

GOVERNANCE



STAKEHOLDERS & SHAREHOLDERS

Stakeholders are people that are impacted by the outcome of the project or company, and shareholders are people who own shares of the company. Stakeholders can be categorized further as internal or external stakeholders. Internal stakeholders are associated with the company and may be involved in company decision-making. External stakeholders have no direct relationship to the company and are not involved in company decision-making.

Engagement with both groups is vital for the success of the company. Shareholder engagement can include activities like annual meetings, investor relations, sustainability reporting and direct dialogue with company management. Stakeholder engagement can be an ongoing process of building and maintaining relationships, which can include establishing multiple channels for dialogue, regular updates, feedback loops and opportunities for collaboration.

Importance to the Animal Food Industry:

- Shareholders provide strategic and financial support for the company. Their engagement can align a company's values with those of its investors, which can lead to a stronger corporate culture.
- Shareholders may encourage companies to be more transparent about their sustainability efforts, which investors may use in decision-making.
- Stakeholder engagement can help companies define and provide insights into material issues.
- Stakeholders can be partners in implementing sustainability initiatives, such as through employee participation in corporate sustainability programs or partnerships with external organizations.
- Stakeholders are vital for holding the company accountable. Stakeholder engagement increases transparency and mitigates harmful impacts.