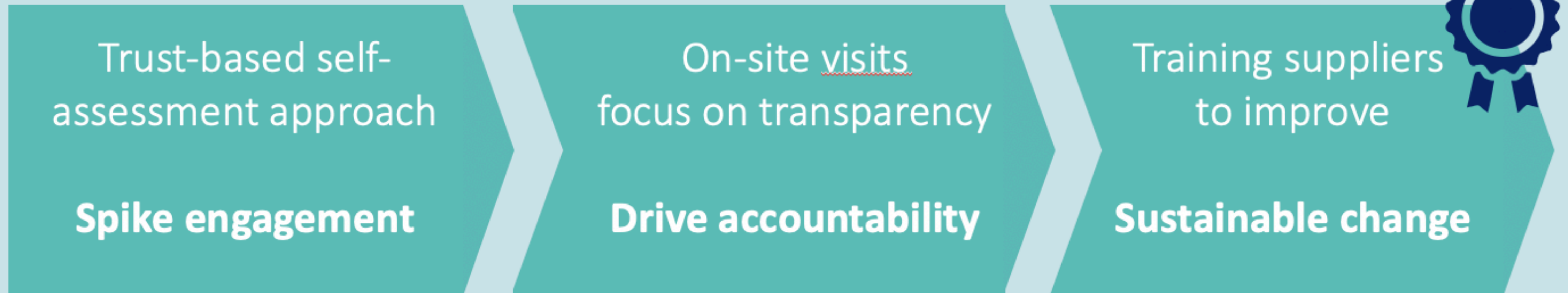




# Supplier Sustainability Performance (SSP) program

Award-winning engagement approach, focusing on performance improvement

## Measuring supplier performance: Beyond Auditing



In 2019, sustainability performance of suppliers improved **19%** year-on-year

Impacting **300,000** lives



**auping**

# Ine Stultjens

Head of Marketing & Communication at Royal Auping

Workshop Stakeholder Inclusion  
Global Compact Network Netherlands

29 October 2020

# Auping Evolve, the world's first circular mattress.

- Developed together with DSM-Niaga
- Contains no foam and no glue
- Materials can be reused time and time again



- Mattress of the future meets mega trends
1. No waste society: fully circular
  2. Health: excels on ventilation = great sleep
  3. Safety: fire-resistant materials, transparent



## Features a Circularity Passport so you know what you are sleeping on.

- Insight into materials and their origin
- Independent, honest and transparent
- Scan with NXP app on your smartphone



# Auping brings rest to the world.

Het verhaal  
van 1.5 miljoen  
matrassen

- Collaborate with competitors to set up Extended Producer Responsibility (EPR)
- License our circular technology to third parties
- Build a frontrunner group to share knowledge
- Raise awareness for issues around mattresses landfill
- Consumer campaign using discarded mattresses as the canvas for our new message



# Producing millions of face masks to help healthcare during the pandemic.



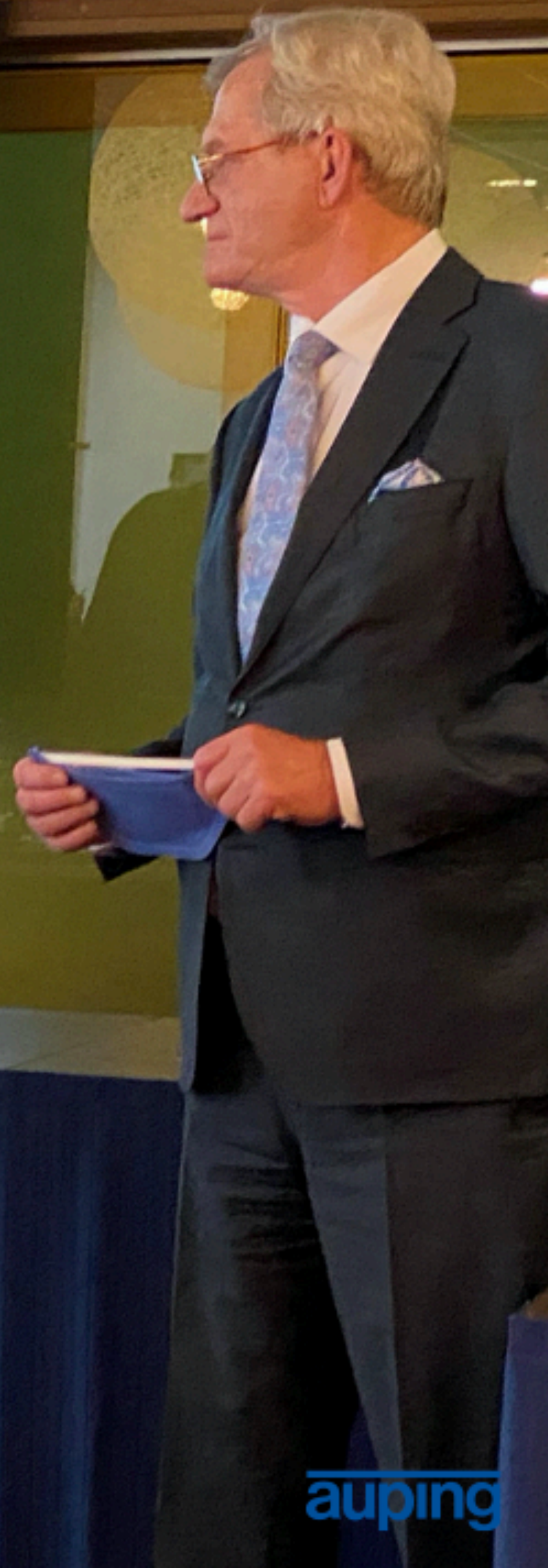
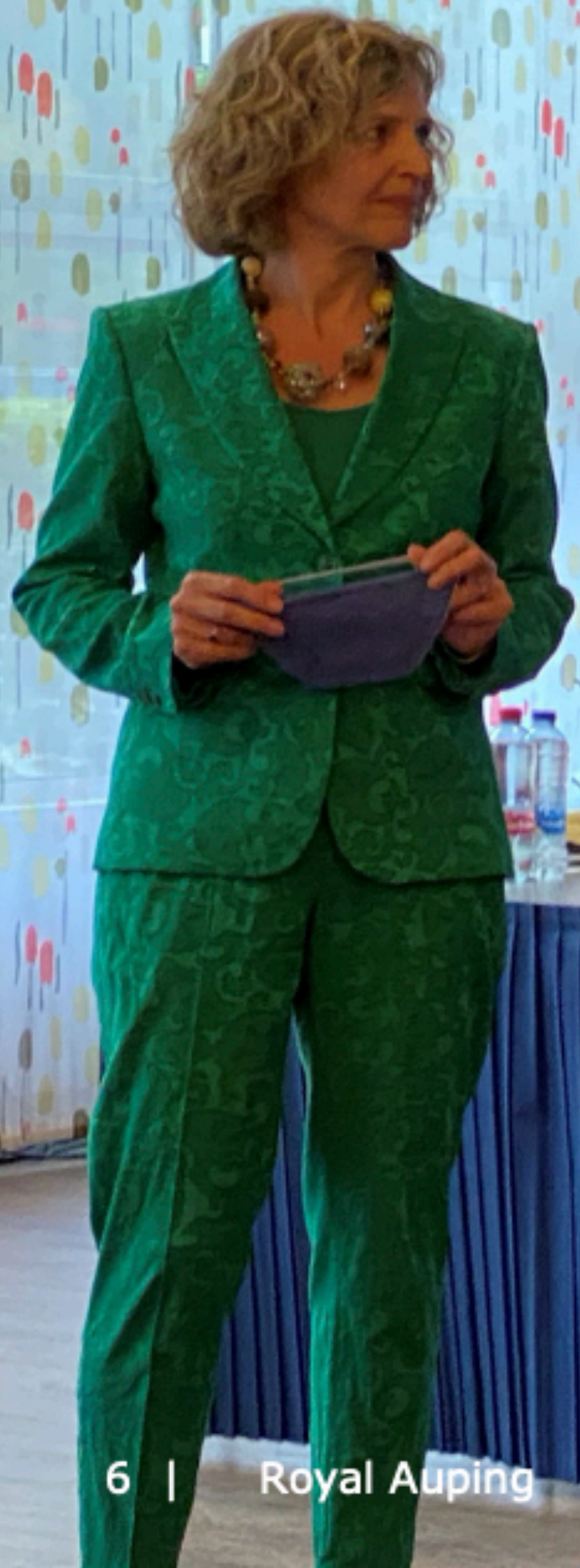
- Impact in line with Auping heritage and purpose
- Consortium for development and certification. And for large-scale production
- In close collaboration with Dutch government
- Manage liability, press and reputation
- Create jobs

Certified



This company meets the highest standards of social and environmental impact

Corporation



A man with a beard and a watch is sitting on a dark sofa in a living room. He is wearing a light-colored button-down shirt and dark pants. His arms are raised in the air, and he has a happy expression. The room is dimly lit with a blue tint. To the left of the sofa is a side table with a lamp. To the right is a chair with an alarm clock on it. A rug is on the floor in front of the sofa.

nauping

# Recommendations

- 1. DEFINE A PURPOSE ALIGNED WITH THE SDGS**
- 2. FOCUS ON SYSTEMIC CHANGE, RATHER THAN INDIVIDUAL CHANGE**
- 3. ENSURE THAT STAKEHOLDER ENGAGEMENT IS PART OF THE STRATEGY PROCESS**
- 4. SHIFT YOUR FOCUS FROM OUTPUT TO OUTCOMES**
- 5. PREFORM STAKEHOLDER ENGAGEMENT IN A STRUCTURED WAY**

- 6. INVOLVE TOP MANAGEMENT DIRECTLY IN REGULAR STAKEHOLDER ENGAGEMENT**
- 7. INCLUDE EMPLOYEES AS STAKEHOLDERS AND BEYOND EMPLOYEE ISSUES ONLY**
- 8. ENGAGE LOCAL GOVERNMENTS, LOCAL TRADE UNIONS AND LOCAL NGOS IN YOUR AMBITIONS**
- 9. FULLY DISCLOSE ALL IMPACTS ON STAKEHOLDERS**
- 10. ENHANCE THE HOW OF STAKEHOLDER ENGAGEMENT AND HARMONIZE TOOLS, INDICATORS AND METRICS**

# Upcoming Events

## Webinar on Sustainable Leadership

How companies can make sustainability core to the selection and development of senior leaders.  
3 Nov 10:30-11:30 CEST.

[Register here](#)



## Virtual Event for SMEs

How European SMEs can contribute to a green recovery. 16 Nov 11:00-12:30 CEST

[Register here](#)



# Upcoming Programs

## SDG Ambition Accelerator

A 6-month program that will challenge and support participating companies of UNGC in setting targets and accelerating integration of the SDGs.

Application DDL: 16 Nov

[More information](#)

## Young Professionals Program

During a period of 12 months, you are working and learning in a multidisciplinary team of 8 to 12 young talented professionals coming from different organization to work on an innovative SDG Project.

Application DDL: 18 Nov

[More information](#)



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Network Netherlands

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