STAKEHOLDER COLLABORATION IN SOCIAL INVESTMENT DECISION-MAKING: AN ANALYSIS OF JSE-LISTED COMPANIES' ENGAGEMENT WITH SOCIAL AND ENVIRONMENTAL STAKEHOLDERS

Ongayi Wadesango
University Of Limpopo

ABSTRACT

This study explores the role of social and environmental (SE) stakeholders in the identification, prioritisation, and implementation of social investment decisions by JSE-listed companies. The focus lies on how these companies engage with stakeholders during planning, decision-making, and review stages. Despite the presence of corporate governance frameworks such as King III (2009), King IV (2016), GRI (2013), and IIRC (2013), findings indicate that SE stakeholder involvement remains largely at the compliance level. While companies cite stakeholder engagement in their integrated reports, interviews and media reports highlight a lack of meaningful collaboration, especially during the prioritisation and implementation stages. The study reveals inconsistencies between policy and practice, where boards retain decision-making power without sufficient consultation. Protests, environmental degradation, and stakeholder mistrust are emerging consequences. A few companies demonstrate promising practices through collaborative workshops and integrated stakeholder representation in decision-making bodies. The research recommends a shift from tokenistic involvement to relational, continuous engagement guided by shared value principles. Ethical and inclusive approaches are imperative for sustainable value creation.

Keywords: Stakeholder Engagement, Shared Value, Social Investment, Corporate Governance, JSE-Listed Companies.

1. INTRODUCTION

In recent years, stakeholder inclusivity has become central to corporate sustainability, especially for public companies listed on the Johannesburg Stock Exchange (JSE). Social and environmental (SE) stakeholders—such as local communities, civil society organisations (CSOs), and environmental groups—are increasingly demanding to be meaningfully engaged in decisions that affect their livelihoods and environments (Porter & Kramer, 2019; Oskam et al., 2020). Their inclusion in the planning and prioritisation of corporate social investments (CSIs) is no longer optional but crucial for long-term legitimacy and value creation.

South African corporate governance frameworks, including King III (2009) and King IV (2016), advocate for a stakeholder-inclusive approach to business decisions. These codes urge companies to consider legitimate expectations and interests of all stakeholders in identifying and prioritising material issues (King IV, 2016: Part 5.5). Supporting international guidelines such as the Global Reporting Initiative (GRI, 2013) and International Integrated Reporting Council (IIRC, 2013) reinforce this mandate, promoting transparency and shared value creation.

Despite regulatory emphasis on inclusivity, a discrepancy exists between formal reports and lived experiences of stakeholders. Integrated reports often contain generic statements about stakeholder engagement, yet media and interview data suggest tokenism rather than collaboration (García-Sánchez & Araújo-Bernardo, 2020). Communities affected by mining, pollution, and underdevelopment continue to protest unmet needs and unacknowledged grievances (Maregele, 2017; Ishmail, 2020). This disconnect highlights the limited influence SE stakeholders have over prioritisation and resource allocation.

This study investigated the actual involvement of SE stakeholders in the three core stages of social investment processes: (1) identification of material issues, (2) prioritisation of social investments, and (3) implementation and review. Drawing from integrated reports, interview data, and media analysis, it assesses whether JSE-listed companies are progressing beyond compliance to meaningful engagement. The paper argues that without a relational and ethical approach to stakeholder collaboration, shared value cannot be achieved (Austin & Seitanidi, 2012; De los Reyes et al., 2017).

2. METHODOLOGY

This study adopted a qualitative research design to explore the involvement of social and environmental (SE) stakeholders in the identification, prioritisation, and implementation of social investments by JSE-listed companies. Data was collected through semi-structured interviews with key informants, including representatives from civil society organisations, local community leaders, and company executives responsible for stakeholder engagement. Additionally, focus group discussions were conducted with community members affected by corporate operations to gather diverse perspectives and lived experiences. This multi-perspective approach allowed for a deeper understanding of the relational dynamics, expectations, and perceived gaps in stakeholder engagement. Thematic analysis was used to identify recurring patterns, supported by triangulation with integrated reports and media content to enhance validity and contextual relevance.

3. RESULTS

3.1 Roles of social and environmental stakeholders in investment identification and prioritisation process

In this category, the study analyses the stages, periods, and times at which JSE-listed companies are involved with and collaborate with stakeholders before implementation of decisions on material issues. This section evaluates how stakeholders are involved during the planning stage at the beginning of a trading period. The analysis focuses on the approaches adopted by JSE-listed companies when identifying many opportunities and many stakeholder needs, issues or concerns and selection of the most feasible or material ones. The analysis is as follows:

3.1.1 Collaboration on identification of opportunities and determination of material issues

Creating shared value requires adoption of policies and practices that create economic, social, and environmental value simultaneously (Giesen, 2019:39; Porter & Kramer, 2019:329; Vazquez-Brust et al., 2020:3; Oskam et al., 2020:6). To identify social investments that create shared value, to rebrand products and services, to redefine supply chain of production and SE stakeholders should be involved because stakeholders know opportunities or basic needs that are material to them, those basic needs that result in self- sustenance. Collaborating with the users of products and services allows companies to identify new ways of marketing and of producing relevant products (Giesen, 2019:39).

The interviews conducted in this study revealed that JSE-stakeholders are still demanding to be consulted when companies identify opportunities that create social value. JSE-listed companies have now been guided by King IV (2016). King IV (2016: part 5.2- principle 5.11) requires a governing body to be transparent in its process of identifying and prioritising material and legitimate needs of stakeholders. Nevertheless, interviewees' responses showed dissatisfaction. Social and environmental concerns reveal that the process of SE involvement is still at compliance level but not yet relational. The stage of compliance is where policies are followed on record but not in practice. For example, in 2020, according to the media report by Payne & Shoba (2020), a certain national retailer displayed lack of collaboration in rebranding and marketing. In a tweet, the retailer apologised and promised to improve relations Figure 1.

FIGURE 1
EFFECTS OF LACK OF COLLABORATION

Source: Payne & Shoba (2020)

Tweets that followed were not accepting the apology. One tweet below the apology wrote:

"ENOUGH IS ENOUGH! these corporations do this on purpose! knowing that all they will do is apologise on Twitter and other platforms! Thinking it will just end there! They undermine us and underestimate our power." Payne & Shoba (2020).

Lack of collaboration on how to market products and services has resulted in the loss of trust. Relational collaborative engagements play an integral role in creation of shared value, unless JSE-listed companies are intentionally suppressing collaboration due to some unresolved issues or promises or inappropriate acts that powerful stakeholders can hold companies accountable for (Desai, 2018:220). An analysis of the integrated reports revealed that JSE-listed companies are involving all stakeholders on the planning stage. Different phrases have been used to describe how all stakeholders are included in identifying material issues and opportunities. Figure 2 shows quotations from different companies' integrated reports.

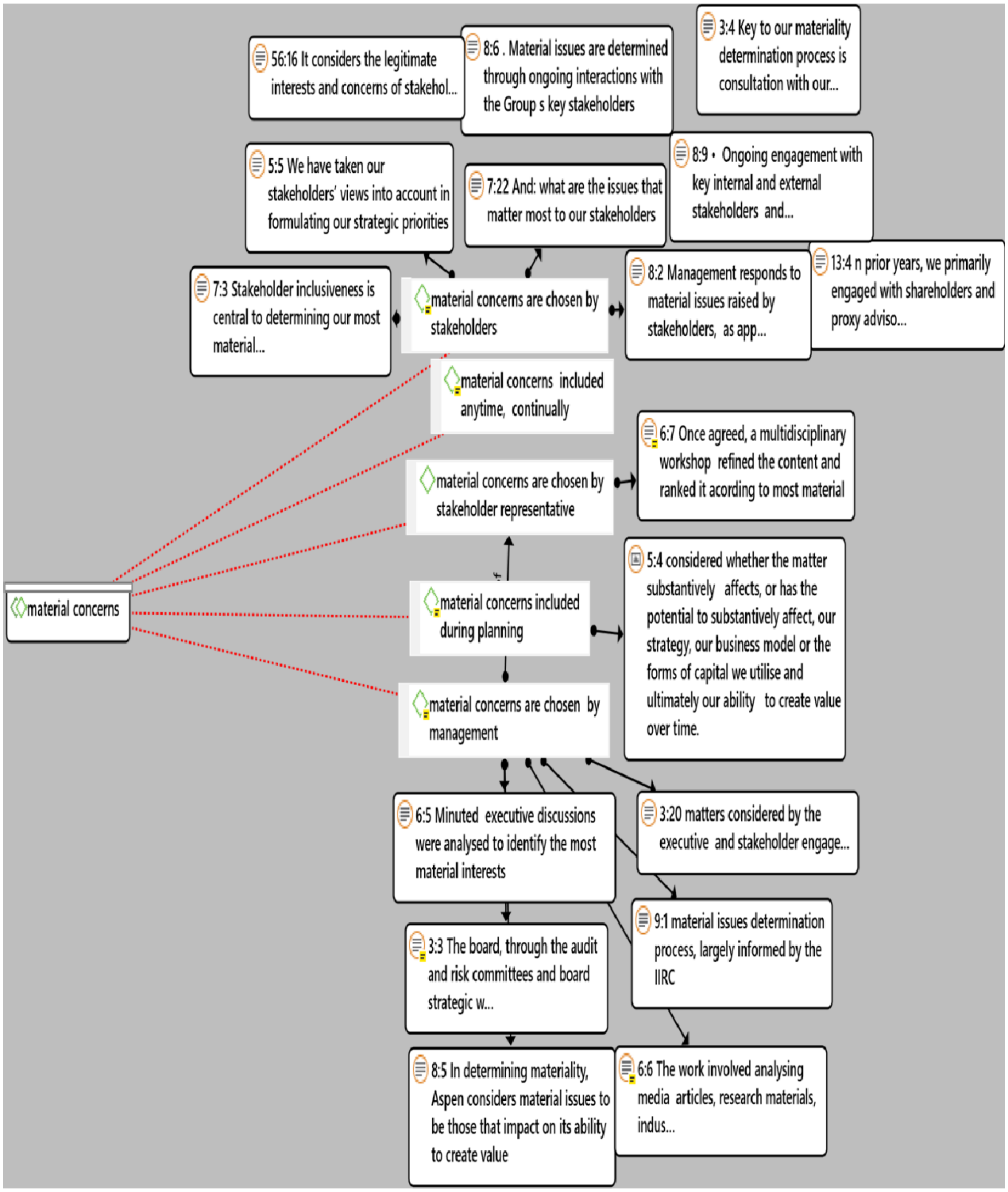

FIGURE 2
COLLABORATION ON IDENTIFICATION AND DETERMINATION OF MATERIAL NEEDS
***Source**: Own research*

The quotations in Figure 2 reveal engagement of stakeholders in the initial stage of determining or identifying material concerns both of stakeholders and of company. Different terminology has been used to describe the same procedures. Nevertheless, a conclusion cannot be ascertained from assertions in the integrated reports if not confirmed with responses from stakeholders. During the period under study, responses from social and environmental stakeholders are revealing dissatisfaction with the level at which they are involved. Legitimate issues are being raised.

The media, being the mouthpiece for the society, reported in 2017, a group of women protesting outside "The Investing in African Mining Indaba" a three-day annual conference that hosts around 6,000 participants from mining companies, investors and government delegates from all over the world (Maregele, 2017). The women were concerned that the conference was designed as a platform for all communities to air their concerns but, with much awe, host communities were not invited to the conference. The protest was a way of airing concerns and according to Maregele (2017) protesters reported the following information in Figure 3.

> *"Growing up, we grew veggies and other things in our yards, but nothing can grow there now. Our walls are cracked because of blasting; the air is polluted; we can't drink the water anymore; the sewage overflows all the time and we have so many health problems," she said. "We are here to protest so they can listen to us. They act like they are listening but nothing happens".*

FIGURE 3
PROTESTING FOR COLLABORATION ON ENVIRONMENTAL ISSUES

Source: Maregele (2017)

In the same vein, by 2020, there were communities still protesting because material issues are not being considered. Ishmail (2020) reported that:

The rural people depend on a river for drinking water in Danhauser, KwaZulu-Natal because there is a lack of taps in the area and when the coal mine operates, the wind blows the coal dust into the water leaving it contaminated. The livestock are also affected by the pollution. Companies are not creating environmental value but negative impacts that are affecting the community.

Respondent C and F also reported the following complaints raised by the communities as shown in Figure 4:

> *"Major issues raised by communities is that' companies come to collect our concerns but never come back with feedback.' In cases like those, we, as their representatives, send memorandums to companies seeking clarity on the timelines and programs put in place for meaningful public participation in the engagement processes, at what stage/s the public will be able to comment and for what period/s. We also seek clarity on what plans have been put in place for continuous public participation. If companies do not respond, we either take the legal route or encourage the community to protest".*
>
> *"Communities are bitter because local and national authorities and companies have time to listen to their views and concerns but take no action and the only language these people understand is protesting and destroying properties, blockading roads with burning tyres".*

FIGURE 4
LACK OF SE STAKEHOLDER INVOLVEMENT AFTER PLANNING STAGE

Source: Own research

In the above statements, Respondent C and F expressed that companies consult JSE stakeholders to hear their concerns and collect grievances but do not give feedback on issues that have been prioritised. The JSE stakeholders expect collaboration to continue from identification of issues, prioritisation and implementation. From the above integrated report quotations, media statements, and respondent C's and F's answers, the study can conclude that companies are involving SE stakeholders in identifying opportunities and determining material issues or stakeholder concerns.

In Figure 2, comments such as, 'material concerns are chosen by stakeholders', 'material concerns are chosen by stakeholder representatives', 'ongoing engagement with external and internal stakeholders', reveal that most of the companies in South Africa are involving stakeholders when identifying material concerns. The comments are not specific on the type of stakeholders engaged, but since SE stakeholders have been identified as key stakeholders in most of the reports, it is safe to conclude that SE concerns are taken into consideration during the planning stage. The GRI (2013) Section 4 requires involvement of stakeholders when identifying the material concerns. The IIRC (2013) and King III (2009) require corporate governance to identify the concerns and interest that are risky and can affect creation of value if they are not given attention. King III (2009: principle 8.3.23) and King IV (2016: part 5.5- principle 16, combined, outline that:

The law directs the board to act in the best interests of the company and the board should, within these confines, strive to achieve an appropriate balance between the interests of various stakeholders. In doing so, the board should take account, as far as possible, of the legitimate interests and expectations of its stakeholders in its decision-making with company sustainability in mind.

The responsibility is invested in the governing body to develop stakeholder policies and mechanism for stakeholder engagement and to decide a stage at which SE stakeholders' participation is needed. KING III (2009: principle 8.2.12) and King IV (2016: part 5.5- principle 16 .4b 4d) gives right to the governing body to determine material stakeholders and appropriate formal mechanisms for proactive engagement and communication with the stakeholders. It appears; the King (2016) is avoiding being prescriptive on stages at which the bodies should involve stakeholder. This will allow governing bodies to adopt different approaches to stakeholder engagement. It also reflects in the integrated reports that companies are adopting different approaches in stakeholder engagement. A narrative analysis of the reports indicate that a bigger number is now consulting SE stakeholders at the planning stage.

3.1.2 Collaboration on selection or prioritisation of the most material social investments

According to King III (2009) and King IV (2016), the board is compliant if it, without stakeholder consultation, selects the material and legitimate interests that can be prioritised. The code is not explicit on whether SE stakeholders should be involved in the prioritisation process. Responded F has the view that stakeholders need to be involved in every stage

However, King IV (2016) has been able to enforce application and explanation of the practices that have been adopted in the selection process. King IV (2016: part 5.2- principle 5.11) requires a governing body to be transparent in its process of identifying and prioritising material and legitimate needs of stakeholders. The code requires adoption of the stakeholder-inclusive approach (King IV, 2016: part 5,5- principle 16) and establishment of a dedicated committee or a Social and Ethics committee that comprises of stakeholders' representatives (King IV, 2016: Part 5.3- principle 8.68). With this in mind, narratives in the integrated reports were analysed to verify if companies are involving SE stakeholders in the selection of the most material interests. Results from the analysis of the integrated reports revealed that most companies engage stakeholders during collection of concerns but not on the prioritisation stage. A steady improvement has been observed. Fewer companies were allowing SE stakeholders to choose their priorities. In the years under study integrated reports, few involved stakeholders on the selection of the most material concerns.

King IV (2016) has not been clear on how stakeholders can be involved in prioritisation of their material concerns in a case where the board is invested with the power to choose material stakeholders and their material interests. This view allows the company to prioritise material concerns for SE stakeholders, not with SE stakeholders. Figure 3 displays some of the quotations from companies such as:

Sasol — stakeholders have complex interests and allowing stakeholders to choose what to prioritise is not progressive. This means the company chooses what to prioritise.

Imperial Logistics —stakeholders determine and put forward their needs, then the board and executive committee, based on feasibility, chooses what to prioritise.

Kumba Iron Ore — the board deliberates on material issue which are determined by assessing risk. The statement does not mention involvement of stakeholders.

N (Netcare) — group executive committee determines material issues based on stakeholders' concerns. This means stakeholders are allowed to lodge their concerns to the company and it is the management that chooses or prioritise material concerns.

M5 (AngloGold Ashanti) — company calls for the community to choose social projects and company support community in its selection. There is involvement of community in choosing social projects.

Summarily, companies allow stakeholders to lodge concerns but choosing or prioritising material concerns remains the duty of the board and executive committee.

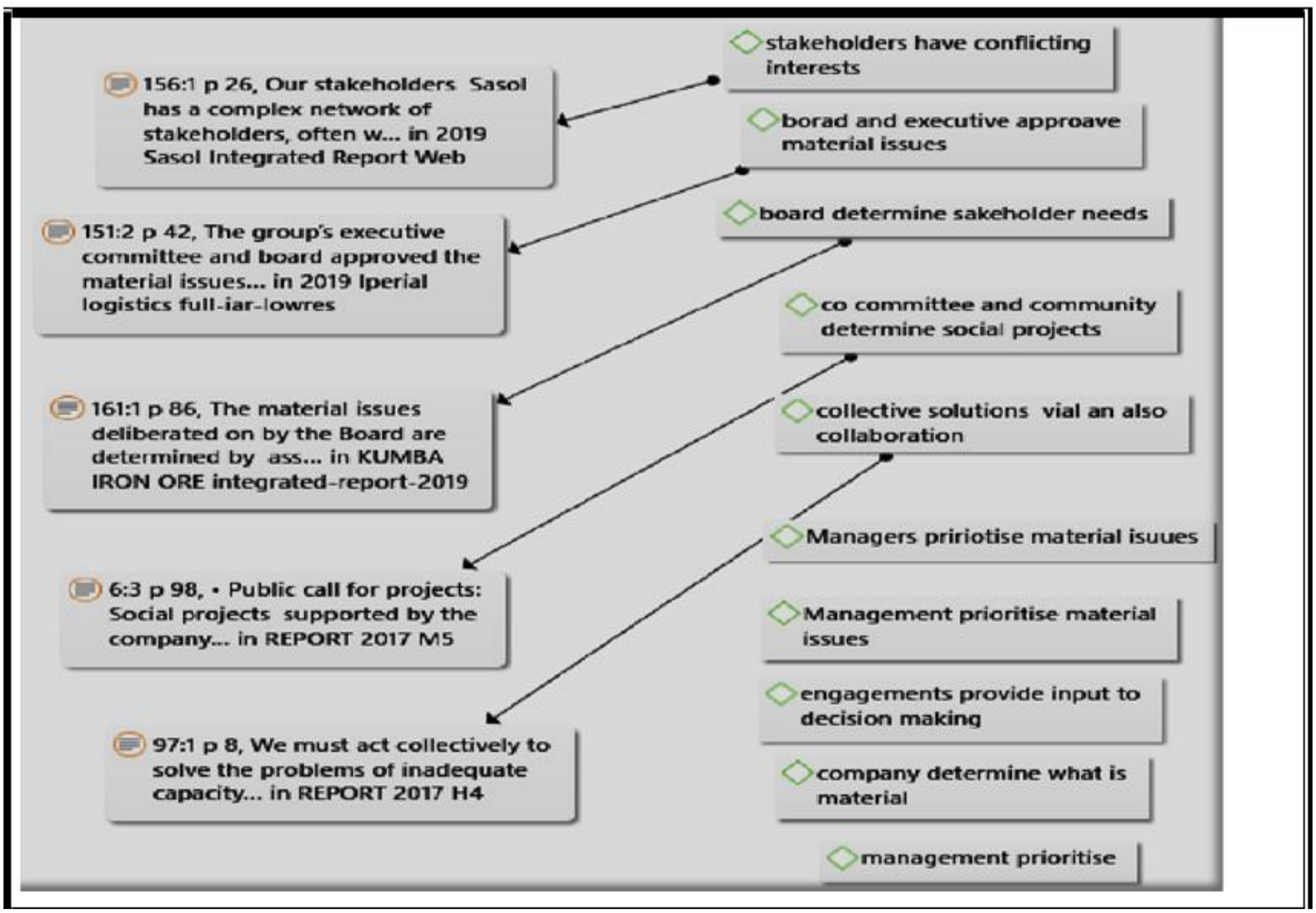

FIGURE 5
PRIORITISATION OF MATERIAL NEEDS AND ISSUES

Source: Own research

In Figure 5, companies mentioned the board or management as organs that prioritise SE stakeholders' concerns without involving the SE stakeholders. The governing body uses matrix, judgement, and probability of what they think will impact on the sustainability and value creation of the business but this judgement may result in an unanticipated negative outcome because it lacks synergy from SE stakeholder engagement. Some companies have given reasons why it is difficult to engage all stakeholders at prioritisation stage. Reasons such as company values, availability of funds and complexities in the interests of stakeholders were included as depicted in Figure 6.

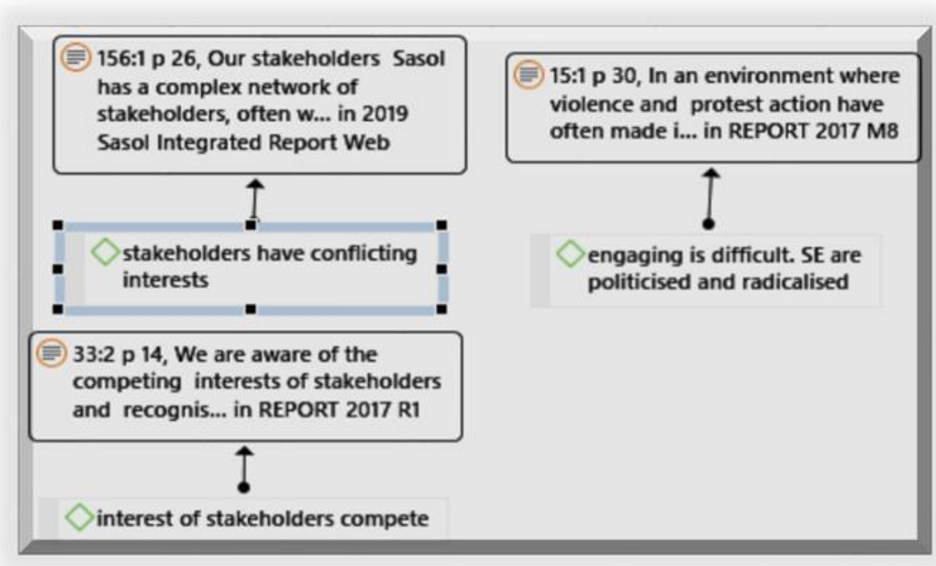

FIGURE 6
COLLABORATION IS DIFFICULT

Source: *Own research*

Complexities and conflicts of interest give rise to trade-offs. Oskam et al. (2020:7); and Porter and Kramer (2019:332) insist that trade-offs are not part of shared value. Trade-offs impede creation of innovative ideas and are likely to affect the vulnerable group. Based on Oskam et al.'s (2020:7); and Porter and Kramer's (2019:332) idea, prioritisation stage is the most part or stage of shared value creation that needs synergy from information sharing and stakeholder participation for collective innovative solutions. The following quote from Austin & Seitanidi (2012:734) supports that no stakeholder is difficult to deal with.

You may not agree with their (NPOs) tactics, but they may be asking legitimate questions you should have been asking yourself.

And if you can find at least one common goal . . . you've also found at least one reason for working with each other, not against.

Nevertheless, there are companies that stated that the government, civil society organisations and environmental organisations decide material issues for companies and companies provide funding for the identified projects. In other words, stakeholder representatives decide material concerns. The process of involving stakeholders in selecting material concerns has not been clearly articulated in the King IV (2016), IIRC (2013) and GRI (2013) guidelines, and this could be the reason why different approaches are being used. The governing bodies are agencies of companies and will always act in the best interest of their companies. Companies Act Section 76 subsection 20 (ii) compels governing bodies to act with due diligent not to cause any harm to the company.

However, interview responses buoyed the notion that management is ethically and morally ill-equipped to objectively prioritise material issues since performance is stringed to remuneration (Rushworth, 2017:49). The following interview responses in Table 1 detail concerns of stakeholders.

Table 1
CSOS' RESPONSES ON NEGATIVE ENVIRONMENTAL EFFECTS CAUSED BY JSE-LISTED COMPANIES

INTERVIEW RESPONSES	
Respondent	*Response*
D	There are new pollution laws, called Minimum Emission Standards (MES) air quality legislation. The standards come into effect in April 2015 – but instead of driving compliance and reducing pollution, South Africa's air quality legislation is under a full- on assault from the country's major polluters. We have spoken before about Eskom's application for far-reaching postponements from complying with air quality legislation. The utility is basically arguing that the costs of complying with the law outweigh the benefits. But according to Greenpeace-commissioned research, if the utility company were to comply with the MES, an estimated 20 000 premature deaths could be prevented. We believe that it is impossible to put a price on human life, and that no polluter should be above the law. We are currently asking the National Air Quality Officer to ensure full compliance from Eskom.
A	Mining companies emit waste gas in the streams, and this affects host communities. There are mining companies that continue to justify their emission of carbon, fail to reduce it to a level that is not harmful to the environment, basing their argument on the high costs which may affect company survival
G	Our protests are a means for political accountability, to keep government and state structures accountable. Government's unresponsiveness, the non responsive attitudes and culture of self-interest of the power elite
A	By the time we protest, we would have exhausted all peaceful channels, raising concerns, lobbying and claims-making. If the company closes the gate like what they have done, it means they are choosing to be unresponsive, that's when we turn violent.

Source: Own research

The comments in Table 5.4 reveal that the costs of complying with the emission quotas outweighs the benefits. This implies that the utility company is deciding to rather affect host communities, cause 20 000 premature deaths, than reducing the negative impact. King IV (2016: Part 5.1- principle 1.1c iii) compels governing bodies to act responsibly and ethically on behalf of the company. Ethical and moral considerations are crucial where trade-offs are inevitable. De los Reyes et al. (2017:142); and Wójcik (2016:33) posit that an ethical framework leaves managers better equipped to legitimately manage cases of trade-offs.

In light of this, literature augment the interviewee's sentiments that companies survive to create shared value, and prioritisation, therefore, should be guided by shared value principles of prioritising social projects that create economic, social and environmental value simultaneously (Moon & Parc, 2019:118; Oh, 2019:188; Jackson, 2019:303; Giesen, 2019:39; Porter & Kramer, 2019:329; Vazquez-Brust et al., 2020:3). A media report by van Vuuren (2018) quoted a coalition of eight community and civil society organisations:

We are non-profit organisations working to realise people's Constitutional environmental rights to clean air, clean water and health, and sustainable, decent jobs. We defend the rights of all interested and affected parties, particularly local people, to be consulted on new developments, and to benefit equitably. The coalition opposes this mine because the proposed mine would be inside a declared protected area and a strategic water source area. It will threaten water security not only in the local area, but also in the region. The damage that this mine would do to water resources cannot be undone.

Van Vuuren (2018) outlines the concerns of the community which companies are failing to prioritise since SE stakeholders are not being involved in the selection of most preferred concerns. The IIRC (2013) outlines that when the company evaluates the degree or magnitude of effect of a material issue for prioritisation, the company needs to foresee how much each issue will have an effect on creation of value. In support, King IV

(2016: part 5.5- principle 16) says; "The governing body should adopt a stakeholder- inclusive approach that balances stakeholders' interests and company interests bearing in mind the sustainability of the company."

If the material issue is evaluated and found to affect both stakeholders and the company at the same magnitude, priority is given to the company (King IV, 2016: part 5.5- principle 16). The body has to choose sustainability of the company over lives of SE stakeholders. There is ambiguity on 'affect most'. The guideline did not foresee that a concern could affect both sides at the same magnitude of effect. It could have clarified how the matter is approached in such a situation (Chen & Perrin, 2017:11; Dumay et al., 2017:17). Addressing the magnitude of the effect in favour of the company or one type of stakeholder continuously, may, in the short and long run, create antagonism that may culminate into unrests and protests. This is where collaboration for innovation should come into play. A review of the literature and media reports has shown that communities are protesting inequality in terms of rights and economic power (Botes, 2018).

Currently, power relations between host communities and companies are skewed (Alexander & Pfaffe, 2014:209; Matebesi & Marais, 2018:371). Frameworks and guidelines are not prescriptive on the process of collaboration and the level of engagement which can be classified as collaboration. Integrated reports profess that they use the proactive approach of engaging stakeholders, but information from media reports and interviews show that most companies do not consult or negotiate on trade-offs.

GRI (2013: G4- 7) requires the public listed companies to communicate to stakeholders giving reasons why some of the stakeholders' priorities were not considered as material. GRI (2013: G4- 7) requires that a company reports all key topics and concerns, reasonable expectations and interests, which have been raised through stakeholder engagement, and the company should show how it has responded to all those key topics and concerns and whether the interests have been considered or not. Companies under review were not compliant to GRI (2013: G4- 7). Generic information was reported. Generic information or superficial information as alluded by García-Sánchez and Araújo-Bernardo (2020:1118) conceals material issues which, when stakeholders protest, compels companies to reactively prioritise material issues the company had discarded earlier on, like what the Rustenburg municipality experienced.

The Rustenburg municipality decided to prioritise sport and recreation at the expense of housing. The municipality had a housing backlog estimated at around 92 000 houses. In its budget for 2012 to 2015, it had allocated between R6 million and R8.5 million for housing maintenance (about 0.27 per cent of total budgeted standard expenditure), and no money had been budgeted for capital expenditure for housing but for sport and recreation (Drake, 2013). The budgeted expenditure on 'sport and recreation' was four to six times that of housing. Immediately after the Marikana massacre, the municipality was quick to introduce a mayor's housing plan worth R1 billion (Drake, 2013). The municipality waited for an occurrence of an event to change its cultural behaviour.

From the Rustenburg municipality action, the study can conclude that material priorities are important in the minds of the decision-makers and can be changed anytime if stakeholders concerned and stakeholders affected take it to the street. The municipality prioritised entertainment over housing because entertainment has quicker returns. If the stakeholders were invited to choose the most material interests, stakeholders would prefer housing over entertainment. The same happened with the "#FEES MUST FALL" campaign (Chabalala, 2017). The government resolved the issue after three years of protest. The costs of repairing and rebuilding infrastructures amounted to R56.5 million, enough money to build accommodation for university students. If the cost for damages was funded from other projects' funds, it could have been channelled to #FEES MUST FALL campaign before any damages occurred. These two incidences confirm that governing bodies can decide not to respond to SE stakeholders' concerns even when the capacity to respond is available. Botes (2018:250) postulates that grassroots protests do yield results for stakeholders but cause huge financial costs to the economy because of physical damages to infrastructure.

While most companies are not involving stakeholders in the selection or prioritisation stage, there are a few who are committed to building a strong relationships and trust. From 2016- 2020, there has been an improvement in the stakeholder inclusiveness. A few have started consultative workshops to educate and allow SE stakeholders to choose what should be prioritised. One company detailed the process it takes to involve stakeholders:

Workshops are held to evaluate the degree to which we depend on the stakeholder's support in achieving our strategic goals and the degree to which the SE stakeholder can influence organisational performance. Workshops evaluate the relative importance of the SE stakeholder for the company, the significance of the issues linking the SE stakeholder to the company and the risks that we are exposed to, should we not deliberately plan our engagement with the stakeholders. After discussion, the multidisciplinary workshop refines the material content and ranks it according to most material. With the resources available, we, together with our stakeholders, take a consensus on how the resources should be distributed.

This company goes through processes and stages of consulting and making decisions collectively with the stakeholders. If this process is done continually, stakeholders will develop trust on companies. King III (2009: Principle 8.5.30) and King IV (2016: part 5.5- principle 16.4d) urges governing bodies to develop mechanisms for stakeholder engagement and communication including dispute resolution mechanisms. Strong relationships with stakeholders can only be built and maintained if the company provides complete, timely, relevant, accurate, honest and accessible information, demonstrated by the company quoted above.

3.1.2 Implementation and review stage in collaboration with social and environmental stakeholders

Very few companies continually engage stakeholders during the end of a trading cycle. Only three indicated that they engage their stakeholders continuously. The rest of the companies review material concerns when planning for the next season as reported from the following statement from one of the integrated reports:

During various engagements and interactions, such as through our annual general meeting, investor presentations, face-to-face meetings, emails and telephone calls, among other methods including active engagement, we take into consideration, throughout the year, the issues that our stakeholders indicate are material to them.

This company reviews stakeholder needs continually. It engages its stakeholders using various face-to-face and web methods. The approach this company has adopted involves stakeholders in every step and in all the stages. This approach is likely to build stronger relationships and trust in such a way that trade-off will be easier to strike. From the integrated report narratives, companies that involve stakeholders on the prioritisation stage have also involved them at implementation stage. On the review stage, most companies are silent. This might mean that companies do not review stakeholder concerns at the end of the trading cycle or before they collect new issues at the beginning of a new period. King IV (2016: part 5.3- principle 8.1.9) proclaims that companies should take account of the fact that stakeholders' interests in the company are dynamic and subject to change. It is therefore necessary to review the process for identification and responding to the new legitimate interests and expectations. Some companies have indicated that stakeholder representatives sit in management committees to oversee stakeholder engagement and convey stakeholder concerns as indicated in Figure 7: Collaboration during implementation stage

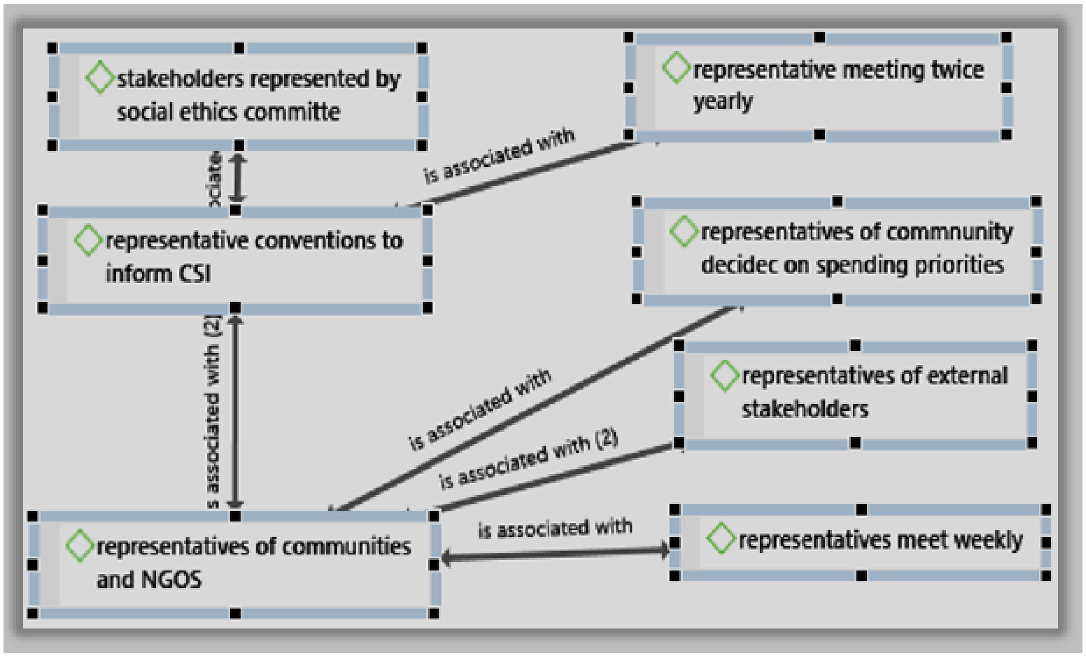

FIGURE 7
COLLABORATION DURING IMPLEMENTATION STAGE

Source; Own research

Companies in Figure 5 appointed stakeholder representatives that do not only report but also sit in board meetings. This approach allows all stakeholders to participate in the policy formulation process and all other forms of decision-making process. This means every time the board sits, all stakeholders are represented and informed. This approach resonates with shared value creation principles (Oskam et al., 2020:6).

4. CONCLUSION

The findings of this study reveal a persistent gap between the theoretical stakeholder-inclusive approach promoted by governance codes and the practical realities faced by SE stakeholders in South Africa. While integrated reports of JSE-listed companies often claim early-stage engagement with stakeholders, meaningful participation in prioritisation and implementation stages remains minimal. Companies often determine material concerns for stakeholders rather than with them, reinforcing a top-down model of decision-making. This limited collaboration contributes to community dissatisfaction, environmental degradation, and stakeholder protests, reflecting a breakdown in trust and relational engagement. The study underscores the need for companies to institutionalise continuous, transparent, and inclusive engagement processes, rather than treating stakeholder input as a compliance requirement. Progressive examples from a few companies show that workshops, stakeholder committees, and co-decision-making models can foster trust and enhance shared value creation.

For sustainable development, companies must embed ethical considerations into their prioritisation strategies and uphold the principles of shared value by aligning corporate goals with community needs. Governance frameworks such as King IV and GRI should be more prescriptive about how and when stakeholders must be involved, ensuring that social investment decisions reflect both corporate and societal priorities. Only then can corporate social investments become truly transformative and legitimate.

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