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RELATIONSHIP WITH STAKEHOLDERS IN BRAZILIAN ENERGY COMPANIES

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ABSTRACT

The paper seeks to identify and analyze the means of approaching with stakeholders, which have been used and reported in sustainability reports by the companies within the electrical energy sector included in the Corporate Sustainability Index of BM&Fovespa (Brazilian Stock Exchange). The proposed methodology is based on the identification of stakeholders reported by the companies in their 2010 sustainability reports, on their prioritization and on the analysis of stakeholders considered critical by the prioritization process. As a result, comparisons are presented for each company between the amount of approach techniques reported in the reports for the critical stakeholders, and the average of all of the companies. The collaborator stakeholders had the best results, which indicates that the companies have considered this stakeholder as strategic for achieving their objectives whereas the supplier had the worst and it is an unsatisfactory result given the classification of groups as key or critical in this study's evaluation.

Keywords Sustainable development • stakeholder engagement • corporate sustainability reports • sustainable engineering

1 Introduction

After decades of policies guided by increased production and consumption, the exploitation of natural resources became a social and market concern. The appreciation of environmental issues in business is remarkable, directly resulting from governmental, market and society demands (Quelhas and Silva, 2006).

Acknowledging capitalism as a predominant economic system, as well as a great diffusion of production processes, prompted a rapid search for environmental resources. In this race for the development of economic character, humanity is faced with the possible extinction of such resources. Society begins to show signs of unease with the growing degradation of the environment in which it is located, believing companies to be largely responsible for this degradation (Araújo, 2006).

The evidence related to the negative impacts generated by the current development model, society in general realized that development is not synonymous with economic growth, as was once believed. Thus, the corporate environment, strongly guided by the pursuit of this growth, began to realize the effects of this paradigm shift (Sachs, 2004).

Therefore, many theories, research projects and studies emerged with the goal of understanding the main factors that affect the corporate environment, such that companies have come to realize that they are not closed-off organizations, but rather, according to Freeman (1984), social entities that must relate with their external environment in order to survive, grow and develop.

Within this context, the Stakeholder theory emerges, providing a way of viewing the internal and external relationships with companies, in order to understand and manage these relationships with the parties that affect them and are affected by them. In this regard, the corporate world today is concerned so far as their financial results are affected and how this can be identified and measured (Rodriguez and Silva, 2010).

With the corporate community's widespread adoption of the concept of sustainable development, as a major concern of companies to relate more consistently with their stakeholders. The issue of this study is to verify how the companies, with recognized sustainability policies, have identified their stakeholders and what types of relationships they have with their critical stakeholders.

The general objective is to report the strategies used by the Brazilian organizations in their relationships with stakeholders (impacted by their operations).

This study is aimed at companies that have focused on corporate sustainability, specifically those that are publicly traded and trade shares on BM&FBovespa. The companies studied participate in the 2011 Corporate Sustainability Index (CSI) and they are geographically located in several states throughout Brazil. This study analyzed the sustainability report corresponding to the 2010 fiscal year.

2 Review of Literature

2.1 *Sustainable Development*

The growing industrialization seen in emerging countries in the 60's did not bring with it the expected benefits in the areas of health care and education. Thus, the first questions arose regarding what development truly is and how it can be attained (Marcondes and Bacarji, 2010).

Currently, there is a synergy between the objectives of the global community and the corporate environment. With the goal of combating corruption, social inclusion and environmental non-degradation, for example, the Global Compact, a United Nations initiative, are presented as a platform for disseminating and implementing corporate policies and practices for good corporate practices. Released in June of 2000, the Global Compact aims at aligning corporate strategies and operations with principles that address the areas of human rights, labor, environment, and anti-corruption (UN, 2011).

Sustainable development is the result of a complex and continuous process of critically reevaluating the relationship between the natural environment and civil society, choosing among communities and organizations and individuals in search of sustainability (Quelhas and Silva, 2006). Therefore, corporations are increasingly challenged to manage a firm in such a way that it can be economically profitable, law abiding, ethical and social supportive (Kolk and Tulder, 2010).

2.2 *Socially Responsible Investing*

The demand for information and transparency from corporations and organizations has increased during the last few years. It results from public awareness and interest in environmental and social issues and also from increased attention in the mass media. Citizens can also put pressure on the government and politicians in order to re-elect can respond to these new demands. On the one hand organizations report on their Corporate Social Responsibility (CSR) taking these stakeholders in consideration, on the other hand, investors are increasingly searching for socially responsible investments (Tagesson, 2011). The concept of Socially Responsible Investing covers the paradigm that this type of investor is not only concerned with the financial return they will receive, but also environmental, ethical and/or social issues related to businesses in which they may invest (ETHOS 2011).

The initial period of including aspects other than just economics in making investment decisions can be characterized by the following phrase by John Wesley, the founder of the methodist movement in the 18th century: "We ought to gain all we can gain, but this it is certain we ought not to do; we ought not to gain money at the expense of life, nor at the expense of our health" (Marcondes and Bacarji, 2010).

One might say that this type of investment was born of the religious movements in the United States and the United Kingdom, where investors began not investing in companies whose products, services and/or processes they judged to be morally corrupt. In the 1960s and 1970s, socially responsible investing became more widespread, increasing the number of social movements that led to the formation of moral opinions and judgments by society (Bezerra *et al*., 2009).

Currently, these investment funds include the concepts of sustainability, where social and environmental issues are reflection points on the part of the investors, who put pressure on the companies (Bezerra *et al*. 2009).

The investors of socially responsible companies that use sustainable practices can be divided into:

- Pragmatic - believe that the type of company included in sustainability indexes are better prepared for the long-term challenges and, suffering fewer losses related to problems with environmental and social issues, tend to have greater productivity (BM&FBovespa, 2007).
- Engaged - invest in socially responsible companies with sustainable practices through

personal commitment, believing in the moral judgment that these companies respect ethical, environmental and social values (BM&FBovespa, 2007).

2.3 *Stakeholders in the Global Reporting Initiative (GRI)*

GRI is an organization headquartered in Amsterdam, Holland, founded in 1997, which produces a standard Sustainability Report that can be used worldwide by various organizations, and is currently aimed towards corporate organizations. It is committed to continuing the development of this worldwide standardized report, with the main objective of promoting integration between environmental and social issues and governance performance. The standard produced by the GRI is built upon an extensive process of communication with the stakeholders. Among which, the following stand out: global business, civil society, professional and academic institutions (Global Reporting Initiative, 2011).

In their report, the organization must identify their stakeholders, reporting how they respond to their interests and expectations. For the GRI, stakeholders are defined as entities or individuals that are affected or can affect the strategies or objectives of an organization. They can be classified as being invested in the organization, as collaborators and suppliers, or external, as is the case with communities (Global Reporting Initiative, 2011).

The report must be prepared with information relevant to the organization's stakeholders. However, the report will not necessarily be used by all, which leads to the challenge of defining the scope, limit and indicators of the information reported. In defining the scope and limit of the information covered in the report concerning the stakeholders, a range of these should be considered, however there are cases in which stakeholders cannot articulate their premises in a report, or do not wish to. Nevertheless, the expectations and interests of these stakeholders must be part of the information to be reported (Global Reporting Initiative, 2011).

Failure to identify and engage stakeholders may result in unsuitable reports, which are not reliable for all stakeholders. On the other hand, correct stakeholder engagement could increase the report's receptivity and utility. With an effective report for stakeholders, there may be a continuous improvement process for the organization and its external parties, with a better relationship between organizations and their stakeholders (Global Reporting Initiative, 2011).

2.4 *Stakeholder Analysis*

According to Freeman and Mcvea (2001), the term "stakeholder" arose from a Stanford Research Institute work currently known as SRI International, which was strongly influenced by the lockhead planning department. Igor Ansoff and Robert Stewart were the two individuals who developed this term at the time. The concept of Stakeholders began to gain notoriety in the corporate environment in the mid 1980s, with the publication of *"Strategic Management - A Stakeholder Approach"* in 1984, by R. Edward Freeman (Lim, Ahn and Lee, 2005).

The managers began to feel the effects that environmental impacts and changes had on business, where the traditional strategic techniques did not produce significant results. The organizations simply recognized that the stakeholders could impose limits on companies' shares. To deal with this unstable scenario, they began using policies related to stakeholder management.

This new strategic approach views organizations as social entities, defining stakeholders as any group or individual that is affected or may affect an organization's ability to achieve an objective. Thus, successful strategies became those that integrated the interests of all strategic groups, instead of maximizing the benefits of just one group, the shareholders. This is long-term thinking, in which the expectations of the shareholders, employees, clients, suppliers, funders and the company should be managed so that they are integrated into the organization's objectives, and so that these objectives may be achieved (Freeman and Mcvea, 2001). The main argue is that multiple firm stakeholders risk their 'investments' to achieve their goals and thus each of them has a legitimate or moral right to claim a share of the value created by the organization (Gnan *et al*., 2011).

In contrast to what is stated by Freeman (1984), Milton Friedeman argued, in the previous decade, that a company's responsibility was limited to the function-objective of maximizing value for the shareholder, where the correlation between CSR and corporate performance is theoretically negative (Rezende, Nunes and Portela, 2008). This approach puts the emphasis on the shareholder profit interest and its maximization. This shareholder maximizing model is based on the notion that owners risk their investments and therefore they are the only residual claimants (Gnan *et al.*, 2011).

The stakeholder theory, defined by Edward Freeman, has as its premise that CSR and corporate performance have a theoretically positive correlation, where the function-objective no longer concerns just the shareholders, but also all of the parties interested in the corporate activity. Friedeman's view places shareholders as the only interest group relevant to the company, but does not discard the other stakeholders, arguing that the company may even consider other interest groups, always aiming to maximize shareholders' gains (Rezende, Nunes and Portela, 2008).

To meet the desires of various interest groups, companies are challenged to find procedures, mechanisms, arrangements and behavioral patterns. The knowledge of each stakeholder can improve the company's relationship and thus positively influence the process of corporate sustainability. Therefore, it is necessary to identify the interest groups as well as determine the influence that they have in the early stages of strategic planning (Lyra, Gomes and Jacovine, 2009).

There are several empirical studies on the mapping of stakeholders and their classification according to the influence of each strategic group (Lyra, Gomes and Jacovine, 2009). Usually, organizations can adopt four possible postures for stakeholder management: reactive, defensive, accommodative, and proactive. Lim *et al.* (2005) proposed a methodology which consists of four phases: stakeholder analysis, strategy retrieval, strategy revision, and strategy implementation. Several others authors have presented their studies and methodologies in an attempt of helping organizations by classifying their stakeholders. This study and mapping are seen as essential for the success of organizations' strategies, which should consider each strategic group and handle them according to their influences (Lyra, Gomes and Jacovine, 2009).

2.4.1 Mitchell Model

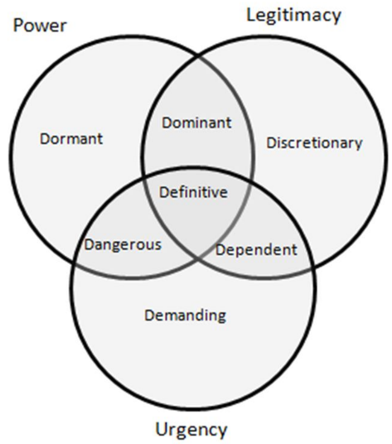
For Mitchell, Agle and Wood (1997), "the principles of who and what really counts" is supported by some assumptions. The first is that management that seeks to achieve a goal is aware of the various classes of stakeholders. The second is that the perception of management dictates the importance given to the group. The third is that the various classes of stakeholders can be identified based on three attributes: power, legitimacy and urgency, or a combination of said attributes.

According to Lyra, Gomes and Jacovine (2009) *em cit* Mitchell, Agle and Wood (1997):

> *Dormant Stakeholder: Has the power to impose its will on the organization, but has no legitimacy and no urgency and, thus, its power is in disuse, having little or no interaction with the company. The company must be aware of this stakeholder to monitor its potential to achieve a second attribute.*
>
> *Arbitrary Stakeholder: Has legitimacy, but does not have the power to influence the company and does not even claim urgency. The attention that should be given to this interested party is related to corporate social responsibility, since it tends to be more receptive.*
>
> *Claimant Stakeholder When the most important attribute in stakeholder management is urgency, it is a claimant. Without power or legitimacy, it should not so much disturb the company; however, it should be monitored for potential of obtaining a second attribute.*
>
> *Dominant Stakeholder: Has its influence on the company ensured through power and legitimacy. Expects and receives much attention from the company.*
>
> *Dangerous Stakeholder: Where there is power and urgency, but no legitimacy, there is a coercive stakeholder that is possibly violent for the organization, which may be a danger, literally.*
>
> *Dependent Stakeholder: Claims urgency and legitimacy, however it depends on the power of another stakeholder to have its claims be taken into consideration.*
>
> *Definitive Stakeholder: When it has power and legitimacy, it is practically definitive. When, in addition, it claims urgency, immediate attention and priority should be given to this stakeholder.*

According to this methodology, the interest groups may have one, two or three of the attributes presented (Power, Legitimacy, Urgency). Depending on the attributes of each stakeholder, it can be situated and classified as represented in Fig. 1. The importance of each strategic group is linked to the number of attributes that it has, so that if it has one, its importance is low, while if it has two attributes, its importance is moderate and, finally, three attributes implies high importance (Mitchell, Agle and Wood, 1997).

Fig. 1 Mitchell model for stakeholder classification



Source: Mitchell, Agle and Wood (1997)

2.4.2 The Savage Model

The prioritization model proposed by Savage *et al*. (1991) cited by Lyra, Gomes and Jacovine (2009) is similar to that used in this study, a model presented in the book - The Stakeholder Engagement Manual - by Krick *et al*. (2005). In this model, the stakeholders may be divided into four distinct groups: ambiguous, supportive, non-supportive and marginal. Classification into one of these groups will depend on two variables, the stakeholders' potential for cooperation with the organization and their potential for threat. The interest group is classified as "non-supportive" when it has low potential for cooperation and high potential for threat. An interest group is "marginal" if it also has low potential for cooperation, and low potential for threat. The group is "supportive" if it has low potential for threat, but high potential for cooperation with the company. Finally, the group is "ambiguous" if it has both potential for cooperation and potential for threat, see Fig. 2. This group is considered key, since the company's strategies must be aligned with the interests of this specific group of stakeholders to avoid future conflicts that could hinder the ability to fulfill the organization's interests (Savage *et al.* 1991, cited in Lyra, Gomes and Jacovine, 2009).

Fig. 2 Savage model for stakeholder classification

		Relative Threatening Potential	
		High	Low
Relative Cooperative Potential	High	Mixed Blessing	Supportive
	Low	Non Supportive	Marginal

Source: Savage et al. (1991) cited in Lyra, Gomes and Jacovine (2009)

3 Methodology

As a source of information for documentary analysis, we collected and used information and data collected from the BM&FBovespa website (http://www.bmfbovespa.com.br), such as companies that are part of the CSI/Bovespa 2011 portfolio, and classifications adopted by BM&FBovespa according to economic sector, sub-sector and segment.

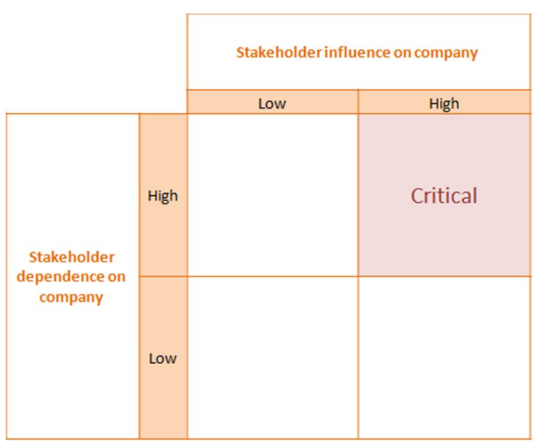
Another source of data were the sustainability reports published annually by companies in the Global Compact or on their website, following the standards established by the GRI. The reports used are relative to 2010, and are the most recently published by the companies at the time of this study.

This study was developed according to the following stages:

1) Company selection, subject of this study: In this study we sought to select companies whose efforts towards sustainability were proven. For this, we used the 2011 CSI as the first filter for company selection.
2) Identifying stakeholders that were considered in the 2010 sustainability reports. This stage consisted of a non-structured study of companies' sustainability reports in order to identify the stakeholders listed by the companies. To identify stakeholders in the report, priority was given to items 4.14, 4.15, 4.16 and 4.17, which in the GRI standard are specific items from the stakeholder engagement policy. As some reports provided the identification listed in the items above in inappropriate items, straying from the GRI standard and suggestions with regard to what should be addressed and in what place, a study of the reports was also conducted using the keywords: stakeholder, interested parties and strategic groups. Thus, it was possible to identify the stakeholders considered by the company where these reports were not present in items 4.14, 4.15, 4.16 and 4.17.
3) Identifying critical stakeholders for the group of companies selected;

For stakeholder prioritization, we used the methodology proposed by Krick *et al.* (2005). According to the manual, the purpose of this activity is to identify which stakeholders are key priorities for the development of an engagement strategy. The groups deemed critical are those located in the quadrant that are greatly impacted by the organization and have a great impact on the organization, or rather, groups that greatly influence the organization and are greatly influenced by the organization, see Fig. 3.

Fig. 3 Stakeholder Impact Matrix



Source: Adapted from Krick et al. (2005)

Evaluation of the quadrant in which the interest group will belong is made based on the discussions suggested by Krick *et al*. (2005), where the criteria from Table 3 are considered.

4) Search in the Reports for reports of companies' techniques for approaching critical stakeholders.

To find companies' reports on techniques for approaching their stakeholders, a non-structured study of the companies' sustainability reports was performed in order to identify the means of approach reported. In this study, priority was given to items 4.14, 4.15, 4.16 and 4.17 and keywords were used in the search for these techniques. The approach techniques were categorized in order to group these techniques according to their nature. As a form of benchmarking, we took the way in which Krick *et al*. (2005) presented some categories, which were then adapted so that these categories would serve for all of the companies' reports. According to Krick *et al*. (2005), some of the most common means of approaching interested parties are: inviting the stakeholder to send written feedback, telephone, individual meetings, online engagement mechanisms, stakeholder´s involvement in the investigation of issues, policy development reports, focus groups, public meetings, studies, multi-stakeholder forums, multi-stakeholder alliances and partnerships. These groups were adapted according to the companies' reports and grouped as: telephone/fax, Internet, online services, multi-stakeholder forum/public meetings, dissertative vehicle for several stakeholders, dissertative vehicle for specific stakeholders, research, collective media, internal communication and activities with specific stakeholders.

Definitions for each category are described below:

- Telephone/FAX: Call center, telephones, cell-phones, fax, SMS or similar.

- Internet - Online Services: Internet portal, e-mail, chat or similar.

- Multi-stakeholder Forum/Public Meetings: meetings, forums, workshops, gatherings or similar, in which several different types of stakeholders are gathered simultaneously.

- Multi-stakeholder dissertative vehicles: reports, magazines or the like, which serve several Stakeholders in the same issue. There are the following types: sustainability, yearly, management, etc.

- Dissertative vehicles for specific stakeholders: letters (mail), brochures, specific magazines, reports, newsletters or the like, which are targeted at only one type of stakeholder per edition.

- Research: questionnaires, public consultation, climate research or similar.

- Collective media: TV, newspapers, magazines, radio, billboards and other public outlets.

Internal communication: Intranet, corporate TV, murals, bulletins or similar.

- Activities with specific stakeholders: workshops, lectures, meetings, seminars, committees, forums, presentations, assemblies, consultations, dialogue, attendance or the like, where only one type of stakeholder participates.

A study was made for each company in the group selected, and once the stakeholder and the approach techniques were identified, the techniques were allocated to the group in which they take part and then placed in the table under the number corresponding to the critical stakeholder analyzed (Table 4 and 5). Only the approach techniques whose interest groups were well specified in the body of the report and whose relationship between the two was clear were placed in the table. Any techniques reported without being related to one or more specific stakeholders was considered vacant, as it was not possible to identify the interest group, and was dismissed from the analysis.

5) Data processing and analysis

In this stage, we counted the number of approach techniques reported by each company for each critical stakeholder. After counting, the arithmetic mean was used to find the average number of approach techniques per critical stakeholder. We also performed a descriptive analysis of corporate performance and subsequently verified how the companies selected relate with their critical stakeholders. Also, a comparison was made between the results of each company with the general average for the group, in order to make a benchmark between these companies and verify how each of the companies selected has reported relationship channels with their strategic groups. Data analysis was performed using software excel 2007. For company selection, a database was built in Access 2007 with data for all of the publicly traded companies registered with BM&FBovespa.

4 Research development

4.1 *Company selection*

The 2011 portfolio of the CSI was announced on 25 november 2010 and went into effect on 03 january 2011, ending on 29 december 2011. The 2011 portfolio is composed of 47 shares from 38 companies. These companies represent 18 sectors and the sum of their market values equals 46.1% of the total market value of companies with shares traded in BM&FBovespa on 24 november 2010 (BM&F Bovespa 2011).

Of the 34 companies that were part of the 2010 CSI portfolio, 32 remain; as a percentage, 94.1%. The six companies that have joined the CSI were: BICBANCO, COPASA, Santander, Ultrapar and Vale.

According to the BM&FBovespa (2011), the companies participating in the new CSI portfolio were selected among 53 companies that responded to a questionnaire developed by the Sustainability Study Center (GVces) of the São Paulo School of Business Administration of the Getúlio Vargas Foundation (FGV-EAESP). The questionnaire was sent to 182 companies that issue 200 of BM&FBovespa's most liquid shares. Among those that responded, 10 participated for the first time, while 4 used the 2011 evaluation process to prepare for the following years.

The companies were grouped by economic sub-sector presented in Table 1. This grouping provides an advantage with regard to economic sector because it is more specific in the area in which the company operates. The inverse logic was used in relation to the segment, for this grouping is too specific. There is no great difference when grouped by segment or economic sub-sector. The immediate difference that comes across when comparing both forms of grouping is the splitting of the sub-sector wood and paper into: paper and pulp, which have two representatives, and wood with one representative. The rest remains the same.

Table 1 Company grouping by economic sub-sector

Sub-sector	Total	% Participation
Electrical Energy	11	28.95
Financial Intermediaries	6	15.79
Wood and Paper	3	7.89
Steel and Metals	2	5.26
Mobile Phones	2	5.26
Water and Sanitation	2	5.26
Processed Foods	1	2.63
Construction and Engineering	1	2.63
Diverse	1	2.63
Diversified Holdings	1	2.63
Transportation Material	1	2.63
Mining	1	2.63
Social Security and Insurance	1	2.63
Personal Use and Cleaning Products	1	2.63
Chemicals	1	2.63
Miscellaneous Financial Services	1	2.63
Fixed-line Telephone	1	2.63
Machinery and Equipment	1	2.63
Total	**38**	**100.00**

In analyzing the results, the most represented economic sub-sector is electrical energy, which corresponds to 28.95% of the 2011 CSI portfolio. In absolute numbers, the sub-sector has 11 companies and represents nearly double that of the second most represented group, classified as financial intermediaries, with 6 representatives, or 15.79%. Thus, the economic sub-sector selected for this research was electrical energy. The companies that represent the sub-sector in the 2011 CSI are: CESP, Cemig, Coelce, CPFL Energia, Eletrobrás, Eletropaulo, Energias BR, AES Tietê, Light and Tractebel.

4.2 *Identifying stakeholders that were considered for each company in the 2010 sustainability report*

Of the 11 companies that represent the 2011 CSI , all companies published the sustainability report with the activities practiced in 2010. All of the reports were taken from the Global Compact or their respective websites and all followed the GRI guidelines. Fourteen strategic groups were found in the reports of 11 companies, and the amount of references to these stakeholders varied from company to company. The interested parties found in each report are available in Table 2**Table 2**.

Table 2 Stakeholder identification in the sustainability reports

Stakeholder	**AES Tietê**	**CEM IG**	**CE SP**	**Coel ce**	**Co pel**	**CP FL**	**Eletro brás**	**Eletrop aulo**	**Energias BR**	**Lig ht**	**Tracte bel**
Shareholders/Investor	x	x	x	x	x	x	x	x	x	x	x
Collaborators	x	x	x	x	x	x	x	x	x	x	x
Suppliers	x	x	x	x	x	x	x	x	x	x	x
Clients/Consumers	x	x	x	x	x	x	x	x	x	x	x
Government/Public Authority	x	x	x	x	x	x	x		x	x	x
Community	x	x	x	x		x	x		x	x	x
Company/NGOs	x	x	x	x	x	x	x	x	x	x	x
Press		x	x	x		x	x		x	x	x
Competitors/Business in the Sector	x			x							x
Financial Institutions									x	x	x
Academia		x								x	
Companies in the group										x	
Regulatory Body	x	x			x			x		x	
Associations and Unions	x		x	x	x					x	
Total	**10**	**10**	**9**	**10**	**8**	**8**	**8**	**6**	**9**	**13**	**10**

Source: GRI sustainability reports (2010)

4.3 *Identifying critical stakeholders*

Table 3 displays the stakeholder mapping according to the criteria presented in order to distinguish the real and potential level of impact that the interest group has or could have, or the level of impact that it will suffer or could suffer. This table evaluates if the group has a high impact or suffers a high impact. If not all criteria are identified, it means that the stakeholder suffers low impact by the organization or has low impact on the organization. The results are presented in Fig. 4.

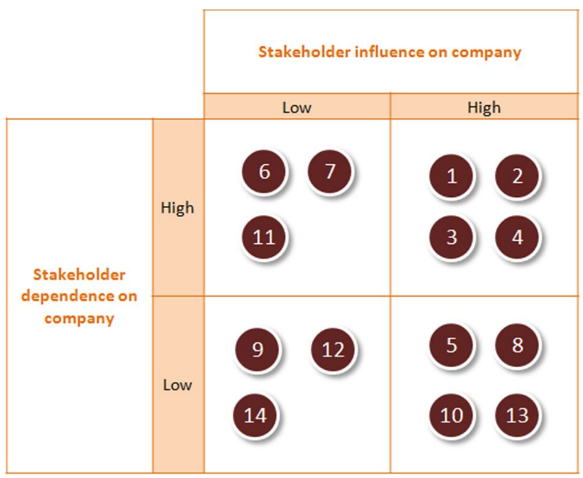
Table 3 Prioritization of critical stakeholders: shareholders, collaborators, suppliers and consumers.

		Stakeholder													
		1) Shareholder	2) Collaborator	3) Supplier	4) Consumer	5) Public Authority	6) Community	7) Company	8) Press	9) Competitors	10) Financial institutions	11) Academia	12) Companies in the group	13) Regulatory Body	14) Union
Stakeholder has high impact	- Removes, grants or influences the "license to operate".					x								x	
	- Restricts access to resources, places of operation or intellectual capital.			x		x					x			x	
	- Damages or builds the company's reputation.		x		x				x						
	- Enables or hinders the company's ability to learn and innovate.		x			x								x	
	- Restricts or allows access to investment funds.	x				x					x				
	- Provides useful information and warning signs of emerging issues and risks, or causes distractions, diverting the attention and management time of the core business.	x	x			x			x					x	
Stakeholder suffers high impact	- Direct financial dependence (ex. those who rely on pay, purchases, concessions)	x	x	x											
	- Indirect financial dependence (ex. those who rely on the organization through its contributions to the regional economy, or for low-income clients that for example, depend on low priced commodities).						x								

	- Non-financial dependence (ex. those who depend on the organization's essential services).				x		x	x				x			
	- Non-financial damages or risks arising from the company's operations (ex. air pollution, waste, or health risks related to consumption of their products).		x				x								
	-Low/No choice (ex. employees facing compulsory labor, neighbors to production plants, vulnerable consumers due to low education/awareness .		x				x								

Source: Adapted from Krick *et al*. (2005)

Fig. 4 Impact Matrix with evaluated stakeholders



	AES Tietê				Cemig				Cesp				Coelce				Copel				CPFL			
Techniques of Approaching Stakeholders	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**
Telephone/FAX		x			x			x						x		x	x	x		x	x	x		x
Internet - Online Services	x	x			x	x	x	x	x	x	x	x	x	x	x	x	x	x		x	x	x	x	x
Multi-stakeholder Forum / Public Meetings		x	x										x	x	x	x								
Multi-stakeholder dissertative vehicles	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Dissertative vehicles - specific stakeholder		x	x		x	x		x	x	x			x	x		x	x	x			x	x	x	
Research		x			x	x	x	x		x			x	x		x	x	x	x	x		x		x
Collective Media								x								x				x				
Internal communication		x				x				x				x								x		
Activities with specific Stakeholders	x	x	x	x	x	x	x	x	x	x			x	x	x	x	x	x	x	x	x	x	x	x
Total	3	8	4	2	6	6	4	7	4	6	2	2	6	8	4	8	6	6	3	6	5	7	4	5
Overall Average	4.5	6.3	3.2	5.4	4.5	6.3	3.2	5.4	4.5	6.3	3.2	5.4	4.5	6.3	3.2	5.4	4.5	6.3	3.2	5.4	4.5	6.3	3.2	5.4

Table 5 Reports of techniques for approaching stakeholders in the sustainability reports

	Eletrobrás				Eletropaulo				EDP				Light				Tractebel			
Techniques for Approaching Stakeholders	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**
Telephone/FAX						x		x				x				x				
Internet - Online Services	x				x			x	x	x	x	x	x			x	x	x		x
Multi-stakeholder Forum / Public Meetings						x	x	x		x	x	x	x	x	x	x				
Multi-stakeholder dissertative vehicles	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Dissertative vehicles - specific stakeholder		x				x				x		x	x			x		x		
Research	x	x	x	x				x		x		x				x		x		x
Collective Media		x							x			x				x		x		
Internal communication		x				x				x				x				x		
Activities with specific Stakeholders	x		x	x	x	x	x	x	x	x	x	x	x		x	x	x	x		x
Total	4	5	3	3	3	6	3	6	4	7	4	8	5	3	3	8	3	7	1	4
Overall Average	4.5	6.3	3.2	5.4	4.5	6.3	3.2	5.4	4.5	6.3	3.2	5.4	4.5	6.3	3.2	5.4	4.5	6.3	3.2	5.4

4.4 *Data processing and analysis*

By observing Tables 4 and 5, all of the companies analyzed have at least one technique for approaching each strategic group. The stakeholder groups that have the greatest variety of channels were collaborators and employees, clients and shareholders (with a slightly lower average). The group with the worst performance was the suppliers. Overall, some individual performances were far above or below the average, which suggests different strategies among companies with relation to their interest groups.

Clients - the companies that stood out were: Cemig, Coelce, Copel, Eletropaulo, Energias BR (EDP) and Light, which were above the group average. Although mandatory that all companies have Customer Service, some of the companies analyzed did not report such an approach technique in the Sustainability Reports, which could explain the low performance of some companies. This demonstrates not only a lack of techniques, but also the low quality and transparency of information of some of the companies analyzed. Eletrobrás, Ceps and AES Tietê had a bad performance with three, two and two channels, respectively.

Suppliers - was the group with the worst performance in the overall average, and of all of the companies. It is worth mentioning that all of the interest groups had at least one approach technique, referring to the sustainability report itself. Thus, the companies with the worst performance were Cesp, with two techniques reported and Tractebel with only one, which as explained, refers to the report itself. The results seem unsatisfactory given the classification of groups as key or critical in this study's evaluation. However, the means reported obtained the worst performance compared to the other interest groups.

Collaborators - was the group with the best performance, which indicates that the companies have considered this stakeholder as strategic for achieving their objectives. In line with the classification obtained in this study, the group received an average of 6.27 approach techniques. Light with three and Eletrobrás with five were the companies with the worst performance and were responsible for lowering the average, however, with a reasonable number of channels reported.

Shareholder - the companies with the best performance in this group reported a maximum of six approach techniques, which can be considered a significant number. The overall average was 4.45 and the companies with the worst performance were AES Tietê and Tractebel, with just three techniques reported, while the companies with the best performance were Cemig, Coelce and Copel with six techniques reported.

5 Conclusion

The importance of corporate communication today corresponds with an exchange of information between companies and their stakeholders, not just responding to their concerns in order to satisfy them, but also in a way as to implement them in their business strategy, in search of sustainability. Thus, this study analyzed companies that are committed to this.

For Freeman (1984), the interest groups or stakeholders are those that may affect or be affected by achievement of an organization's goals. There are many other studies for identifying and classifying these interest groups, also called strategic groups, and the different models in literature may help in understanding the strengths that each stakeholder group has, to then be considered in a strategy.

The electrical energy companies form the largest sub-sector included in the 2011 CSI/Bovespa portfolio, giving the impression that this type of company is seeking corporate sustainability. They were therefore selected as the object of this study. For this sub-sector, the critical stakeholders found were shareholders, collaborators, suppliers and consumers. The model used in this study was covered in the book - The Stakeholder Engagement Manual - by Krick *et al*. (2005) and presents a methodology very similar to another covered in this study's review of literature.

It was identified that all of the companies studied cited these critical stakeholders in their reports, which means that all of the companies recognize them and that they have already made relationship efforts with them, at least in the form of sustainability reports. Despite having various techniques for approaching their critical stakeholders, for some of these groups the performance was much lower than desired, which reflects the bad quality of information and transparency in most companies. The interest group with the most approach techniques was the collaborators. Although clients also had a good report by the companies, some were negligent with this group, as is the case of Eletrobrás, Cesp and AES Tietê. As for the suppliers, there was a smaller number, which is an indication that this stakeholder is either considered greatly important strategically for the company, or they have a shortage of approach techniques. Some companies recognize more stakeholders than others in their reports, which may cause businesses that they do not recognize to evaluate if they want to recognize these stakeholders, such as promoting structured means of approaching them.

In the management point of view, it is necessary to analyze what is being done to decrease corporate risks and determine the ideal level of relationship that avoids unnecessary expenses, but that satisfies the interested parties, particularly those considered key with potential to cooperate or threaten with an organization, so that expenses on treating these stakeholders can be used in favor of the organization itself.

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