

Importance of stakeholders: By communicating with stakeholders a business can determine current and up-and-coming social and environmental issues of interest to the company. A business can learn from the differing views of the stakeholders and then manage risks when developing new products. Communication with stakeholders can also be valuable if a business is facing an urgent challenge. Over time, a company can only survive and prosper if it conducts its business in a manner which is consistent with the legitimate interests and well-being of its stakeholders.

In the ISO 26000 guidance identifying and engaging stakeholders is one of the two fundamental practices for any organisation.

The company needs to understand the interests of the different stakeholders and how they can be affected by decisions made by an organisation.

Engaging will help to build trust among the stakeholders; it can limit risk and may identify more business opportunities in future.

Identification of stakeholders: There are both internal and external stakeholders.¹⁶ Internal stakeholders are individuals inside the company who benefit directly from their contribution to the growth of the company. External stakeholders are individuals and organisations that are affected by the financial well-being of a company but who are not directly a part of that company.¹⁷ The organisation will need to identify who are internal and external stakeholders. The list below shows common groups of stakeholders.

Level of influence and prioritisation: It is also important to identify how

Internal stakeholders can be:	External stakeholders can be:
* Proprietor, Board Members – Managing Director, Director	* Customers
* Managers	* Suppliers
* Employees	* Political parties
* Trade Union Leaders	* Regulatory agencies
* Shareholders	* Competitors
	* Non-Governmental Organisations

¹⁶ Moratis, L. & Cochius, T., 2011. ISO 26000: The Business Guide to the new Standard on Social Responsibility. UK: Greenleaf Publishing Limited

¹⁷ http://www.investorwords.com/15517/internal_stakeholders.html and
http://www.investorwords.com/16420/external_stakeholder.html