مؤسسة الملك خالد
KING KHALID FOUNDATION



Sustainability Award Performance Development Workshop

Stakeholder Engagement

Training 2024 • **Toolkit**

Stakeholder Engagement Training 2024

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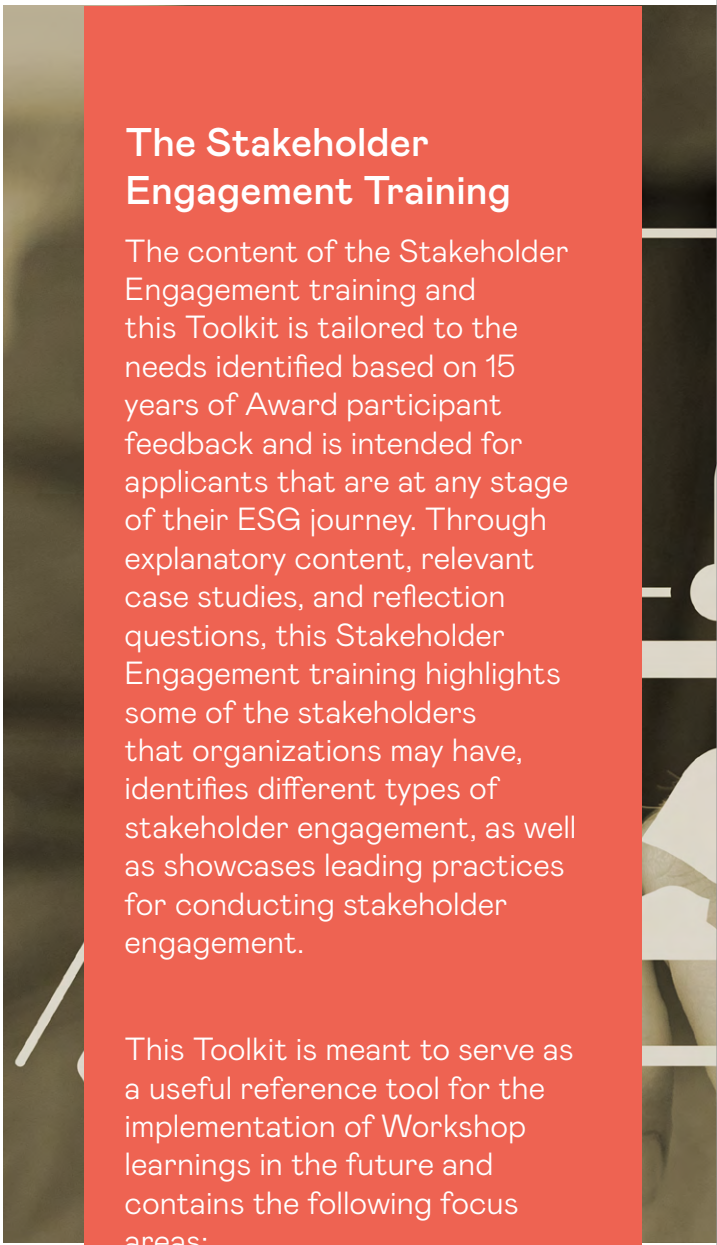
Letter to Participants

The King Khalid Foundation (KKF) is pleased to publish, in partnership with AccountAbility, this practical and insightful Sustainability Award Performance Development Toolkit on Stakeholder Engagement for companies in the Kingdom of Saudi Arabia (KSA).

The King Khalid Foundation continues to advance the sustainability agenda by collaborating to deliver impactful sustainability programs and support the growth of responsible business practices. This Performance Development Toolkit builds upon years of experience, feedback, questions, and needs that KSA companies have shared with KKF during the past fifteen years and during each King Khalid Award process. The Toolkit supports the Performance Development Program by providing practical sustainability solutions and guidance for Training participants.

The Toolkit introduces the concept of Stakeholder Engagement in a broad sense as well as highlights its importance and relevance to organizations within the Kingdom. It sets a foundation for a deeper discussion on different types of stakeholder engagement that organizations can engage in and provides practical strategies for how they can be implemented.



The Stakeholder Engagement Training

The content of the Stakeholder Engagement training and this Toolkit is tailored to the needs identified based on 15 years of Award participant feedback and is intended for applicants that are at any stage of their ESG journey. Through explanatory content, relevant case studies, and reflection questions, this Stakeholder Engagement training highlights some of the stakeholders that organizations may have, identifies different types of stakeholder engagement, as well as showcases leading practices for conducting stakeholder engagement.

This Toolkit is meant to serve as a useful reference tool for the implementation of Workshop learnings in the future and contains the following focus areas:

- **Stakeholder Engagement Overview**
- **Training and Development**
- **Surveys and Feedback**
- **Policies**
- **Partnerships**

Upon completion of the Training, you will have the basic tools necessary to start implementing stakeholder engagement initiatives in your company.



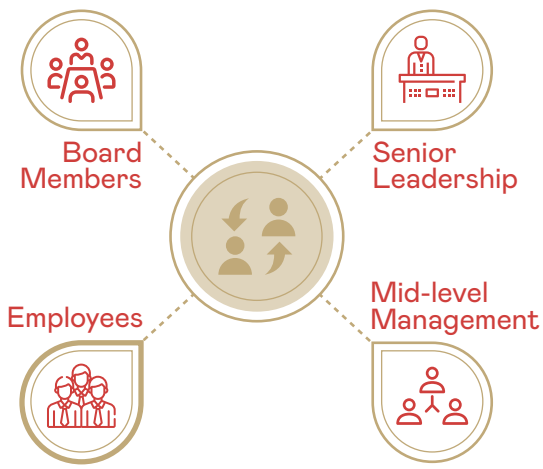
Stakeholder Engagement

Stakeholder Engagement Definition

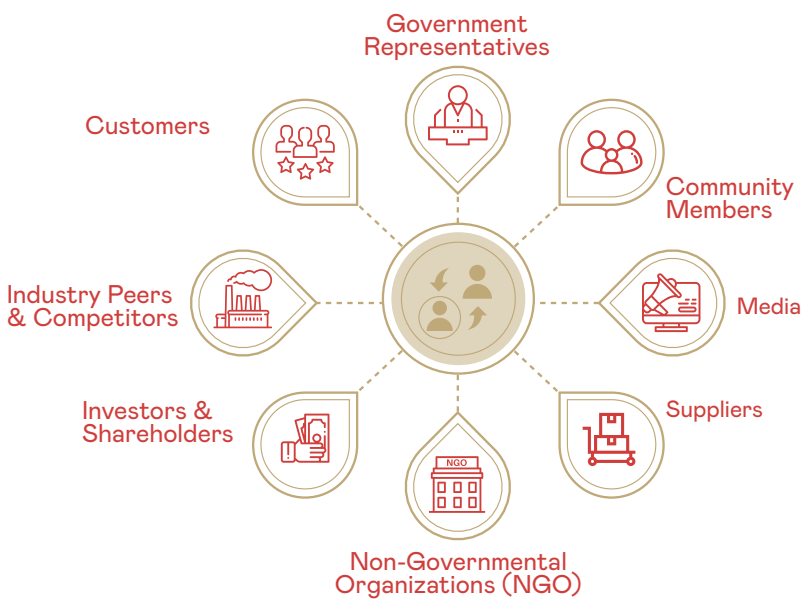
Stakeholder Engagement is the process used by an organization to identify, profile, map, and interact with relevant individuals and groups that are impacted by or have an impact on the organization.

Relevant individuals and groups can be divided into two categories: **internal stakeholders** (within the company) and **external stakeholders** (outside of the company).

Internal Stakeholders:



External Stakeholders:



Stakeholder Engagement Methods[1]

Engaging with internal and external stakeholders can be supported by either one-way information flow or two-way communication.

One-way information flow is information flowing from the company to its stakeholders. Although this method allows the company to provide stakeholders with information, it does not allow for interaction with stakeholders.

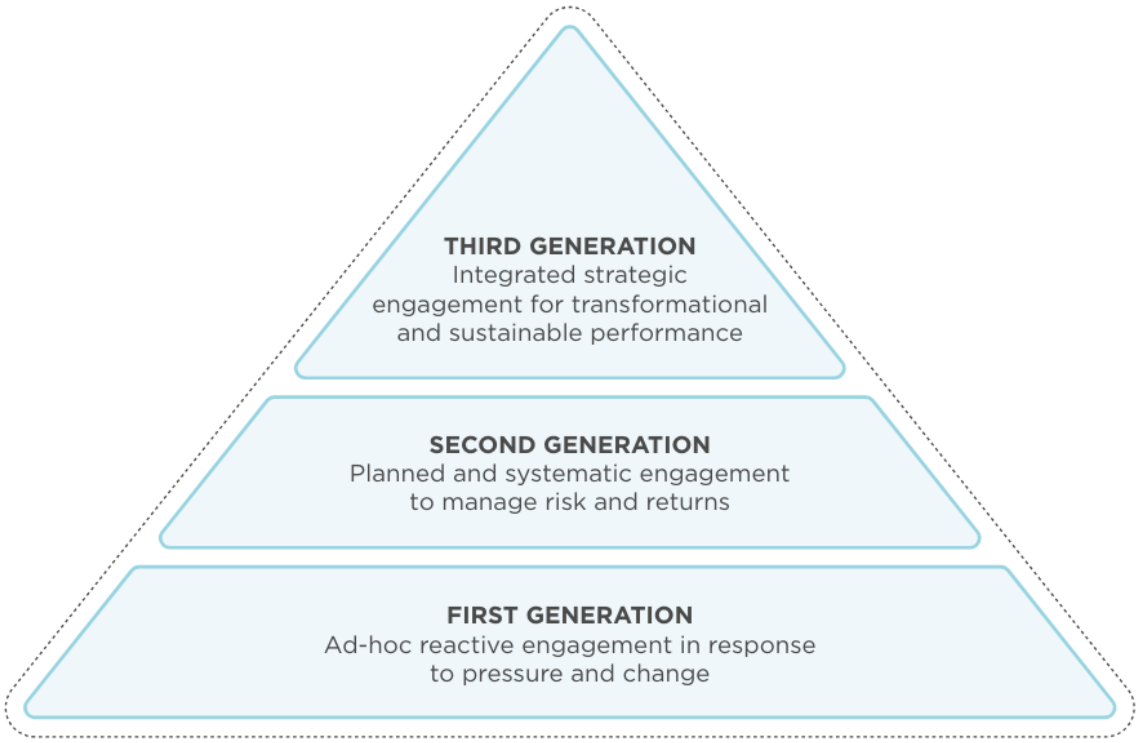
Meanwhile, **two-way communication** adds "mutuality and reciprocity to one-way information flows." It allows stakeholders to offer their input and fully engage with the organization and its business activities.

Two-way communication is typically preferred as it allows for stakeholder interaction. However, the method of stakeholder engagement is ultimately dependent on the circumstance or intention of the communication. For example, when a company wants to inform multiple stakeholder groups of a business update, it may be best to communicate this information via the one-way information flow method. The following graphic shows different types of stakeholder engagement categorized under the two stakeholder engagement methods:



[1] Kujala et al. – Stakeholder Engagement: Past, Present, and Future (2022).

Levels of Stakeholder Engagement



"AA1000 Stakeholder Engagement Standard." AccountAbility, 2015.[2]

The graphic above outlines different levels of stakeholder engagement. A "generation" represents each organization's level of stakeholder engagement which can shift over time. An organization may first start in "first generation" and not have a formalized strategy for stakeholder engagement. However, over time, as the organization conducts more ad-hoc and reactive engagements, the organization may consider the need to mitigate risks and encourage innovation by moving to "second generation" or "third generation" stakeholder engagement where they have systematized or integrated engagement, respectively. It is at the "third generation" level that stakeholder engagement often drives strategic value and operational excellence.

[2] AccountAbility, "AA1000 Stakeholder Engagement Standard." 2015.

Stakeholder Engagement Trends[3]

As highlighted below, external engagement has been shown to be a top priority among C-suite executives and board members, but there is opportunity to further understand the long-term value of these engagements:

1. 51% of survey respondents indicated that external engagement is among their Board of Directors' top priorities.

2. "[O]ne-third of respondents said external engagement is among the top three priorities on their CFOs' agendas."

3. About 30% of survey respondents view external-engagement issues as opportunities to create long-term value.

Despite an increased focus on external engagement, few survey respondents (7%) indicated that their organizations align the interests of stakeholders and the interests of their business. This highlights an opportunity for organizations as they can gain a competitive advantage by enhancing their stakeholder engagement practices.

Stakeholder Engagement Benefits

Stakeholders often have viewpoints that can be missed by companies. Thus, engaging with stakeholders has the potential to bring a wide variety of benefits to organizations. Below are some example benefits organizations may gain from implementing effective stakeholder engagement initiatives:

- Advanced decision making[4]
- Enhanced transparency[5]
- Enhanced accountability[5]
- More robust risk management[5]
- Competitive advantage[6]
- Established credibility and trust[2,5]
- Improved reputation[2,6]
- Identification of material topics

[3]McKinsey – The pivotal factors for effective external engagement (2020).

[4]Noland & Phillips – Stakeholder Engagement, Discourse Ethics and Strategic Management (2010).

[5]Cottrell et al. – Defining the benefits and challenges of stakeholder engagement in systematic reviews (2015).

[6]Scruggs et al. – Why Leading Consumer Product Companies Develop Proactive Chemical Management Strategies (2014).

AA1000 Stakeholder Engagement Standard[2]

The AA1000 Stakeholder Engagement Standard is widely regarded as a global benchmark for high-quality stakeholder engagement. Through a simple, relevant, and practical framework, this standard empowers organizations to implement effective engagement initiatives and turn stakeholders into active contributors to value creation. By conducting stakeholder engagement, organizations can enhance accountability and build trust with stakeholders. For more detailed guidance, please refer to the AA1000 Stakeholder Engagement Standard (AA1000SES).



The AA1000SES is split into three separate sections:

1. Commitment and Integration.
2. Purpose, Scope, and Stakeholders.
3. Stakeholder Engagement Process.

These elements of high-quality stakeholder engagement are outlined in more detail below:

Commitment and Integration

When planning to conduct stakeholder engagement, organizations should first work to commit to conducting the engagement in an inclusive way that addresses material topics, is responsive to stakeholders' concerns, and considers the impacts of the organization's efforts. Once this commitment is established, organizations can work to incorporate stakeholder engagement into the organization's governance, strategy, and management.

A. Commit to the AA1000 AccountAbility Principles

The AA1000 Stakeholder Engagement Standard emphasizes the importance of committing to the AA1000 AccountAbility Principles[7] and integrating stakeholder engagement into organizational governance, strategy, and operations.

Organizations are encouraged to formally commit to the AccountAbility principles outlined in the AA1000 AccountAbility Principles Standard (2018), which include **Inclusivity, Materiality, Responsiveness, and Impact.**

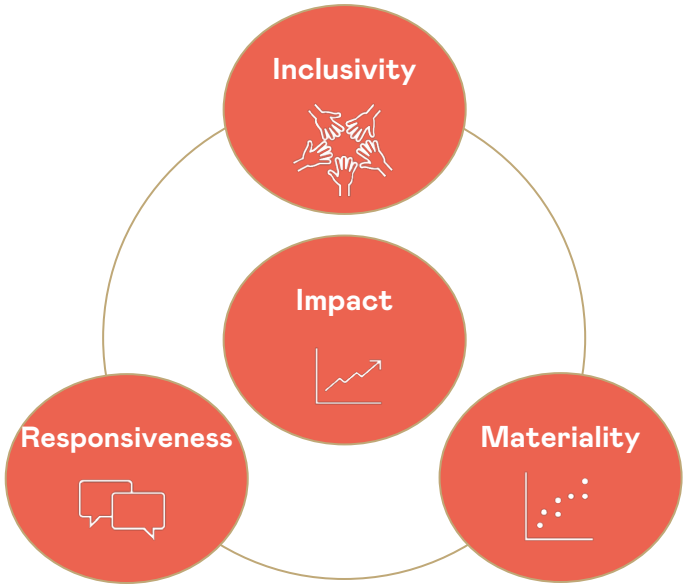
Inclusivity involves the active participation of stakeholders in shaping sustainable responses.

Materiality focuses on identifying issues relevant to the organization and its stakeholders.

Responsiveness entails addressing stakeholder concerns through decisions, actions, performance, and effective communication.

Impact refers to the effects of an organization's behavior, performance and/or outcomes on stakeholders and on the organization itself.

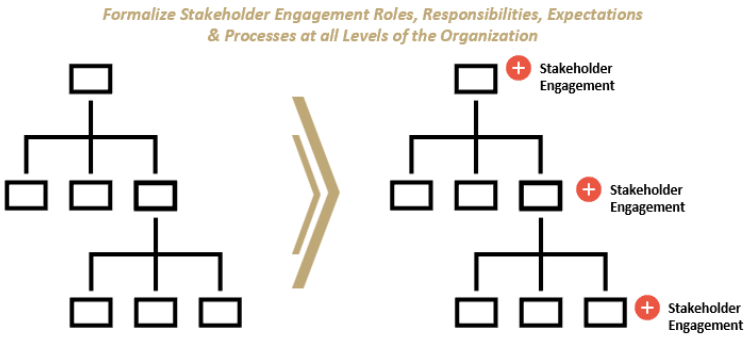
These principles should be communicated both **internally and externally.**



[7] AccountAbility – AA1000 AccountAbility Principles (2018).

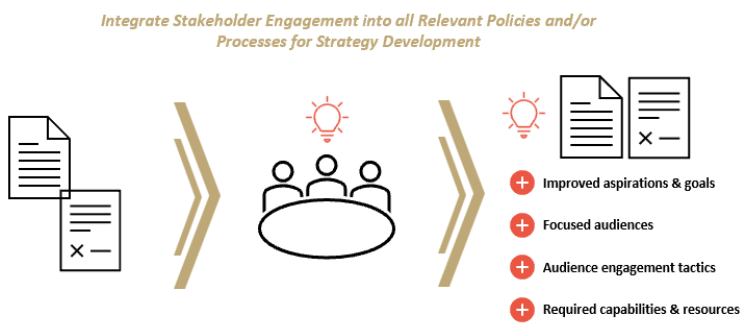
B. Integrate into Organizational Governance

- Organizations should consider working to **integrate stakeholder engagement** deeply into their **governance, structure**, and **pertinent decision-making processes.**
- It's essential that the **views of stakeholders** are **incorporated into the decisions** made by the governing body.
- One way this can be done is by **using material issues** identified through stakeholder engagement efforts t**o help guide decision-making.**
- Moreover, organizational processes and decision-making procedures should systematically **incorporate feedback and insights** obtained from stakeholder engagement activities.



C. Integrate into Organizational Strategy

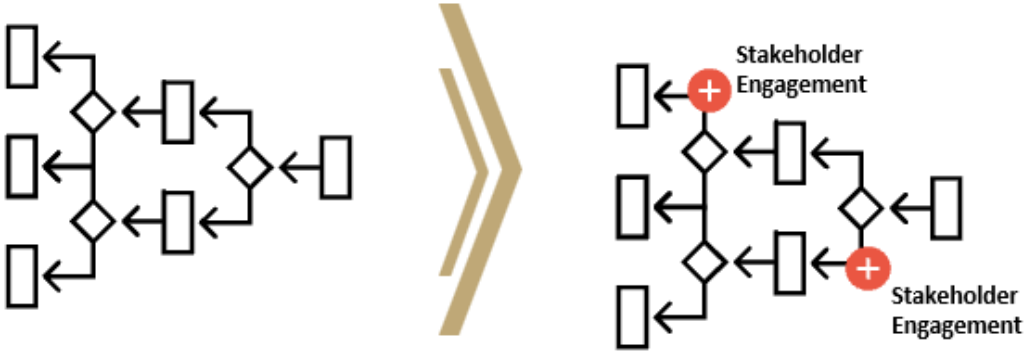
- Organizations should ensure that policies and processes for formulating strategy explicitly **require input from stakeholders.**
- By incorporating stakeholder perspectives into strategy development, organizations can **ensure that they have alignment with stakeholder needs and priorities** to ultimately enhance the effectiveness and relevance of their strategies.



D. Integrate into Operational Management

- The organization should seamlessly **integrate stakeholder engagement** into its **operational management** and **excellence approach.**
- Operational-level management typically holds primary relationships with key stakeholder groups.
- Insights gained from the relationship between operational-level management and key stakeholder groups are valuable assets for the organization.
- These **insights should inform plans and processes for operational management,** contributing to well-managed and coordinated stakeholder engagement that builds trust with both internal and external stakeholders.

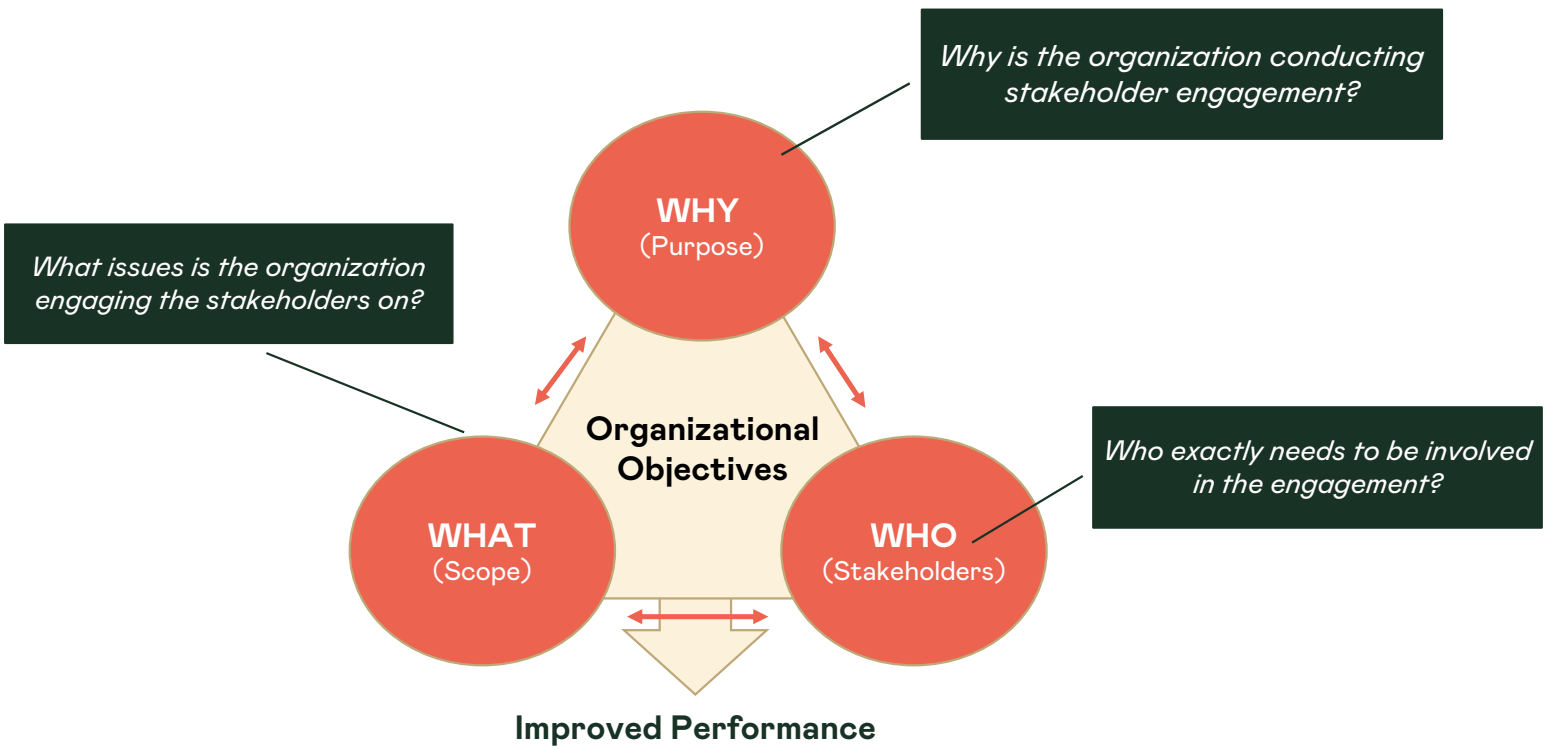
Integrate Stakeholder Engagement into Operational Management and Excellence Approach to Gain Insights for Further Plan Improvement



Purpose, Scope, and Stakeholders

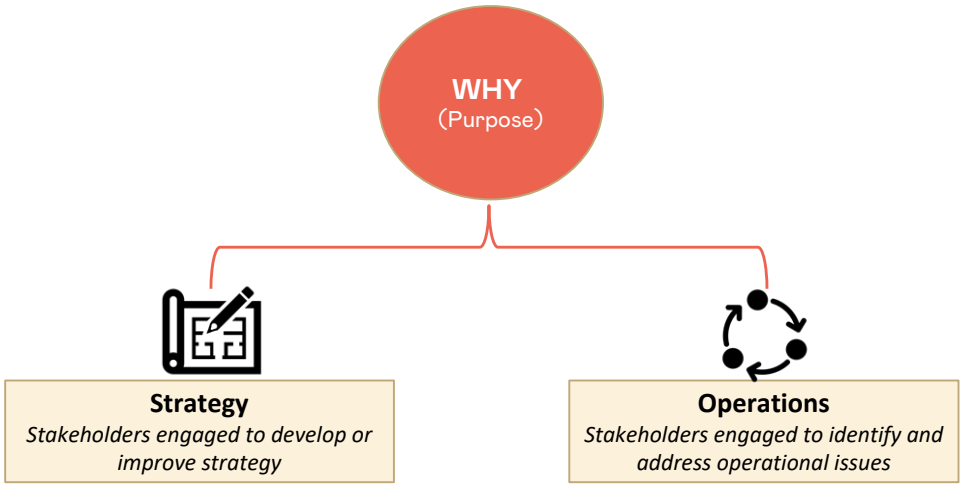
Before conducting stakeholder engagement, the purpose, scope, and relevant stakeholders must be defined. These can be determined by answering the following questions and following the steps outlined below:

1. Why is the organization conducting stakeholder engagement?
2. What issues is the organization engaging the stakeholders on?
3. Who exactly needs to be involved in the engagement?



A. Establish the Purpose of the Engagement

- The **purpose** of the stakeholder engagement should be **clearly defined** and **aligned with the overall strategy** as it is crucial to understand why the organization is engaging with stakeholders and what it aims to achieve.
- The purpose can be related to company activities, specific projects, or organizational needs.
- Generally, stakeholder engagement may be aimed at developing or improving the **organization's strategy** or it may be aimed at identifying and addressing **operational issues.**
- It's important to **involve stakeholders** in defining the purpose of the stakeholder engagement to ensure that the efforts address their concerns or needs.



B. Establish the Scope of the Engagement Associated with the Purpose

- When determining the scope of the stakeholder engagement, it's essential to consider and define the following:

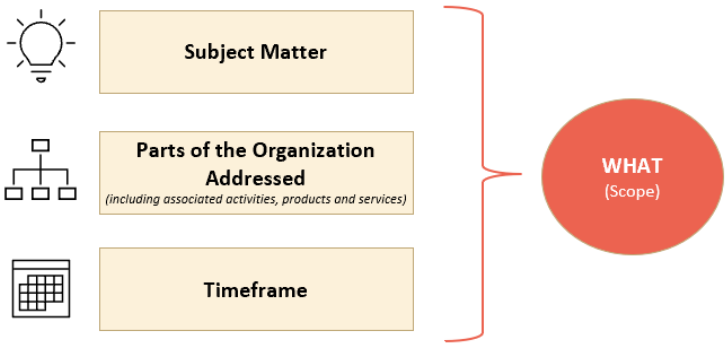
o The **subject matter** under discussion.

o The **specific parts of the organization** involved (e.g., regions, divisions, etc.).

o The **associated activities, products, and services** that will be addressed by the stakeholder engagement.

o The **time frame for the engagement** which is crucial to ensure that stakeholders are engaged at the right stages of the decision-making processes and initiatives.

By defining these aspects, organizations can ensure that their stakeholder engagement efforts are clear, focused, relevant, and aligned with their objectives and priorities



C. Determine the Mandate, Ownership, and Stakeholders of the Engagement

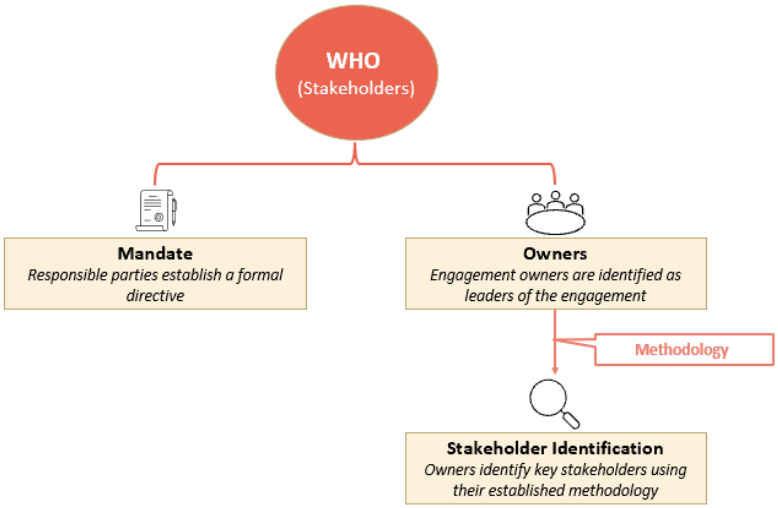
Establishing a **clear mandate and ownership structure** is essential for effective stakeholder engagement processes.

This involves **defining the purpose, scope, and relevant stakeholders** of the engagement, typically determined by the parties responsible for the organization's strategy and decision-making.

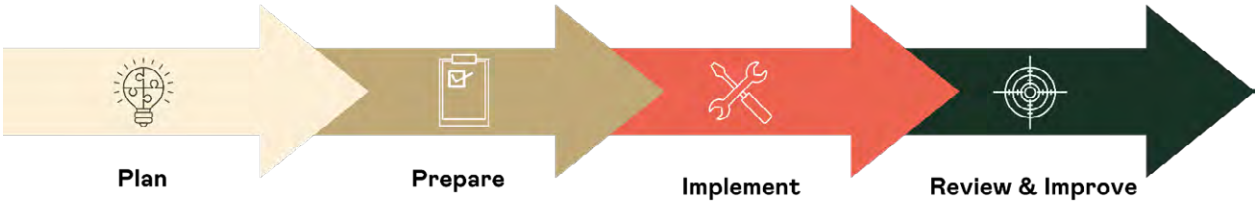
Ownership of the engagement may vary depending on the level of the engagement and may change throughout the engagement to optimize outcomes. For lower levels of engagement, ownership is often vested within the organization, while for higher levels, ownership may be shared and collaborative.

Stakeholders, must be identified systematically using a methodology that considers factors such as dependency, responsibility, tension, influence, and diverse perspectives.

As the engagement progresses, stakeholder identification may evolve based on the **input and feedback received** – an approach that ensures that stakeholder engagement is comprehensive, inclusive, and aligned with organizational goals and value.



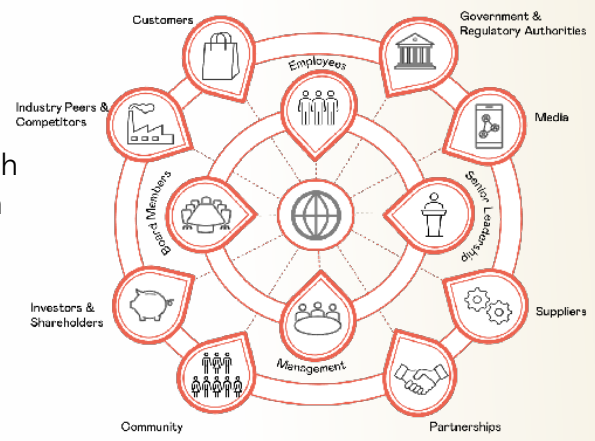
03 Stakeholder Engagement Process



Finally, the organization can work to implement stakeholder engagement using the four-step process outlined below:

A. Plan the Stakeholder Engagement

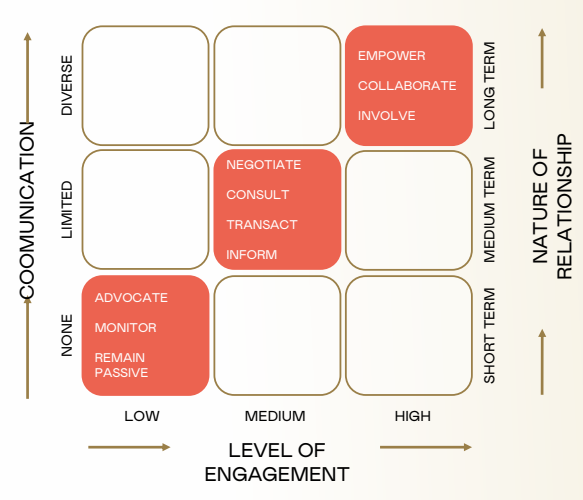
- **Profile** stakeholders, **identify** individual stakeholder representatives, and **map** stakeholders to determine which groups and individuals are most important to engage with in relation to the purpose and scope of the engagement.



- Determine engagement **levels & methods.**

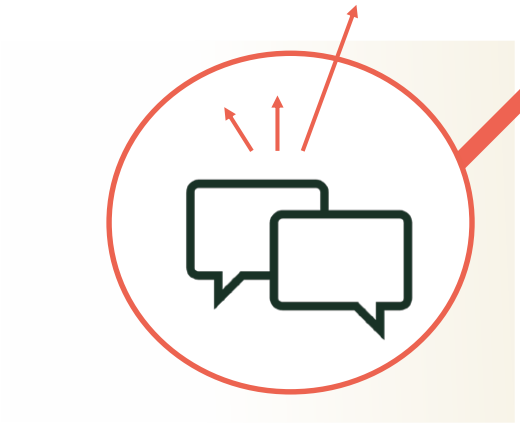
  - The owners of the engagement may choose to engage with the stakeholders in one segment of its stakeholder map at one level and with stakeholders in another segment of the stakeholder map at another.

  - The method of engagement should be selected to best meet the needs, capacity, and expectations of the relevant stakeholder and multiple methods can be selected for any given engagement.



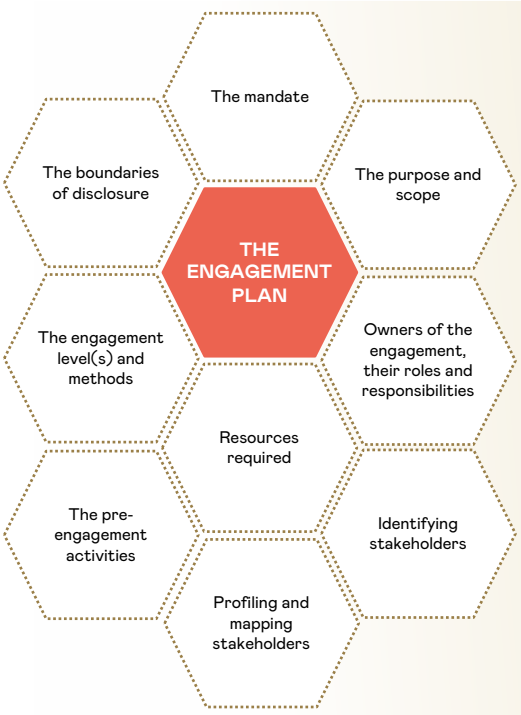
- Establish and communicate **boundaries** of disclosure.

  - Boundaries of disclosure specify what information the owners of the engagement will share with their stakeholders as well as what information stakeholders may share outside of the engagement process.



- Draft the **engagement plan** that is made available to stakeholders and provide stakeholders with the opportunity to provide input into the plan.

  - This draft engagement plan might include items, such as tasks, timelines, ground rules, budget, communication channels, reporting outputs, etc.



- Establish **indicators** for the quality and impact of stakeholder engagement as well as provide stakeholders with the opportunity to provide input on the indicators

2. Prepare

Mobilize Resources

- Outline and document the **necessary resources** in the engagement plan including resources for the **process** itself and for **implementing change** arising from the engagement outcomes.

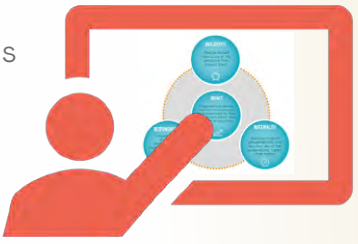
- Secure the necessary resources for the engagement process, encompassing **financial resources,** human resources (including capacity building initiatives), and **technological resources.**



Build Capacity

- Consider the **different stakeholder groups** engaged through the event as [e]ngagement processes are likely to involve a variety of people with different levels of expertise, confidence and experience."[8]

- Address capacity gaps of stakeholders to **avoid their exclusion** and **disengagement** from the stakeholder engagement event as well as reduce associated engagement risks.



[8] AccountAbility – AA1000 Stakeholder Engagement Standard (2015).

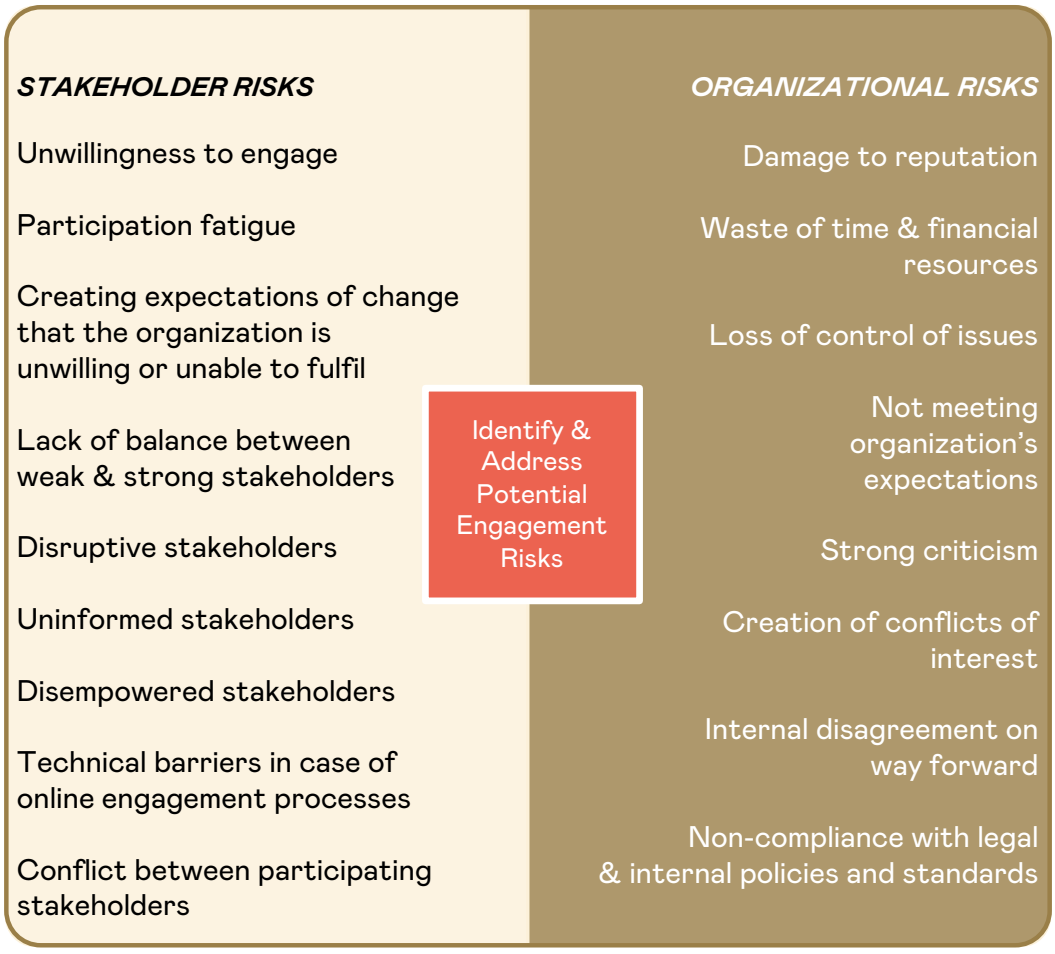
Identify and Prepare for Engagement Risks

- **Establish a robust framework for risk assessment** that is aligned with the organization's **risk management approach** as risk management enables better decisions and represents good management practice.

- **Research the profiles** of the stakeholders and understand the potential for conflict as fully as possible.

- Clearly define the organization's **desired outcomes** from the stakeholder engagement so that the risk assessment considers these internal ambitions.

- Assess the resulting risks to **identify potential challenges** arising from stakeholder engagement and develop contingency plans to mitigate the most likely and impactful risks.



3. Implement

Invite Stakeholders to Engage



- **Invite stakeholders to participate** in the engagement process and **tailor communications** to ensure that they are clear, concise, and relevant to each stakeholder group.

- **Send invitations** to stakeholders and manage follow-ups with the stakeholders using a range of means such as social media and mailing lists.

Brief Stakeholders

- Equip participants with comprehensive **briefing materials** to ensure a productive and successful engagement session.

- Briefing materials should be made available to participants in advance of the engagement sessions and should consider any **language, disability, and literacy issues.**

Engage

- Establish procedural and behavioral **ground rules** that all participants agree upon.

- As a result of stakeholder input, the **purpose** and **scope** of the stakeholder engagement may be revised.

Document the Engagement and Its Outputs

- Document elements of the stakeholder engagement, such as the purpose and aims of the engagement, the methods used, who participated in the engagement, the time frame, a summary of stakeholder concerns, etc.

Develop an Action Plan

- Based on the stakeholder engagement outcomes, **develop an action** plan that translates those outcomes into actionable steps for the organization

Communicate Engagement Outputs and Action Plan

- Provide timely and clear communication to participants outlining the **engagement outcomes** and the organization's corresponding **action plan.**

4. Review and Improve

Monitor and Evaluate the Engagement



- Monitor and evaluate the **overall quality** of the stakeholder engagement, by reviewing the engagement's commitment and integration, purpose, scope, and stakeholder participation. The organization can also review the processes employed, the resulting outputs and outcomes, and the reporting that will or has already been conducted regarding the stakeholder engagement.

Learn and Improve

- **Identify and act on specific improvements** to the stakeholder engagement process using inputs from stakeholders themselves.

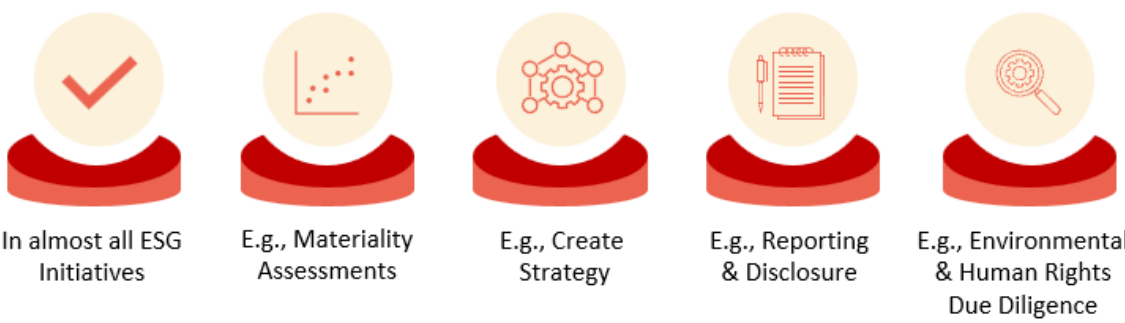
Develop and Follow Up on Action Plan

- Develop a plan that addresses stakeholder input to foster collaborative action planning after the engagement process as well as keeps stakeholders informed of the resulting actions.

Report on Engagement

- Publish a comprehensive engagement report highlighting the **value** derived from the stakeholder participation and the **impact** it has on the organization.

When Should Companies Undertake Stakeholder Engagement[9]



Stakeholder engagement is integral to almost all ESG initiatives. For instance, when looking at materiality assessments, it is crucial that organizations gather and analyze the viewpoints of key stakeholders to ensure that the organization is evaluating risks and opportunities sufficiently. Stakeholder engagement can also be used to inform an organization's strategy to ensure that the business is aligned with stakeholder's wants and needs. It is often the main driver of conducting reporting and disclosure efforts as it is used to provide transparency with stakeholders. Finally, stakeholder engagement is even an integral part of environmental and human rights due diligence processes as stakeholders' concerns and perspectives can be used to help guide the appropriate action.

Stakeholder Engagement Leading Practices

When conducting effective stakeholder engagement, it is important to align with the following leading practices:

- Identify and prioritize stakeholders with whom the organization will engage[10]
- Understand local contexts & identify tailored engagement approaches[11]
- Create open and unified communication channels[12]
- Communicate early and consistently [11]
- Incorporate feedback into decision making processes [12]
- Set objectives, targets and KPIs for the stakeholder engagement process
- Track progress against the identified objectives, targets, and KPIs
- Evaluate, report on progress, and take action to improve the stakeholder engagement process

Through the remaining sections, **key methods** through which stakeholder engagement can be performed are highlighted:

Training and Development	Surveys and Feedback
Policies	Partnerships

[9] BSR – Stakeholder Engagement.

[10] Harvard Business Review – How to Create a Stakeholder Strategy (2023).

[11] University of Oxford – 10 recommendations for best practice stakeholder engagement (2022).

[12] UK Government Communication Service – Ensuring Effective Stakeholder Engagement (2021).



Training and Development

Training and Development Definition

Training and **development** involves a comprehensive, multi-faceted process designed to equip stakeholders with the **knowledge, skills, values, and behaviors** necessary to effectively participate in a collaborative effort.

Training programs can cover a diverse range of topics tailored to the specific needs of internal and external stakeholders. Training fosters strong stakeholder engagement by directly supporting and upskilling stakeholders and providing them with valuable knowledge and skills. This not only strengthens stakeholder relationships but also enhances organizational outcomes. For instance, by implementing training programs such as leadership development for community representatives, sustainability workshops with suppliers or conflict resolution training for employees, organizations can ensure that stakeholders are aligned with their values and long-term strategic goals.

Considerations for Training Plan Development

A **training plan** details the process, methods, and specifics for the implementation of training sessions. Developing an effective training plan requires close consideration of the needs of the stakeholders as well as the resources and goals of the organization. The following questions can serve as a starting point for the development of a robust training plan:[13]

- What skills are my organization's stakeholders missing?
- Which skills and stakeholders should my organization prioritize?
- What would be the most effective way to communicate this information?
- What resources does my organization currently have that could be used in this effort?
- What resources does my organization need to obtain to conduct this effort?

[13] National Institute of Corrections – Engage Stakeholders.

By thoughtfully considering these questions, organizations can craft training plans that effectively address stakeholder needs, align with organizational goals, and utilize resources efficiently. While these considerations can serve as a starting point, developing a stakeholder engagement training program should involve additional considerations, such as those highlighted below.

Elements of Training

Effective stakeholder engagement hinges on delivering impactful training programs. To achieve this, two crucial elements must be considered: **bespoke training content and appropriate delivery methods.** Tailoring content to address stakeholder needs and limitations ensures that the training resonates and imparts relevant learnings. Further, by carefully selecting delivery methods that align with stakeholder preferences and access, organizations can maximize engagement and ensure that the knowledge and skills acquired are effectively absorbed.

Training Content

Training content should focus on material topics that are relevant to both the stakeholders and the organization. The following programs highlight a few examples of topics that can be covered:

Sustainability Fundamentals[14][15]

- These programs might cover core sustainability principles such as environmental protection, social responsibility, and ethical sourcing practices, as well as how the organization and its stakeholders are impacted by these topics and are addressing them.

Compliance Regulations

- These training sessions might work to equip stakeholders with awareness of relevant regulations and industry standards, as well as clarify stakeholders' responsibilities for supporting compliance.

[14] Hasselbalch et al. – Examining the relationship between the barriers and current practices of sustainable procurement: A survey of un organizations (2014).

[15] Sarkis et al. – Stakeholder Pressure and the Adoption of Environmental Practices: The Mediating Effect of Training (2010).

Best Practices and Innovation

- Programs covering these topics might showcase industry best practices in sustainable production, waste reduction, energy efficiency, social responsibility within the supply chain, etc. in order to inspire stakeholders to adopt innovative approaches for improved sustainability performance.

Delivery Methods

The training delivery method should be chosen based on factors, such as stakeholder needs, access limitations, availability constraints, and individual comfort levels. The following are example delivery options that can be considered:

Online Learning Platforms[16]

- These platforms offer on-demand training modules, providing stakeholders with the flexibility to complete training at their own pace and from any location.

Webinars and Live Sessions

-Webinars and live training sessions can offer a dynamic learning experience.

- Experts can present as well as facilitate real-time question and answer sessions with participants.

Blended Learning Approaches

- Blending online modules, interactive sessions, and even in-person workshops creates a well-rounded training experience that caters to diverse learning styles and allows for deeper exploration of the content topics.

[16] Bluestone at al. – Effective in-service training design and delivery: evidence from an integrative literature review. Human resources for health (2013).

Types of Training Content

Effective stakeholder engagement relies heavily on well-designed training programs.

These programs should go beyond simply conveying information, and instead work to cultivate the knowledge, skills, and mindsets of stakeholders so that they are able to actively participate in and contribute to the organization's ESG efforts. Below are three key types of training content:[17][18]

1. Knowledge development (content and procedural)
2. Professional and technical skill development
3. Soft skill development

Knowledge Development

Knowledge development training provides education on topics and actions relevant to the organization and its stakeholders. This information can be presented as either content knowledge (knowledge of topics) or procedural knowledge (knowledge of how topics can be addressed). **Content knowledge** trainings provide an education on topics that are pertinent to the organization and its stakeholders, such as biodiversity loss, climate change, etc. **Procedural knowledge** trainings provide an education on the different methods of managing topics, such as equipping participants with an understanding of strategies and action steps that they can take to help reduce their organization's impact. Example knowledge development programs include:

- **Training on Sustainability Best Practices[14][15]**

  - Training on environmental and social responsibility topics and standards for organizations and their supply chains.

- **Compliance and Onboarding Programs**

  - Modules on product safety, labor laws, company expectations, tools, etc.

- **Cybersecurity Awareness Training[19]**

  - Training to educate stakeholders on cybersecurity threats and best practices.

[17] Ulmer et al. – Stakeholders and procedures in the development of national training standards - a European comparative study (2021).
[18] Dirksen, J. – Design for How People Learn (2015).

Professional and Technical Skill Development

Professional and technical skill development training works to develop participants' skill sets to tackle new challenges and empower them to make meaningful contributions to their daily work. Technical skill development training provides education on developing relevant technical skills to tackle the needs of the organization or community (e.g., climate change, data analysis, etc.). Example professional and technical skill development programs include:

- **Technical Skills Development**[20]

  - Programs to equip stakeholders with relevant technical skills such as data analysis along with procedures to implement these skills

- **Innovation workshops**[21]

  - Events to foster collaboration and explore strategies to bring innovation into stakeholder work

- **Business Continuity Planning**[19]

  - Modules to help stakeholders prepare for and implement processes to address disruptions and ensure business continuity

Soft Skill Development

Soft skill development training works to foster skills among participants that can help them improve as workers generally. For instance, soft skill development programs can include education that develops leadership mindsets[22] to build confidence and help employees contribute effectively to their team and overall organization. Example soft skill development programs include:

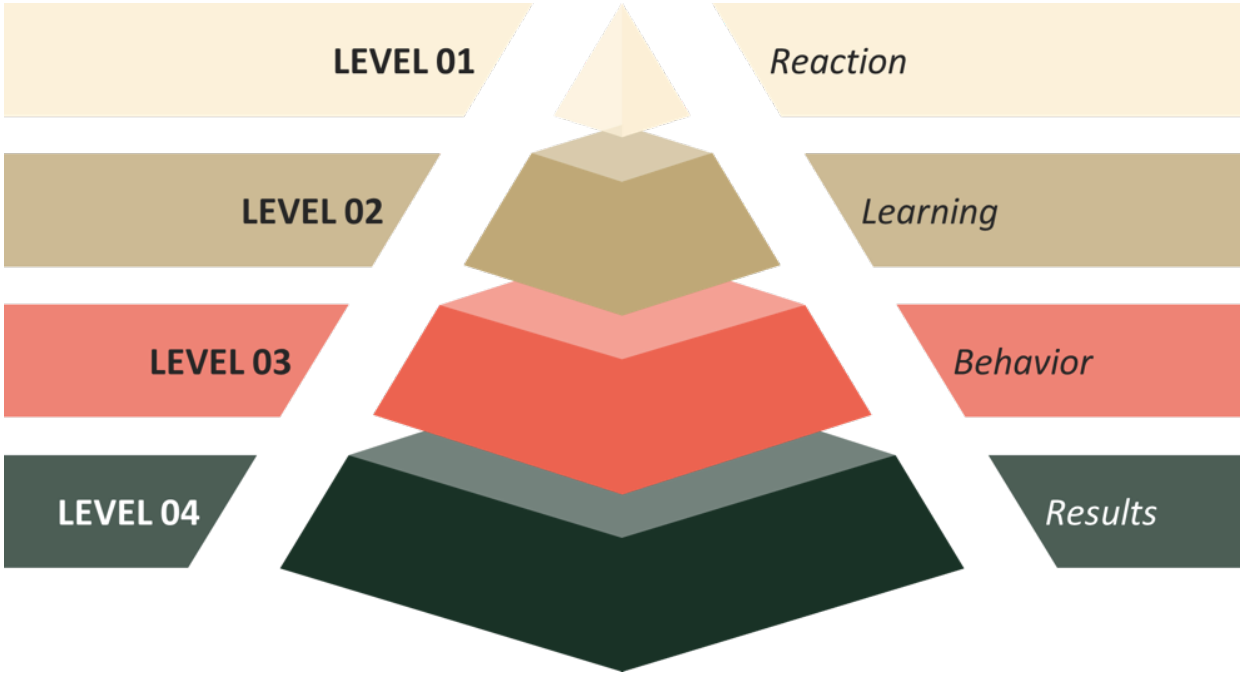
- **Mentorship Programs**[20,23]
  - Programs to provide professional, business, and/or career development.
- **Leadership Development Programs**[20]
  - Workshops and mentorship opportunities to cultivate strong leadership skills through education on communication, leadership, and collaboration
- **Public Speaking Programs**
  - Trainings to improve the public speaking abilities of employees and other stakeholders through education on both how to deliver speeches and cultivate engaging content

By incorporating these three key content areas into stakeholder training programs, organizations can empower their stakeholders with the knowledge, skills, and leadership qualities necessary to navigate the complexities of business operations. Ultimately, well-designed stakeholder training programs equip participants to become active partners in achieving an organization's goals.

[19] Cisco – FY23 Purpose Report (2023).
[20] Boeing – 2023 Community Impact Portfolio (2023).
[21] Microsoft – Microsoft Modern Work Discover workshops.
[22] Cedefop – Guiding principles on professional development of trainers in vocational education and training.
[23] PwC – Access Your Potential.

Kirkpatrick's Model (for Training Evaluation)

The Kirkpatrick's Model is a tool for designing feedback collection and evaluating and analyzing the results of training and learning programs. This model can help organizations design survey questions to assess the outcomes of training programs and identify the extent to which learners are able to use the training in their work. It assesses the programs against four levels, as shown in the graphic below:[24]



Level 1: Reaction

The first step of the model is to **gauge participants' initial impressions, feedback, and satisfaction** with the learning engagements. This can be evaluated via methods, such as short **surveys and feedback forms** with open-ended questions. For instance, such a survey may ask, "On a scale of 1-5, how satisfied were you with the training materials?" Assessing participants' reactions can provide the organization with immediate feedback regarding their experiences as well as identify areas for improvement in training delivery.

[24] Kirkpatrick Partners – The Kirkpatrick Model.

Level 2: Learning

The next step in the model is to **assess whether participants gained the knowledge and skills that were intended to be imparted.** This can be evaluated through methods, such as **quizzes, knowledge tests, or role-playing exercises** to demonstrate acquired skills. Conducting this step can help to measure the effectiveness of the knowledge transfer and skill development of participants as a result of the training.

Level 3: Behavior

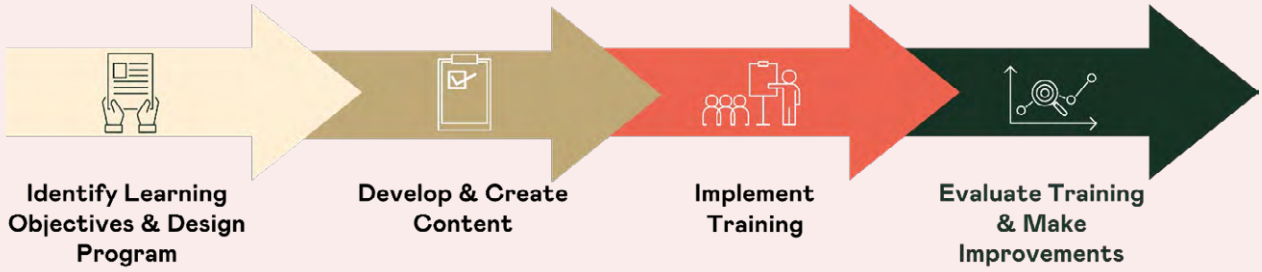
The third step of the model is to **evaluate whether participants apply the learned knowledge and skills to their jobs** or other relevant areas. This can be evaluated through methods, such as **self-reported behavior change** (gauged through surveys), **observing participants** applying these new skills to their work environment, or **obtaining manager feedback** on participants' behavior change. Conducting this step can help organizations measure the transfer of skills to actual work practices as well as identify areas where updates might need to be made.

Level 4: Results

The final step of the model is to **assess the ultimate impact of the coaching, mentorship, and training programs on the organization's performance.** This can be evaluated through methods, such as reviewing customer satisfaction surveys, business metrics, and data on operational productivity. For instance, organizations may assess the improvement of customer satisfaction ratings attributed to the training or changes in employee productivity after the training. Conducting this step can help organizations evaluate the return on the investment of the training.

Training Implementation Process[25]

Organizations that plan to engage stakeholders through training programs can do so following the four-step process below:



1. Learning Objectives and Program Design[26]

- Define **Specific, Measurable, Achievable, Relevant, and Time-bound** (S.M.A.R.T) learning objectives for the program

- Select the **appropriate content** (e.g., technical skills, soft skills, etc.) and **delivery methods** (e.g., eLearning, in-person workshops, etc.) for the program to ensure that it is aligned with the identified objectives as well as the learning styles of the participants.

2. Development and Content Creation[27]

- Create **engaging and effective learning materials,** such as presentations, simulations, case studies, e-learning modules, etc.

- **Tailor** the content and complexity of the training programs to the **size, industry, and capabilities** of the stakeholders.

- Involve **subject matter experts** (e.g., company employees, external consultants, etc.) to review, provide recommendations, and verify the content, if applicable.

3. Implementation and Delivery[28]

- Conduct a **pilot session of the training** with a small group to identify and address any content or delivery issues, if applicable.

- Implement the training by using the chosen trainers and methods identified.

- Build collaboration amongst stakeholders through **knowledge-sharing** Workshops and **capacity-building initiatives** to empower them to implement sustainable practices effectively. [29]

[25] Blanchard & Thacker – Effective Training: Systems, Strategies, and Practices (2019).
[26] ATD Research – Skills, Challenges, and Trends in Instructional Design (2015).
[27] Cedefop – Guiding principles on professional development of trainers in vocational education and training.
[28] Harvard Business Review – Build Learning into Your Employees' Workflow (2022).
[29] Harvard Business Review – Help Your Employees Develop the Skills They Really Need (2023).

4. Evaluation and Improvement[30]

- **Track the progress** and **participant learning outcomes** of the training to ensure that the training is having the desired results and to make any necessary adjustments

- Use **training evaluation tools** (e.g., Kirkpatrick's Model for Training Evaluation) to assess participants' reactions, learnings, behavior changes, and business results

- Gather feedback from participants and trainers, and use this information to **refine the program** for future iterations

Training and Development Benefits

Training and development have been seen to bring companies several direct and indirect benefits, such as:

1. Upskilling employees and suppliers[31][32]
2. Improving problem-solving and decision-making
3. Strengthening brand reputation and social license to operate
4. Supporting stakeholder alignment to the organization's mission, vision, goals
5. Improving financial performance
6. Enhancing understanding and trust among stakeholders[31]

Training and Development Leading Practices

To implement training and development effectively, the following leading practices can be considered:

1. Identify stakeholder groups and the specific knowledge, skills, and capabilities they need.[33][34]
2. Prioritize stakeholders and the associated trainings that will be conducted for them
3. Understand local contexts and create tailored content[34]
4. Identify the accessibility needs of stakeholders through a needs assessment
5. Choose methods for the training (surveys, workshops, etc.) that cater to stakeholder accessibility needs
6. Use feedback from training sessions to continuously improve the content & delivery methods

[30] Kirkpatrick, D. L. – Evaluating training programs: The four levels (3rd ed.) (1994).
[31] Sequeira & Warner – Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets (2007).
[32] Rhodes et al. – A framework for stakeholder engagement and sustainable development in MNCs (2014).
[33] Oluwaseun – Employee Training and Development as a Model for Organizational Success (2018).
[34] Ongori & Nzonzo – Training and Development Practices in an Organization: an Intervention to Enhance Organizational Effectiveness (2011).

Local Case Study: Saudi Aramco

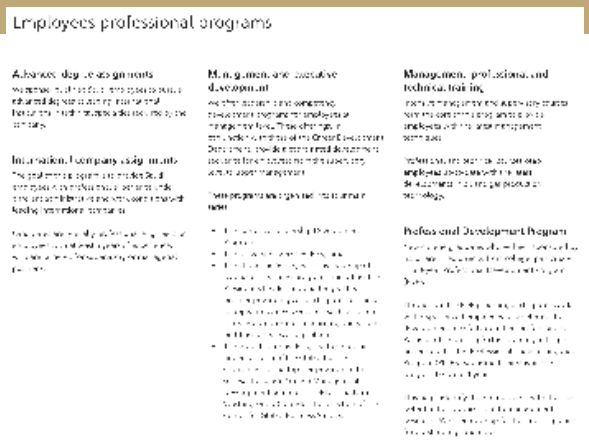
Saudi Aramco displays the following leading practices through its work: [35,36]

· Saudi Aramco conducts safety training and certification through **Virtual Reality** in a collaborative environment to educate employees

· The organization partners with top-ranked business schools like Harvard, Wharton, London Business School, etc. to provide leadership training through **The Leadership Center**

· Through strategic partnerships with government entities and the private sector, Saudi Aramco has established National Training Centers to support **training for Saudi nationals so that they can join different industry sectors**

· In 2022, the company invested over $200 million in **executive leadership programs, regular development programs, non-employee programs,** etc. indicating a clear dedication towards training and development


Employees professional programs

"Employee Training Programs".
Aramco Action



"Aramco Sustainability Report".
Aramco. 2022.

[35] Aramco – Aramco Sustainability Report (2022).
[36] Aramco – Employee training programs.

Global Case Study: Apple

Apple displays the following leading practices through its work:[37]

· Apple has developed and established clear Supplier Responsibility Standards[38] which outline their ESG expectations of suppliers

· The company provides online and in-person training modules to ensure suppliers understand and comply with these Standards

· Apple tracks supplier participation in the training and conducts audits to ensure compliance with their Standards

· This program empowers suppliers to improve their ESG practices, and fosters a more sustainable and responsible supply chain



"Apple Supplier Responsibility Standards".
Apple 2020.



"2024 Annual Progress Report".
Apple 2024.

[37] Apple – Supply Chain Innovation.
[38] Apple – Apple Supplier Responsibility Standards (2020).

Reflection Questions

My Organization

- Which stakeholders does your organization currently conduct training sessions for?
- How does your organization select training content for each training session?
- What are some other stakeholders you would like your organization to involve through training, development, and education sessions?

My Role

- What are the best training sessions you have attended? What elements do these sessions have in common?
- What are some ways in which you can train your team? What are some ways you would like to be trained by your team?



Surveys and Feedback

Surveys Definition

Surveys are a systematic method of **collecting information** from a **defined group of stakeholders.** They allow organizations to gather a **broad range of perspectives** and **data points** on various topics relevant to the organization, its impact, and its practices.

Organizations can work to ensure that their surveys have structured data collection processes, are scalable, and can provide qualitative and quantitative findings. Incorporating standardized questions can help support consistency and facilitate streamlined data analysis. Further, ensuring that surveys can reach a large number of stakeholders efficiently can support organizations in gaining insights from a wider audience. Finally, designing surveys to collect both quantitative data (numerical responses) and qualitative data (descriptive responses) can provide organizations with a more comprehensive understanding of stakeholder perspectives.

Types of Surveys

Organizations can customize surveys to their needs by strategically selecting the type of survey they use. Three types of surveys organizations may consider using in stakeholder engagement efforts include perception surveys, satisfaction surveys, and needs surveys.

Perception Surveys

Perception surveys can be used to gauge stakeholder understanding and awareness of an organization as well as its projects, initiatives, etc. This type of survey can also help assess the quality of an organization's relationships with stakeholders and identify areas for improvement.[39]

Questions that organization might ask in this type of survey include:

- "What are your initial thoughts on [company name]?"
- "How familiar are you with our [project name]?"
- "To what extent do you feel your voice is heard by our organization?"

Satisfaction Surveys

Satisfaction surveys can be used to help measure stakeholder satisfaction with an organization's performance on specific issues as well as the quality of the organization's relationships.[39] This type of survey can help identify areas that organizations can improve in order to enhance stakeholder satisfaction and allow for continuous tracking of satisfaction levels over time. Questions that organizations might ask in this type of survey include:

- "How satisfied are you with [company name]'s recent environmental initiatives?"
- "Would you recommend [company service name] to others?"

Needs Surveys

Needs surveys can support organizations in better understanding stakeholder priorities and concerns regarding the organization or project. The learnings from these surveys can help organizations tailor engagement strategies to address stakeholder priorities and build trust. Questions that organizations might ask in this type of survey include:

- "What are the most important issues for you when considering [company name]'s practices?"
- "What specific needs do you have in relation to [project name]?"

[39] Sequeira & Warner – Stakeholder engagement: a good practice handbook for companies doing business in emerging markets (2007).

Survey Design and Implementation Process



To create effective and strategic surveys, organizations can follow six key steps:

Define Your Goals[40,41]

- Define a clear set of objectives before conducting survey development so that key questions are less likely to be overlooked
- Set goals using the S.M.A.R.T (Specific, Measurable, Achievable, Relevant, and Time-bound) method. Below are example considerations organizations may review when setting these goals:

Specific

- What specific information does your organization want to gather? (e.g., employee satisfaction with work-life balance, stakeholder perceptions of a new environmental initiative, etc.)

Measurable

- How will your organization measure success? (e.g., response rates, satisfaction scores, open-ended feedback themes, etc.)

Attainable

- Set achievable goals within a realistic timeframe

Relevant

- Align goals with the overall project or organizational objectives

Time-bound

- Establish a clear deadline for completing the survey

Identify Your Audience

- Identify the **groups of audiences** who will participate in each survey (e.g., employees, customers, investors, community members, etc.) and customize the survey content accordingly[42]
- Identify **specific characteristics of each group,** such as their demographics, department, tenure, role, interests, etc.

Choose the Right Survey Format

- Choose the survey format based on the **perceived needs, convenience, and accessibility requirements** of the stakeholder groups as well as the **organization's resource availability.**
- Consider using a mix of question formats, such as multiple-choice questions, Likert scales, and open-ended questions for both quantitative and qualitative data.
- Increase reach and cater to different participant preferences by using a **mix of survey methods,**[40] such as online and paper surveys. Online surveys may be more convenient for stakeholders to use and for the organization to analyze the results of, while paper surveys may be suitable for participants of specific demographics or those who have limited internet access.
- Craft **clear and concise questions** by framing and articulating questions clearly.
- Ensure the **anonymity and confidentiality** of participants (if required) and clearly explain how participant responses and data will be used and protected.

Pilot Test and Disseminate[41]

- Conduct a **pilot test** with a small group from different stakeholder segments to identify any issues
- **Revise** and **refine the questions** based on the pilot test feedback
- **Decide how the audience will be reached,** and distribute the survey
- Provide participants with clear instructions regarding the purpose of the survey, timelines and deadlines, how the results will be used, etc.
- Use **different means** to distribute the survey (through team leaders, via email, at workshops, etc.) and clearly highlight when the survey must be completed to encourage participation

[40] SurveyMonkey – Setting a goal for your survey.
[41] OECD – Good Practices in Survey Design Step-by-Step (2012).
[42] Qualtrics – Employee engagement surveys: what questions to ask.

Analyze and Take Action

- Analyze the data to **identify trends and key insights** using available tools (many survey platforms offer built-in analytics)
- Develop an **action plan** based on the feedback received and address areas for improvement

Report Results

- Prepare **clear and concise reports** with applicable visuals (e.g., charts, graphs, etc.) summarizing the findings so that the organization can use the information for improvements to processes, strategies, etc.[42]
- **Communicate the results** and **how the results will be used** to stakeholders through various channels.

Surveys and Feedback Benefits

Organizations may decide to conduct stakeholder surveys for a variety of reasons. Some of the benefits of undertaking survey and feedback efforts include:

- Identifying and addressing areas of improvement for stakeholders.[44][45]
- Increasing trust & transparency.[45]
- Demonstrating accountability & measuring impact.
- Enhancing decision-making.[45]
- Aligning organizational projects with identified needs.

Surveys and Feedback Leading Practices

When implementing stakeholder surveys, organizations can consider using the following practices to elevate the stakeholder experience as well as the quality of the resulting data and outputs

- Use multilingual surveys to ensure diversity in feedback and the inclusion of stakeholders.
- Refine the survey using a pilot test[43].
- Use survey findings to improve customer experience.[46]
- Use survey findings to update the organization's strategy or action plan and communicate these efforts[46][47].
- Provide transparency on the actions implemented in response to obtained feedback through customer-facing reports.

[43] OECD – Good Practices in Survey Design Step-by-Step (2012).
[44] Sequeira & Warner – Stakeholder engagement: a good practice handbook for companies doing business in emerging markets (2007).
[45] PwC – Stakeholder engagement: How we engage (2016).
[46] Govt.uk – How we are improving GOV.UK Pay with user satisfaction feedback (2024).
[47] Govt.uk – Roadmap.

Surveys and Feedback in Action

Local Case Study: solutions by stc

solutions by stc displays the following leading practices through its work[48]:

· solutions by stc prioritizes creating a **favorable work environment** to retain current employees and attract new talent

· To achieve this goal and to "drive greater engagement and contribute to optimal performance," **employee satisfaction surveys are regularly conducted** to gather feedback on the employee experience at the company

· "A Quarterly Assessment is also carried out amongst **female employees**; the most recent assessment recorded an 84% satisfaction rate regarding the work environment in solutions by stc."



"Performance Report".
solutions by stc. 2022.

[48] solutions by stc – Performance Report (2022).

Global Case Study: Nike

Nike displays the following leading practices through its work[49]:

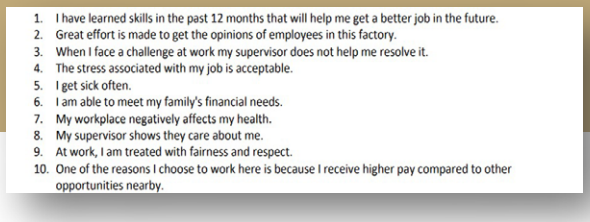
· Over the past five years, Nike **developed and implemented the Engagement and Wellbeing (EWB) Survey** "for factory management to gain a holistic understanding of the experience of employees within a factory."

· The company used **extensive piloting** to ensure accurate and actionable results by testing it with suppliers and other organizations

· "The survey identifies opportunities for managers to better support their employees, catalyzes two-way communication, and helps **build trust by providing a place to anonymously share perspectives and feedback.**" [50]



"Prioritizing Worker Engagement and Wellbeing"
Nike.



"Creating A Skilled, Valued & Engaged Workforce".
Nike. 2019.

[49] Nike – Prioritizing Worker Engagement and Wellbeing.
[50] Nike – Creating a Skilled, Valued & Engaged Workforce.

Reflection Questions

My Organization

- Who are the key stakeholders your company engages with through surveys?
- What are some best practices you have observed organizations do while conducting surveys? How have you seen survey results used?

My Role

- What is one takeaway from this section that you would like to use in your work or your team's work?
- What are some best practices for creating surveys that you would like to try when you or your team create(s) one next?



Policies

Policies Definition

Policies pertaining to engagement often outline the **values, rules, standards, and principles** of an organization and **what is expected** of stakeholders (e.g., employees and suppliers) when they engage with the organization. [51]

Policies that organizations may use to engage with stakeholders include **Code of Ethics, Code of Conduct,** and **Responsible Purchasing Policy.**

Code of Ethics Definition [52]

A **Code of Ethics** outlines **principles and values** of an organization to help guide professionals in conducting business honestly and with integrity.

A Code of Ethics provides organizations with an opportunity to articulate the fundamental mission and values of their organization. This allows stakeholders to further understand the organization as well as incorporate these principles and values themselves. By adhering to the principles and standards outlined in the Code of Ethics, stakeholders can help uphold the organization's ethical standards as well as foster trust.

[51] U.S. Department of Labor – Steps Toward a Worker-Driven Social Compliance System.
[52] Investopedia – Code of Ethics: Understanding Its Types, Uses Through Examples (2023).

Code of Ethics Example Elements [53]

A Code of Ethics typically comprises of several key elements, one of which is the articulation of **company values,** which may encompass the organization's mission statement, vision, core values, and guiding principles. These values serve as a foundational framework for decision-making and behavior across the organization.

Additionally, a Code of Ethics often includes a **leadership letter** which is typically written by senior executives or the CEO. This letter often communicates the significance of the ethics, the stakeholders the policy applies to, as well as underscores the commitment of leadership to uphold ethical standards. This introductory message sets the tone at the top, emphasizing the organization's dedication to integrity throughout its value chain.

By incorporating these elements into a Code of Ethics, organizations aim to foster a culture of integrity, accountability, and ethical responsibility among employees, ultimately contributing to sustained trust and reputation within the broader community.

Code of Conduct Definition [54]

A **Code of Conduct clarifies** an organization's mission, values and principles, **linking** them with **standards of professional conduct.**

Although some organizations publish a Code of Ethics, a Code of Content, or combine both into one document, it is important to highlight the difference between the two. While a Code of Ethics sets out the fundamental principles and values that guide decision-making across an organization, a Code of Conduct connects these principles to specific expectations for behavior among employees and stakeholders. Organizations also may publish a Code of Conduct specific for their suppliers. The Supplier Code of Conduct is designed to ensure that suppliers adhere to high standards of safety, fair treatment of employees, ethical practices, etc. [55]

When creating a Code of Conduct, it's crucial to clarify the policy's objectives, gather input from various organizational levels, stay informed about industry regulations, and communicate clearly and simply to stakeholders. The policy serves as a benchmark for measuring individual and organizational performance and facilitates discussions on ethics and compliance. [56]

Further, a Code of Conduct acts as both an internal guideline and an external statement of corporate values and commitments. For instance, externally, the policy can demonstrate compliance with legal mandates, showcase the organization's mitigation of financial risks associated with unethical behavior, etc. By investing in a professional, user-friendly Code of Conduct, organizations can foster a culture of integrity, accountability, and ethical responsibility, that enhances trust among the organization and its stakeholders.

Code of Conduct Example Elements [57]

A comprehensive Code of Conduct encompasses various elements crucial for fostering a strong organizational culture. One common element is the establishment of a robust **reporting mechanism** that highlights communication channels to report improper behavior or express concerns confidentially. In addition, another aspect of a Code of Conduct can be **guidance on external communication** that might highlight how to conduct PR, advertising, and other communication activities on behalf of the company. The policy can also address **third-party engagements** by outlining how relationships with stakeholders such as customers, suppliers, and vendors should be appropriately conducted.

Collectively, these elements can support a policy that helps contribute to a culture of integrity, accountability, and ethical responsibility within the organization as well as fosters trust and transparency both internally and externally.

[53] Deloitte – Suggested guidelines for writing a code of ethics/conduct (2009).
[54] Ethics and Compliance Initiative – Developing An Organizational Code Of Conduct.
[55] EcoVadis – Supplier Code of Conduct (2009).
[56] Ethics and Compliance Initiative – Organizational Code of Conduct Construction and Content

Supplier Code of Conduct Example Elements[58]

A comprehensive Supplier Code of Conduct can encompass a variety of elements, such as highlighting labor practices, environmental policies, as well as identified processes for assessing suppliers against the policy. By including **labor practices** within the Supplier Code of Conduct, organizations can provide guidance on how they expect suppliers to comply with child labor laws, anti-discrimination practices, and more. Having an **environmental policy** as part of the Supplier Code of Conduct can help suppliers understand the importance of environmental protection to the organization's value chain and the standards they expect their suppliers to adhere to. Finally, a Supplier Code of Conduct can also highlight its **review against documentation policies** to ensure suppliers are aware of how the organization will monitor and assess the supplier's performance against the Supplier Code of Conduct. Collectively, these elements can contribute to a robust Supplier Code of Conduct that fosters a sustainable and responsible supply chain.

Supplier Code of Conduct Example Resources for Action[58]

When establishing a Supplier Code of Conduct, it may be beneficial to leverage resources that are recognized as international standards in labor and environmental practices. For labor standards, organizations can refer to established standards such as **the United Nations Global Compact, the Universal Declaration on Human Rights, and the International Labor Organization's conventions.** Similarly, organizations can consider environmental and social standards through certifications like **ISO 14000** and **Social Accountability International (SAI)'s SA8000.** Finally, organizations may also use **supplier ratings** (provided by platforms like EcoVadis) to help identify the needs of suppliers that the policy should address. These resources can help support ethical conduct and sustainability in supplier relationships.

[57] Deloitte – Suggested guidelines for writing a code of ethics/conduct (2009).
[58] EcoVadis – Supplier Code of Conduct (2009).

Responsible Purchasing Policy Definition

Responsible Purchasing is "the acquisition of goods and services that **meet the business needs** of the consumer while also being **environmentally-friendly, socially responsible, and ethically-sourced."** [59]

A Responsible Purchasing Policy encompasses a set of guidelines designed to promote responsible engagement in purchasing activities. This policy can urge both purchasers and suppliers to consider the environmental and social impacts of their decisions. By prioritizing products and materials that minimize adverse effects throughout their lifecycle, organizations demonstrate their commitment to sustainable practices.

Sustainable procurement, a broader concept, integrates specifications and criteria that are aligned with environmental and social protection goals. It works to future-proof procurement processes by enhancing the long-term viability of obtaining materials, mitigating risks, and capitalizing on opportunities for cost reduction through initiatives such as energy efficiency and waste reduction. Through responsible purchasing policies, companies signal their dedication to sustainability and ethical sourcing practices while striving for positive environmental and social outcomes.[60]

Responsible Purchasing Policy Example Elements[61]

A Responsible Purchasing Policy may encompass a variety of elements aimed at guiding organizations towards sustainability and social responsibility in their procurement practices. For instance, a Responsible Purchasing Policy may clearly define the **roles and duties** of the teams responsible for implementing the policy. It also may provide **purchasing guidelines** and address frequently asked questions regarding environmental and social goals prioritization and cost considerations. Finally, a Responsible Purchasing Policy may include **accounting and reporting standards** for suppliers that highlight the reporting expectations that they will be held to as well as the data sources required from them.

The development of such a policy begins with stating its **purpose and background as well as linking sustainable purchasing to the organization's goals** and existing mission statements, policies, and programs. It also may include comprehensive **guidance on pre-procurement considerations,** decision-making processes, and the prioritization of environmental attributes. Finally, the policy should ensure alignment with **other internal and external mandates and policies.**

Furthermore, organizations should provide their suppliers guidance on. For instance, ecolabels should be developed through an open process that involves multiple stakeholders to ensure transparency and credibility. The ecolabel should also involve third-party verification to confirm whether the product with the ecolabel meets the specified standards.

Organizations and suppliers should be wary of ecolabels that can be easily purchased without meeting rigorous environmental standards or are not well regulated. The Ecolabel Index is a tool for evaluating and comparing different ecolabels that are available in the market. This can help in making informed decisions about which ecolabels to trust and prioritize.

Lastly, a Responsible Purchasing Policy should emphasize **accountability and reporting,** and may mandate annual reports from vendors and internal departments to assess the policy's effectiveness and track progress towards goals. In developing a responsible purchasing policy, organizations should ensure that their procurement practices align with sustainability goals and contribute to positive environmental and social outcomes.

[59] Standford University – Responsible Purchasing Guidelines.
[60] EcoVadis – Sustainable Procurement.
[61] Minnesota Pollution Control Agency – Developing a sustainable purchasing policy.

Policies Benefits[62]

The benefits of implementing stakeholder engagement policies include the following, among many:

- Advanced decision-making
- Mediated disputes
- Consistent normative standards for behavior
- Improved reputation
- Prevention and counteraction against unethical behaviors
- Maintain integrity
- Avoid legal implications of ethical violations

Policies Leading Practices

Leading practices of developing and implementing stakeholder engagement policies include:

- Using clear and simple language
- Supporting multidisciplinary and diverse input[63]
- Aligning policies with business objectives
- Ensuring applicability at all levels of an organization[63]
- Including industry-specific content[63]
- Establishing a communication channel for all reported violations
- Communicating regularly via multiple channels
- Auditing practices against engagement policy
- Assessing and monitoring adherence to the policy
- Revising policies and updating them regularly[63]

[62] Giorgini et al. – Researcher Perceptions of Ethical Guidelines and Codes of Conduct (2015).
[63] Deloitte – Suggested guidelines for writing a code of ethics/conduct (2009).

Local Case Study: Sabic

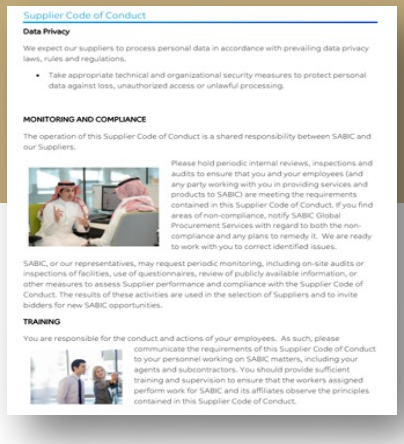
Sabic displays the following leading practices through its work:[64]

· SABIC **produced a Supplier Code of Conduct** that follows a clear outline

· The document communicates its purpose, highlighting that SABIC expects suppliers to conduct business using the same **ethical, legal and safety standards** upheld by the business

· SABIC discusses responsible sourcing, accurate accounting methods, and environmental, health and safety practices among other topics

· The document discusses **monitoring and complying to the policy** as well as offers a communication channel for raising integrity concerns


Supplier Code of Conduct

Data Privacy

We expect our suppliers to process personal data in accordance with prevailing data privacy laws, rules and regulations.

- Take appropriate technical and organizational security measures to protect personal data against loss, unauthorized access or unlawful processing.

MONITORING AND COMPLIANCE

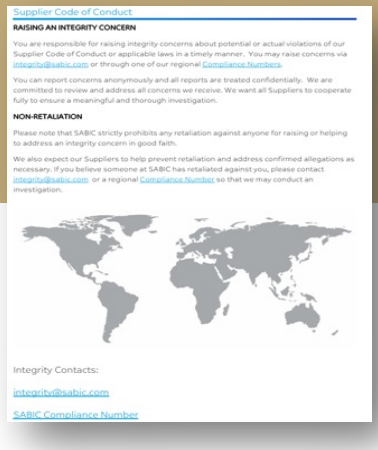
The operation of this Supplier Code of Conduct is a shared responsibility between SABIC and our Suppliers.

Please hold periodic internal reviews, inspections and audits to ensure that you and your employees (and any party working with you in providing services and products to SABIC) are meeting the requirements contained in this Supplier Code of Conduct. If you find areas of non-compliance, notify SABIC Global Procurement Services with regard to both the non-compliance and any plans to remedy it. We are ready to work with you to correct identified issues.

SABIC, or our representatives, may request periodic monitoring, including on-site audits or inspections of facilities, use of questionnaires, review of publicly available information, or other measures to assess Supplier performance and compliance with the Supplier Code of Conduct. The results of these activities are used in the selection of Suppliers and to invite bidders for new SABIC opportunities.

TRAINING

You are responsible for the conduct and actions of your employees. As such, please communicate the requirements of this Supplier Code of Conduct to your personnel working on SABIC matters, including your agents and subcontractors. You should provide sufficient training and supervision to ensure that the workers assigned perform work for SABIC and its affiliates observe the principles contained in this Supplier Code of Conduct.


Supplier Code of Conduct

RAISING AN INTEGRITY CONCERN

You are responsible for raising integrity concerns about potential or actual violations of our Supplier Code of Conduct or applicable laws in a timely manner. You may raise concerns via integrity@sabic.com or through one of our regional Compliance Numbers.

You can report concerns anonymously and all reports are treated confidentially. We are committed to review and address all concerns we receive. We want all Suppliers to cooperate fully to ensure a meaningful and thorough investigation.

NON-RETALIATION

Please note that SABIC strictly prohibits any retaliation against anyone for raising or helping to address an integrity concern in good faith.

We also expect our Suppliers to help prevent retaliation and address confirmed allegations as necessary. If you believe someone at SABIC has retaliated against you, please contact integrity@sabic.com or a regional Compliance Number so that we may conduct an investigation.

Integrity Contacts:

integrity@sabic.com

SABIC Compliance Number

"Supplier Code of Conduct".
Sabic.

[64] Sabic – Supplier Code of Conduct.

Global Case Study: Microsoft

Microsoft displays the following leading practices through its work:[65]

· Microsoft's Standards of Business Conduct ("Trust Code") revolve around the core principle of **trust** and underscore the importance of trust with all stakeholders

· The document aids employees in **navigating challenging decisions** in alignment with Microsoft's values and standards

· Microsoft has both an **external hotline and a Compliance and Ethics Team** that employees can get in touch with via multiple channels if they have a concern

· The responsibilities outlined **apply universally to all employees, including management** (e.g., executives, board of directors, etc.)



"Trust Code: Microsoft's Standards of Business Conduct".
Microsoft. 2023.

[65] Microsoft – Trust Code: Microsoft's Standards of Business Conduct (2023).

Reflection Questions

My Organization

- Does your organization audit suppliers against a supplier code of conduct/responsible purchasing policy?
- What benefits has your organization seen from implementing one of the policies we have discussed?

My Role

- Do you know your company's code of conduct/ethics?
- Do you know your company's supplier code of conduct/responsible purchasing policy?
- What can you do to maintain the standards set by these policies?



Partnerships

Partnerships Definition

A **partnership** is a "close mutual cooperation between parties having shared interests, responsibilities, privileges, and power."[66] Partners typically have mutual or shared interests, complementary needs and objectives, reciprocal resources or skills, and/or a shared commitment to accountability and transparency.

Partnerships may serve a variety of purposes for an organization. For instance, an organization's partners may support designing and delivering employee training, working with utilities and solar developers to accelerate clean energy adoption, working with a philanthropic fund to support NGOs/non-profits, etc.

Key Components



Effective stakeholder partnerships are built upon several key components that facilitate collaboration and mutual benefit. These components include having **mutual or shared interests** where both parties have common goals or objectives that they aim to achieve through the partnership. Partners should also have **complementary needs and objectives,** meaning that each partner brings something unique to the table that complements the other's strengths or fills gaps in their capabilities. **Reciprocal resources or skills** are also essential, as partners should all contribute resources, expertise, or skills that are valuable to the partnership and its goals. Finally, having a **shared commitment to accountability and transparency** further ensures that all parties are dedicated to maintaining honesty, integrity, and openness throughout the partnership. By embracing these key components, partnerships can foster collaboration, innovation, and positive outcomes for all parties involved.

Partnership Implementation Process



1. Identify Opportunities

a. Identify partnership opportunities by assessing the current needs of the organization and identifying the potential areas for partnership

2. Develop Strategy

a. Outline the objectives, roles, responsibilities, and expected outcomes of the partnership

3. Take Action

a. Initiate and execute the partnership activities, which may include joint projects, initiatives, campaigns, etc.

4. Monitor Progress

a. Review the effectiveness of the partnership regularly by evaluating the outcomes achieved, identifying areas for improvement, and making necessary adjustments to optimize the partnership's impact

The process can repeat by having the results of the measured progress help identify further opportunities and avenues for partnership. By following this **cyclical process,** organizations can cultivate successful stakeholder partnerships that drive positive change and create value for all parties.

Partnerships Benefits

The benefits of strategic and long-lasting stakeholder partnerships include:

- Enhancing reach and representation
- Strengthening expertise and credibility[67]
- Enabling resource sharing and cost efficiency
- Distributing risk
- Enabling collaborative problem-solving
- Sharing best practices and procedures
- Scaling positive impacts

Partnerships Leading Practices

Examples leading practices of creating strong stakeholder partnerships include:

- Create a strategy that has support from leadership
- Assess opportunities and make partnership selection
- Create formal agreements for all parties as well as identify roles, goals, and resources
- Identify targets & create measurement processes
- Continuously evaluate performance against targets and identify areas of improvement
- Communicate efforts and impacts externally

[67] Forbes Advisor – 7 Partnership Advantages In 2024.

Partnerships in Action

Local Case Study: Tasnee

Tasnee displays the following leading practices through its work:[68]

·TASNEE **reviews potential partners** to make sure they are able to deliver prior to engagement

·The organization **evaluates partnership programs** before, during, and after the engagement for continuous improvement

· "In 2022, our community investment increased by 25% compared to 2021, to SAR 1,770,000."

· "In partnership with Eta'am Association, Tasnee and our employees provided sustainable care for 107 families, and our employees helped in packaging food baskets in Riyadh and Jubail."



"Sustainable Growth Driven by Innovation: Sustainability Report 2022."
Tasnee. 2022.

[68] Tasnee – Sustainability Report (2022).

Global Case Study: UnitedHealth Group

UnitedHealth Group displays the following leading practices through its work:[69]

· UnitedHealth Group identifies partnering with the following to stakeholders:

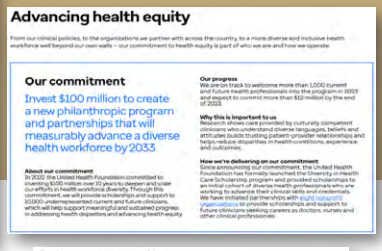
- **community-based partners** (e.g., reoccurring one-on-one and small group meetings, grant-making, volunteering)

- and **peer companies** (e.g., through ongoing collaboration through trade association and industry partnerships, etc.)

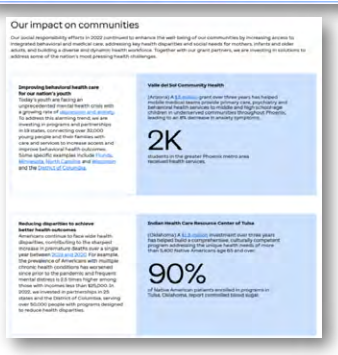
· The organization highlights the amount it has given for "a new philanthropic program and partnerships"

· "We have initiated partnerships with eight nonprofit organizations to provide scholarships and support to future clinicians seeking careers as doctors, nurses and other clinical professionals."









"Our Mission in Action: 2022 Sustainability Report."
United Health Group. 2022.

[69] UnitedHealth Group – Our Mission in Action: 2022 Sustainability Report (2022).

Reflection Questions

My Organization

- What partnerships does my organization already engage in? What topic areas do these partnerships support?
- Are there any other topic areas that your organization might consider engaging partners?
- Who at your organization approves partnerships? What information do you think they expect to review in the approval process?

My Role

- How have you personally engaged with partners in the past? What were the benefits of engaging with these partners? What about these partnerships could have been improved?
- How have you measured the success of partnerships in the past? Have you ever established KPIs with partners you have engaged with? If so, what were those KPIs?



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