

Stakeholder engagement

[Family](#), [Marriage](#)



A systematic stakeholder engagement process enabled us to select our most significant stakeholder groups and priorities the issues of most concern to these groups. We have determined the relative materiality of these issues of concern by utilizing a benefiting of materiality that balances stakeholder interests and other external factors, with organizational strategies and objectives. The process of determining materiality is fully described in the section of this report titled "Stakeholder Engagement".

The John Keels Holdings sustainability report provides an account of our performance on the most critical issues determined on the basis of materiality. Stakeholders who would use this report include our investors, employees, customers, government, legal and regulatory bodies, and society at large. The boundary of this report extends to 76 companies that come under the sphere of influence of the John Keels Group. They are chosen on the basis that they are legal entities for which the group remains accountable for, and over which the group exercises direct control.

With last year's report covering 73 companies, a year on year comparison of performance is possible subject to the explanations provided in respect of the mergers, divestment and acquisitions that have occurred during the year. The data measurement techniques and the bases of calculations including assumptions and techniques underlying estimations applied in the compilation of the indicators and other information in the report are in accordance with standard industry practices, established rules and the Where applicable, justification for any deviations in any particular case is clearly stated in the report.

In terms of restatements, in comparison to the previous year 2009/2010, previous year's and phrases have been re-arranged, wherever necessary, to conform to the current year's presentation; namely in the Economic value statement for 2009/2010 carried as Annex 1 on pages 86 and 87 for the John Keels Holdings PL Sustainability Report 2009/2010. 8 John Keels Holdings PL - Sustainability Report 2010/11 PRECAUTIONARY PRINCIPLE ADDRESSED we are influenced by the precautionary principle in our decision making with regard to mitigating the effects of pollution, environmental degradation and global warming.

The precautionary approach is acknowledged in the success of our initiatives to reduce our energy consumption and emissions. We strive to incorporate the precautionary principle through our risk management processes and internal control systems. Triple Bottom Line principles and initiatives endorsed by the Group The Group sustainability policy endorses the ripple bottom line principles, which are incorporated in our practices and performance as a sustainable organization.

We are also a participant in the UNC Initiative and support Sir Land's efforts to achieve of the Millennium Development Goals. Several of our employee policies and practices are modeled on the standards of the International Labor Organization and our group advertising policy follows the principles laid down by the ICC Code of Advertising and Marketing Communication Practice. A number of companies in our leisure sector have obtained ISO 14001,

SHOOS 18001 and ISO 22000 certification, while several other companies in the Group are ISO certified in their respective categories. We also follow the GRID framework to report on our sustainability performance. From a corporate governance perspective, we ensure that we meet our regulatory requirements and are compliant with external rules and codes that include the listing rules of the Colombo Stock Exchange, the recommendations of the Combined Code (to the extent practicable in the context of our diverse businesses and business unit risk profiles) and all provisions of the

Code of Governance of the Institute of Chartered Accountants of Sri Lanka.

STAKEHOLDER ENGAGEMENT AT THE JOHN KEELS GROUP conducting operations in seven industry sectors in different geographical markets necessitates developing and sustaining relationships with diverse stakeholder groups both internal and external to the organization.

Our engagement with stakeholders encompasses a range of activities and interactions that include communication, consultations and information disclosures. Through stakeholder engagement, we are able to identify our most significant stakeholder groups and their specific interests, and determine the issues that are most material to our group from an economic, environmental and social sustainability perspective.

By integrating the outcomes of stakeholder engagement with the group's well established risk management processes we are able to assess and address potential risks and align the management of sustainable issues with our interaction with stakeholders provide opportunity to forge relationships, build mutual trust and understanding, and provide accountability to people

and institutions that are affected by or impact our operations. Our most common methods of stakeholder engagement include formal and informal consultations, participation, negotiations, communication, mandatory and voluntary disclosures, certification, and accreditation.

Stakeholders are persons or groups that have an interest in the organization, the ability to influence its outcomes or be substantially impacted by the operations of the organization. They may also have a substantial impact on the organization. Our stakeholders are customers, employees, surrounding communities, investors, government, legal and regulatory bodies, business partners or principals, society, pressure groups and media, and industry peers or competitors. Customers Engaging with customers is an opportunity to broaden our understanding of our customers' needs and expectations.

By evaluating ourselves from a customer perspective, we are able to continually improve our goods and services, and meet if not exceed our customers' expectations. Employees Each employee of the John Keels Group contributes uniquely towards the achievement of the group's strategic objectives. Our engagement with our employees has helped maintain a workenvironmentcharacterized by high performance standards, professional development opportunities and rewards, and an organizationalcultureshaped by aspect, honesty and fairness.

Community around us Doing the right thing always and building strong relationships based on openness and trust are corporate values that are embedded in our business strategies. Ourresponsibilitytowards the people and communities that exist side by side with our businesses extends beyond

strict compliance with the laws and regulations that govern operations. By monitoring and managing our impacts on surrounding communities, we are able to mitigate the negative effects of our operations while maximizing positive impacts.

The John Keels Foundation, our corporate social responsibility arm further strengthens our immunity commitment by managing and implementing our social and philanthropic programmer to the benefit of surrounding communities. Investors Our investors' expectations extend beyond an adequate return on investment. Investors expect sustainable growth, transparency, accountability and the highest standards of corporate governance. Through statutory reporting, periodic disclosures, and regular contact with investors we provide timely and accurate information that assists investors in their decision making.

Government As the country's leading conglomerate with operations in seven industry sectors, we are conscious of our adhering role in reviving the economy in Sir Land's post war era. As a corporate partner committed towards the economic development of our country, communication and engagement with the Government is viewed as an opportunity to comment on government policies and deepen our own understanding of the economic and development strategies of the government.

Our participation in policy consultations with the government helps shape economic policies that are beneficial to private sector development. Legal and Regulatory bodies While ensuring compliance with laws and regulations, we also actively engage with legal and he risk of non-compliance and

potential litigation. Business partners / Principals Building strong relationships based on fairness and mutual trust with our business partners and principals is crucial to our success.

By engaging with our partners and principals, we are not only able John Keels Holdings PL - Sustainability Report 2010/11 29 to guarantee continuous and stable sources of supply but also communicate our ethical and legal requirements and expectations with regard to sustainable policies and practices throughout the supply chain. Society/Pressure Groups/Media Engaging societal groups, civil society organizations, opinion leaders and the media helps us understand a wide range of societal interests and concerns that arise as a result of our operations.

Our engagement with these groups is particularly useful in building relationships with the less visible sections of society that may still be impacted by our businesses. The information gleaned from our interactions with these groups, helps us to assess and manage our impacts in a responsible and transparent manner. Industry peers/Competitors By interacting with industry peers and competitors at various forums and through chambers of commerce, we are able to better understand, evaluate and respond to opportunities and challenges that arise in a constantly changing and competitive environment.

Stakeholder Customers Stakeholder sub-category Individual and Corporate (EBB) Current Level of Engagement and Frequency Current level of engagement: Personal meetings, discussion forums, surveys, field visits, conference calls, progress reviews, information dissemination through

printed reports, telephone, SMS and corporate websites, workshops, business development activities, road shows and trade fairs.

Frequency of engagement: ; Quarterly through Customer Satisfaction Surveys, ; On-owing basis through information dissemination through printed reports, telephone, SMS and corporate website ; Bi-Annually through personal meetings Annually through road shows and trade fairs ; Current level of engagement: Direct reporting, intranet communication, employee satisfaction surveys, collective bargaining, open door policy at all management levels, annual events, professional training and development activities, team building activities.

Frequency of engagement: ; Intranet communications through J Connect ; My Portal on a daily basis ; Employee Satisfaction survey such as GAWP (Great Places to Work) conducted annually ; Professional training, development activities and team building through internal as well as external sources conducted quarterly Current level of engagement: Corporate Social Responsibility programmer and activities, community educational and information dissemination programmer, one-to-one meetings, workshops, forums. Entry into the community area. After which engagement is carried out on a monthly basis while operating. Community engagement is also carried out on exit. Current level of engagement: Periodic disclosures through annual reviews and quarterly ports, one-to-one meetings, investor road shows, phone calls and corporate websites.

Frequency of engagement: Engagement with the investors is carried out as follows, ; Periodic disclosures are carried out annually, ; Quarterly reports are

carried out on a quarterly basis, ; Investor road shows are carried out prior to every undertaken PIP launch ; On-going through phone calls and websites
Current level of engagement: Meetings, discussions, phone calls, newsletters and circulars, presentations and briefings, advisory meetings, membership on national committees, lobbying activities via chambers of commerce.

Frequency of engagement: Engagement with the Government is carried out on an on-going basis through newsletters and circulars. The Senior Management are members of Bodies such as the Chamber of Commerce who meet on a monthly basis. Employees Executives, Nonconsecutive, Directors Community around us Neighbors, Local Communities, Community Leaders Investors Shareholders, Institutional Investors, Fund Managers and Analysts, Lending Institutions, Multilateral Finance Agencies Government Government of Sri Lanka, Government Departments and Institutions Stakeholder Legal ; Regulatory Bodies

Stakeholder sub-category Local Authorities, Municipal Councils, Bribery Commission, Consumer Affairs Authority, Inland Revenue, Customs Department, Securities and Exchange Commission, Colombo Stock Exchange, Tourist Board Business Partners, Joint Venture Partners, Principals
Current Level of Engagement and Frequency Current level of engagement: Regular commerce and trade associations. Frequency of engagement: Engagement with the Legal ; Regulatory Bodies is carried out on an on-going basis as the Senior Management are members of Regulatory Bodies such as the Tourist Board and Colombo Stock Exchange who meet on a monthly basis.

Business Partners / Principals Current level of engagement: Regular meetings, distributor conferences, correspondence, monthly market reports, conference calls and e-mails, circulars, membership in industry associations.

Frequency of engagement: Engagement with the Business Partners / Principals is carried on, ; Monthly basis through monthly market reports, ; Annually though distributor conferences, ; On-going through conference calls, e-mails and circulars Current level of engagement: Correspondence, website, press releases, media briefings, discussions, participation at MONGO forums, media coverage, certification and accreditation.

Frequency of engagement: Engagement with the Society / Pressure Groups / Media is carried out on an on-going basis through website, press releases and media briefings. Current level of engagement: Communication through membership of chambers of commerce and trade associations, conferences, discussion forums. Frequency of engagement: Engagement with the Industry Peers 'Competitors is carried out on a monthly basis as the Senior Management who are members of the Chamber of Commerce attends the monthly meetings.

Society / Pressure Groups / Media Opinion Leaders, Media, Environmental Groups, Nags, Voluntary Organizations Industry Peers / Competitors

Members of Chambers of Commerce and Trade Associations, Competitors

STAKEHOLDER ENGAGEMENT PROCESS The process of identifying and selecting the stakeholders of each of our business units has required a two pronged approach. We have utilized both internal and external processes

including third party validation mechanisms to priorities stakeholder groups and determine stakeholder interests and concerns.

Through stakeholder engagement and analysis, we have been able to determine our most significant stakeholders, understand our economic, environmental and social impacts and takeover influences on our organization, and develop responses to issues that are material to our businesses from a sustainability perspective. In 2009, we undertook an internal stakeholder analysis. We required all operational business units to identify their key stakeholders by proportioning the issues relevant to each stakeholder group on the basis of materiality.

Following the guidelines articulated in the AAA 1000 Stakeholder Engagement Standard, we determined the materiality of issues on the basis of impact on short term financial performance and legal compliance, links to corporate policies and commitments, stakeholder concerns, ND relevance to best practices and norms established by peers and society. For predisposition purposes, the issues identified through this process were ranked according to impact and probability of occurrence.

The exercise enabled business units to determine material issues critical to their businesses and analyses these issues from a triple bottom line perspective. The process also required business units to document their current level of engagement with key stakeholders, establish risk control or mitigation strategies and plan for future engagement. We also engaged independent consultants to determine and priorities stakeholder groups for ACH business unit through an extensive consultation process.

The independent consultants also conducted an external stakeholder analysis to identify and priorities the issues and concerns articulated by stakeholders on the basis of materiality. The outcomes of both these processes were aligned to sustainability by linking the most material issues and stakeholder groups to the sustainability performance indicators established under the Global Reporting Initiative framework. A mechanism was also established to monitor, manage and mitigate these issues or risks on a periodic basis by incorporating these issues into the risk grids of the relevant business units.

Utilizing the risk management process to manage material issues also meant that issues not linked to sustainability performance indicators would continue to be managed within the scope off business unit's risk grid. Strong HRS ALAI KNEE PR PR PR sol SYS HRS HRS ALAI ALA ALA 1-AI ALAI ALA EXTERNAL ANALYSIS EN EN MINI KNEE KNEE KNEE KNEE ICE ICE ICE SYS, 204 HRS, HRS EN, EN, KNEE, KNEE, KNEE, KNEE ICE, ICE, ICE, ICE PRI SYS, SYS HRS ALA, ALAI EN, KNEE ICE core indicators continued from 2008-09

Core indicators selected in 2009-10 Additional indicators selected in 2010-11 Weak INTERNAL ANALYSIS While continuing to engage with our stakeholders on a regular basis using normal channels of engagement, the emphasis this year has been on the management and review of material issues and risks identified through internal analysis and external stakeholder engagement processes. Through our risk management processes we have been able to monitor material issues and focus on the implementation and effectiveness

of risk mitigation strategies. As noted elsewhere in the report, the risk management process is documented wrought.

The flow chart on the facing page depicts the process of stakeholder engagement that the John Keels Group used last year to identify and select stakeholders and determine issues that are material to the Group. 32
STAKEHOLDER ENGAGEMENT PROCESS Questionnaire sent to each significant Business Unit Once feedback is obtained all data were analysed with issues/ stakeholders priorities as per score Operational and Sustainability issues absorbed in to relevant Risk grids Data collated and reviewed by Task Force All issues summarized and linked to GRID aspect/ Indicator as per relevance

Presented to the Group Executive Committee and approval obtained External consultants briefed on stakeholder engagement process with GRID framework Decisions made at a Group level based on the findings Stakeholder engagement/ perception analysis carried out by the external consultants Critical sustainability issues monitored through Risk grid Findings of the stakeholders engagement presented by the external consultants GRID indicators established for periodic review and analysis EMPLOYEE STAKEHOLDER ENGAGEMENT we consider receiving constant feedback from our employees a vital process in releasing our people vision, " More than Just a org place".

In January this year we conducted a groupware employee survey, with the exception of Union Assurance PL, for executive and above staff of the entire Group and for non executive employees in certain businesses where the

<https://assignbuster.com/stakeholder-engagement/>

head count is high in January 2010. The response rate received was at a remarkable 90% and this in itself gave credence to the effectiveness of employee engagement strategies used in the group. " The Great Place to Work - Trust Index" as the tool was used keeping in mind the global benchmarks it provided and the fact that the same survey tool was used in the Group in 2003 and 2005.

This intervention involved a survey based on a question and answer methodology and focus group discussions, which were conducted by the survey provider, Great place to work Institute - India. The GAWP model measures strengths and development areas of an organization based on five dimensions: Credibility, Respect, Fairness, Pride and Camaraderie. The survey, which was independently administered, resulted in 90 per cent of our employees participating in the survey, a remarkable achievement, which augurs well for the company in that our people consider themselves as partners with one another in making John Keels more than Just a work place.

The survey identified Pride for the organization and management competence and integrity as key strengths and identified as key development areas, equity in compensation, recognition and equal treatment. Post survey several focus group meetings have been held with employees at different levels and in different businesses to understand the reasons for these findings and those findings will now form the basis for action planning to build on the sense of pride and provide opportunities for recognition, bring fairness/equity aspects into focus.

The results and findings have been shared with our employees and action planning is currently underway. The GAWP survey was also undertaken in several businesses where there is a high non executive population such as John Keels Office Automation, Ceylon Cold Stores sales staff, Hotels (Sir Lankan Resorts and City Hotels), DHAL and Jacky Marketing Services (Pit.) Limited. The key themes that emerged were that the employees take pride in John Keels and their Jobs, team work and training they receive whilst improvement is necessary in equity and fair pay and non-restrictive work environment amongst others.

Whilst it is noted that the processes that touch the non executive staff, unlike the executive staff, differ from equines to business, action planning in these areas will occur at the business level. Based on the results, currently action planning is underway to build on the strengths and take appropriate steps to address concerns and these plans will be implemented during the year 2011/2012.