

# STAKEHOLDER ENGAGEMENT IN HUMAN RIGHTS DUE DILIGENCE

A BUSINESS GUIDE



Network Germany

twentyfifty®

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# **STAKEHOLDER ENGAGEMENT IN HUMAN RIGHTS DUE DILIGENCE**

**A BUSINESS GUIDE**



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# BUSINESS SUSTAINABILITY AND STAKEHOLDER ENGAGEMENT

## STAKEHOLDER ENGAGEMENT IN THE SPOTLIGHT

From the earliest days of the corporate responsibility movement, stakeholder engagement has been emphasised as a necessary part of any good corporate sustainability strategy and practice. While some companies show leadership in identifying and successfully working with diverse stakeholder groups, others still struggle to respond to the increasing demands of reaching out to their stakeholders and defining an appropriate engagement strategy.<sup>1</sup>

Many large companies run formalised engagement processes, such as a materiality analysis with stakeholder participation (often undertaken by questionnaire) or an annual stakeholder dialogue event (often held in a conference style format). They participate in relevant multi-stakeholder initiatives, have partnerships with stakeholders on particular projects, and also have a range of informal stakeholder contacts and networks. The capability to interact with a broad range of stakeholders in society is becoming an essential competence for general managers and CEOs and one of the keys to long term business performance and resilience in an everchanging corporate environment. As Paul Polman, CEO of Unilever puts it: *“Good CEOs in the future need to feel at ease working with multi-stakeholder groups and know how to work with them and how to align them to move things forward.”*<sup>2</sup>

Further, today CSR and sustainability frameworks also demand that companies engage with external stakeholders. For instance, in chapter II of the OECD Guidelines for Multinational Enterprises it states that companies should *“engage with relevant stakeholders in order to provide meaningful opportunities for their views to be taken into account in relation to planning and decision making for projects or other activities that may significantly impact local communities.”* The latest version of the Global Reporting Initiative (GRI) Reporting Guidelines (G4) also emphasises the need to focus on topics *“that are material<sup>3</sup> to their business and their key stakeholders”*. It encourages

reporting on the company's overall stakeholder engagement strategy, and on engagement on different topics.

In this context, the UN Guiding Principles on Business and Human Rights (Guiding Principles)<sup>4</sup> – the first globally endorsed framework for corporate responsibility with regard to human rights – have been developed. They define a company's responsibility to respect human rights and the due diligence processes needed to demonstrate this respect. They clearly state that due diligence “*should [...] involve meaningful consultation with potentially affected groups and other relevant stakeholders*” (Principle 18). The concepts of business impact and due diligence have since become a mantra for responsible business conduct, taken up by many sustainability initiatives and frameworks.<sup>5</sup> This shows that the management and engagement processes suggested by the Guiding Principles are generally seen to help companies to better understand, prevent, mitigate, track and remediate their impacts on people and the environment in their operations and business relationships along the value chain.

But what exactly is “meaningful” consultation in this context? Is it different to what companies already do? Who are the affected groups, and when and how does “meaningful” consultation take place? What role can an annual stakeholder dialogue event or other existing forms of engagement play in meaningfully engaging with stakeholders or affected groups?

This guide aims to highlight how meaningful stakeholder engagement can be designed, as part of a company's human rights due diligence, and help companies improve their sustainability and ultimately business performance. It does not aim to provide comprehensive answers to all the above questions nor explain in detail how to implement the Guiding Principles. It rather offers inspiration for businesses that aim to conduct human rights due diligence with the support of a stakeholder engagement strategy that helps reduce business risk and realise opportunities. The guide will be of most interest and use to managers tasked with leading or managing the human rights agenda for their companies or who are responsible for designing or overseeing their company's community and stakeholder engagement practices.

## RESPECTING HUMAN RIGHTS – A BASELINE RESPONSIBILITY

The corporate responsibility to respect human rights is a **global standard of expected conduct** that is acknowledged today in most major international CSR and soft law instruments, by companies themselves and by their stakeholders. To fulfil this responsibility, in line with the Guiding Principles, a **process of human rights due diligence** is required. The key components of which are depicted in the image below.



Components of human rights due diligence

Conducting human rights due diligence is a substantial element of the **social pillar of sustainability**. It does not necessarily require the establishment of separate processes, since many corporate processes such as compliance, health and safety, sustainable procurement, diversity management, product responsibility already fulfil important functions of human rights due diligence. Nonetheless, it is important to **assess gaps and make adaptations** where severe risks of adverse human rights impacts are not yet properly addressed.

To be able to respect human rights, companies need to understand their actual or potential impacts on **affected groups** and especially **the most vulnerable** in society (a specific subsection of a business' stakeholders). As these impacts may not be obvious or immediately visible, companies need to start a thorough process of inquiry that requires **engagement with these groups and their representatives**. Ultimately, proactive and on-going engagement can help prevent things from going wrong and negative impacts from occurring. Since engaging with affected groups can be unfamiliar territory for businesses, this guide will focus on this challenging aspect of external stakeholder engagement.



### KEY POINTS on the corporate responsibility to respect human rights

- Impacts on the enjoyment of human rights can occur, directly as a result of corporate activity or indirectly via a company's business relationships
- Companies must proactively uncover risks to people and take these into account when making business decisions
- Every company globally has to avoid infringements on human rights, no matter the legal context in a country or willingness of the government
- The concrete means to fulfil the responsibility will depend on company and country context
- Negative impacts cannot be offset by philanthropy
- A human rights approach requires transparency and accountability – companies need to “know” and “show” that they respect human rights

In addition to *respecting* human rights, initiatives such as the United Nations Global Compact also ask companies to engage in supplementary voluntary activities to *support* human rights. While the promotion of human rights through businesses is a laudable approach and should be informed by stakeholder engagement, it does not offer an ‘offset’ for adverse impacts. As companies often find it more challenging to identify and respond to adverse impacts, this guide focuses mainly on the *respect* dimension.

## ENGAGING STAKEHOLDERS IN HUMAN RIGHTS DUE DILIGENCE

As outlined above, due diligence requires a proactive approach to ensure companies know and show that they respect human rights. Both internal and external stakeholders should be involved throughout this process. This document provides some guidance on when, who and how. Still, there is **no standardised approach for involving stakeholders in human rights due diligence!** It will depend, among other things, on a company's specific impacts, size, sector and business relationships.

In the following chapters, this guide provides some key guidance points on how potentially affected groups and their representatives can be identified and involved in human rights due diligence. The table on the next page summarises key opportunities for engaging external stakeholders in a due diligence process, which will be explored at greater depth in this document.

### **KEY POINTS when planning stakeholder engagement in human rights due diligence**

- Invest in a **thorough identification** of stakeholders and affected groups, and identify the best ways to engage them
- **Process should be** inclusive, participatory (creating a sense of ownership), accessible, transparent, credible, culturally-appropriate, context-specific and gender sensitive
- **Engage early**, not only when a decision is imminent or a situation is already escalating
- Establish **clarity** about process, goals and follow-up for all stakeholders involved and **manage expectations** proactively
- Seek **feedback** about their satisfaction with the process
- Remain **flexible**, adapting to changing conditions and new stakeholders emerging
- **Do not put** stakeholders **at risk** through engagement
- Make sure the engagement process itself is **rights-respectful**, e.g. respects the right to privacy
- Be aware of, and address **power imbalances and other barriers** to engagement (language, culture, gender etc.)
- Choose the **right language** for the right partner – not all are familiar with technical human rights or business language



To illustrate the ideas introduced in this guide, we use **examples from a fictional construction company named *WorldBuild***, marked with a flash throughout the document.

## Opportunities for engaging external stakeholders

### Policy commitment

- Consulting key opinion formers in developing the commitment/policy
- Ensuring potential impacts on vulnerable groups are covered through consultation with their representatives

### Assessing impacts

- Consultation to design overall corporate risk assessment and due diligence strategy
- Dialogue with key stakeholders throughout the design, implementation and review of impact assessment process
- Consultation with local stakeholders and potentially affected groups in identifying impacts and defining mitigation measures

### Embedding and integration

- Stakeholder advisory groups to oversee the corporate due diligence process
- Multi-stakeholder initiatives to establish critical mass to deal with particular negative impacts/implementation issues e.g. adverse impacts in supply chains

### Tracking and communication

- Consultation in the identification of key indicators and measurements
- Dialogue on monitoring of performance indicators, and supporting continuous improvement
- Reaching out to potentially affected groups in an adequate way to understand how potential impacts are addressed and communicate approach to them

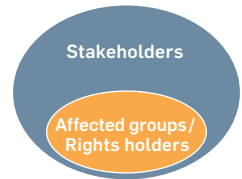
### Access to remedy/ Grievance mechanisms

- Consultation or cooperation in the design, review or monitoring of operational-level grievance mechanisms
- As an implementation partner to run grievance mechanisms or promote them to a particular vulnerable group
- Effective grievance mechanisms require thorough engagement with (potential) complainants

# IDENTIFYING AND ENGAGING STAKEHOLDERS

## WHAT ARE STAKEHOLDERS, AFFECTED GROUPS AND RIGHTS HOLDERS?

The Guiding Principles define a **stakeholder** as “any individual who may affect or be affected by an organization’s activities.”<sup>6</sup> They particularly emphasise a specific subset of these stakeholders – (potentially) affected groups – that are of particular relevance for human rights due diligence. An **affected person or group** is defined as “an individual whose human rights have been affected by an enterprise’s operations, products or services.” To stress the human rights component and to distinguish the concept from what companies usually understand to be their stakeholders, we can also use the term **rights holders**.



To look at this distinction in practice, take the example of the multinational construction company **WorldBuild**, tasked to construct an airport on the perimeter of a city in a developing country:

<b>Stakeholders WorldBuild would typically identify, include:</b>	<ul style="list-style-type: none"> <li>■ Local government representatives who need to grant planning permissions</li> <li>■ The national airports authority</li> <li>■ Health and safety executives or other bodies with oversight or representative status of the construction industry</li> <li>■ The airline companies and other companies which will use the facilities</li> <li>■ Labour providers</li> <li>■ And suppliers, amongst others</li> </ul>
<b>Whereas the affected groups or rights holders include:</b>	<ul style="list-style-type: none"> <li>■ The construction site workers</li> <li>■ Any formal or informal communities living on, or farming the airport site or neighbouring it</li> <li>■ The employees of suppliers, including contract workers or the drivers who will deliver supplies to the site</li> <li>■ The customers who will use the facilities</li> <li>■ Particularly vulnerable groups amongst these, such as migrant workers, disabled persons, the elderly and children</li> </ul>

Potentially **affected groups** can both be *internal* (e.g. workers) and *external* (e.g. local communities, consumers). They can be *close* to the business (e.g. workers in the home country) or *distant* (e.g. contract workers in supply chains, endusers of products); more *vocal* and *powerful* (e.g. workers represented by strong trade unions, consumers represented by consumer protection organisations etc.) or more *vulnerable*, not voicing their concerns loudly and therefore less visible on the company radar (e.g. migrant workers in the supply chain, indigenous peoples, children in communities surrounding a factory etc.). The affected groups can be *organised* and *represented* by particular organisations or individuals e.g. a community elder, the trade union or a local association, or have *no formal structures*.

Companies are often more used to dealing with, and more responsive to the stakeholders that have power and voice. However, a human rights due diligence approach requires that they pay specific attention to and engage the affected groups, in particular the more vulnerable amongst them. They need to find ways to become aware of their concerns and involve them in defining adequate responses. This makes sense when one considers that many of the incidents which companies find most difficult to manage – strikes or other forms of industrial action, community protests or loss of public trust – often arise from badly managed impacts on affected groups,

### **Direct engagement vs. engaging representatives and experts**

Direct engagement with affected groups can provide valuable insights not otherwise obtained and enhance the legitimacy and quality of decision-making. In some cases, however, it can put vulnerable persons at risk (e.g. human rights activists in repressive regimes, workers at suppliers that disclose critical information, children harmed by an engagement process not conducted in a sensitive way). While the Guiding Principles encourage direct engagement, in no case should corporate engagement itself endanger people's human rights. The Guiding Principles acknowledge this and mention in the commentary to Principle 18 that "reasonable alternatives" can be sought in case direct engagement is not possible. Such alternatives can be (formal or informal) representatives of affected groups or human rights experts, coming from NGOs, trade unions, community organisations or international organisations. When engaging representatives and experts, companies should be aware that they might not fully represent or understand the views and interests of the affected groups – and that the needs of the most vulnerable in a community (young people, women etc.) could be excluded.

especially the most vulnerable. However, these individuals and groups can sometimes be hard to reach. More institutionalised stakeholders, such as National Human Rights Institutions, NGOs and trade unions as well as local community organisations can provide valuable support in identifying and getting in touch with them.

Depending on the sector, profile, relationships and product spectrum of a company, the vulnerable groups that can be negatively impacted will vary. Examples of vulnerable groups which companies need to engage with could include women, children, migrant workers, religious or ethnic minorities, indigenous peoples, and the elderly. Those that combine certain characteristics of marginalisation and vulnerability (e.g. migrant, belonging to an ethnic minority group, child and disabled) are at heightened risk of being negatively affected. In the annex, you will find a detailed overview of potentially affected and vulnerable groups and their representatives that can be relevant for engagement in human rights due diligence.

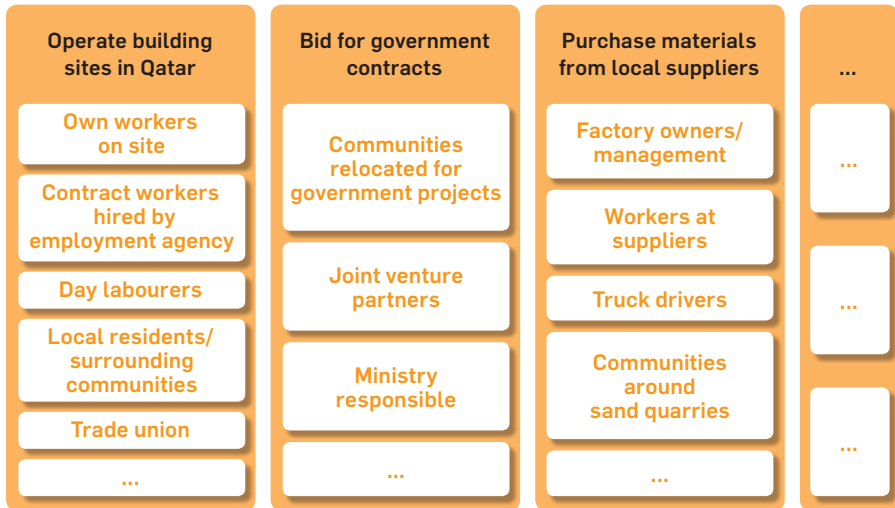
## MAPPING AND PRIORITISING STAKEHOLDERS FOR ENGAGEMENT

One basic step in defining the appropriate strategy for involving stakeholders in human rights due diligence is proper identification and mapping of stakeholders and (potentially) affected groups. Companies can start this process through a thorough mapping of their wider stakeholder landscape, but to identify affected groups they will need to focus on their impacts. Depending on the purpose of the engagement process, this **impact-based mapping** can be done:

- for a specific project (e.g. for a site or country operation where a company plans to do a human rights impact assessment),
- for the company in general (e.g. when companies plan to set up a stakeholder advisory panel or develop a human rights policy),
- for a specific product, production process or value chain (e.g. when the company does a risk assessment for one of its key products or purchase categories) etc.



By way of an **example**, the following chart gives an illustration of how to start a mapping for the construction company *WorldBuild* that plans to assess the impacts of its operations in Qatar and wants to make sure it involves relevant stakeholders, including potentially affected groups.



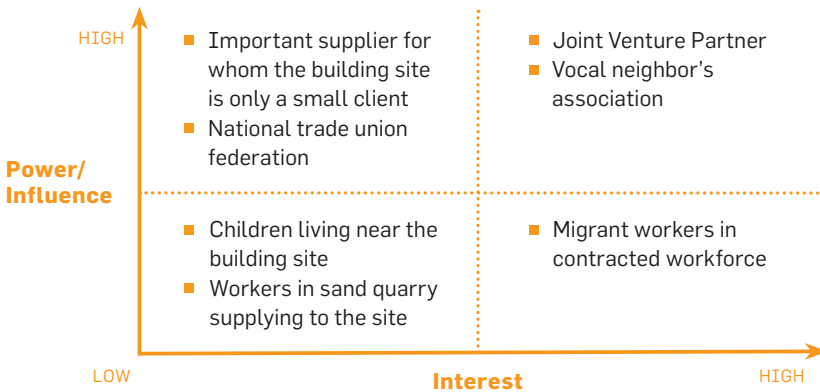
WorldBuild operations in Qatar – start of stakeholder mapping along business activities and relationships

Such a stakeholder mapping should ideally be done early, before or at the beginning of a project, but it can also be of value when a business activity or relationship is already well established and the company wants to look into existing risks and impacts. When mapping stakeholders, it can be advisable to consult with experts (business and human rights practitioners, NGOs) to make sure that important groups are not overlooked.

Once a company has identified the relevant stakeholders they will need to prioritise who to engage with. In the literature on stakeholder engagement it is often suggested that companies base this on criteria such as **interest** of stakeholders and their respective **influence** on success and failure of the project. Taking this approach might lead companies to engage only with the more powerful stakeholders and actually leave out some affected groups, especially the more vulnerable (less powerful) groups. Whereas, a human rights based approach requires engagement with such groups that have potentially little influence but are at heightened risk of being **negatively impacted**.



The interest-influence grid below uses the **example of WorldBuild** operating a building site in an emerging economy and maps some stakeholders and affected groups onto it. This illustrates that also groups with little power or interest might need to be prioritised for engagement due to their increased risk for facing harm.



Influence-interest grid mapping selected stakeholders for WorldBuild building site

Other criteria that might determine the selection of stakeholders to engage with – and that partly correlate with the above-mentioned criteria – can be:

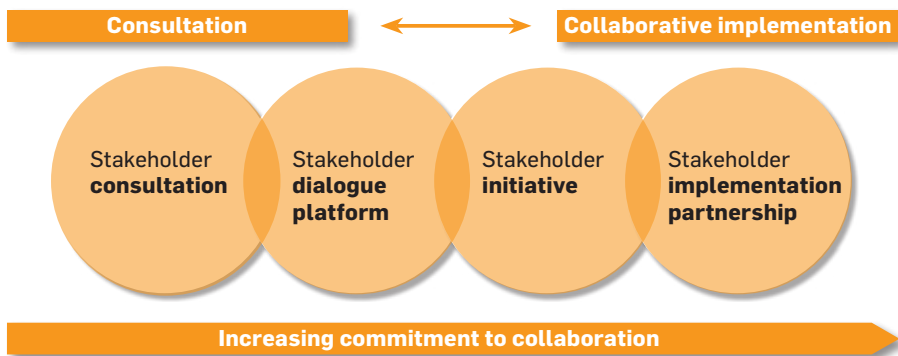
- **legitimacy** of the stakeholder group,
- their **willingness** to engage,
- their **knowledge** of the issues in question, and
- if they have direct **contact** to affected and vulnerable groups.

Mapping and prioritising stakeholders is a living process and there is a need to be flexible in including new groups, as the pattern of business activities, products and services and local presence develops (and therefore also the potential impacts).



## FORMS OF ENGAGEMENT

There are different forms of stakeholder engagement with different intensity, value and benefit depending on where in the human rights due diligence process a company is, and the purpose of the engagement. Companies should pay attention to select the appropriate form of engagement for the particular goals they want to achieve and take into account the needs, habits and preferences of the respective stakeholder groups. The level of engagement can also evolve over time depending on the tasks ahead and business and stakeholder interests. The following diagram depicts different types of engagement on a scale from **consultation** to **collaboration**:



Forms of stakeholder dialogues; from Collective Leadership Institute, Working with stakeholder dialogues, page 32.

Within these modes of engagement different qualitative and quantitative engagement methods can be used, including focus groups and workshops, telephone or in-person interviews, online engagement, written surveys etc.

Certain formats and methods are most appropriate for certain purposes, for example if a company:

- wants to inform a community about potential negative impacts of a project (consultation),
- wants to involve stakeholders in a joint human rights impact assessment (dialogue platform or initiative) or

- looks to collaborate with a group of stakeholders to design and operate a grievance mechanism and resolve specific cases (implementation partnership).

Engaging vulnerable groups may need particular engagement methods. They can be extremely poor, illiterate, physically handicapped etc. and not be accustomed to modes of engagement (languages, workshop formats etc.) that companies would normally use with their more institutionalised stakeholders. Experts and local partners can support companies in choosing the appropriate approach and engagement methods.

In the context of the Guiding Principles, stakeholder engagement refers to “*an **ongoing process of interaction and dialogue between an enterprise and its potentially affected stakeholders that enables the enterprise to hear, understand and respond to their interests and concerns, including through collaborative approaches.***”<sup>7</sup> In that regard, the Guiding Principles already give some guidance on which forms of engagement are preferred in the context of human rights due diligence and highlight that companies need to go beyond a singular event or unilateral communication.

## CHALLENGES OF ENGAGEMENT

Naturally, engaging stakeholders is not without challenges and companies should be aware that as in any human interaction difficulties and conflicts can and will occur. To give just a few examples, stakeholders might lack the capacity or willingness to cooperate with companies and this might require investments in capacity and trust-building on the part of companies. Moreover, companies might experience that stakeholder processes lose momentum over time. Reasons can be that stakeholders do not feel they can really make an impact, that their engagement needs are not met, or that they disagree with the company’s understanding of the goals of the process – though it might also be an indication that stakeholders are satisfied with the company’s progress and have therefore lost interest.

Many of these and other challenges can be prevented or solved through thorough stakeholder selection, establishment of clear goals, thorough process design, transparency and general openness to review the approach and engage in conflict-solving. In the annex, you will find a table summarising key engagement challenges and suggesting ways that can help companies to mitigate them.

# 3 ENGAGEMENT OPPORTUNITIES ALONG THE STEPS OF DUE DILIGENCE

This section gives a brief overview of how stakeholder engagement can add value to different elements of corporate human rights due diligence in line with the Guiding Principles. Each section includes a table that summarises key engagement opportunities with internal and external stakeholders.

## POLICY COMMITMENT

*“For the development of Merck’s Human Rights Charter, we conducted interviews with 20 stakeholders from trade unions, associations, patient groups, experts for human rights from various countries and specialists in individual aspects addressed in the Charter. This provided us with a broad range of external perspectives, we were pleased by the open and constructive input we received. During internal discussions we further reflected on how this input informs our Human Rights Charter, but also other company regulations and guidelines that pertain to human rights, like our Charter on Access to Medicines in Developing Countries.”* **Maria Schaad, Manager Corporate Responsibility at Merck KGaA**

Companies are expected to make a public commitment to respect human rights. This may be a stand-alone policy or integrated into existing Codes of Conduct or other policies. The commitment should identify the most salient human rights issues faced by the company, and how they are currently reflected in corporate policies and processes. Guiding Principle 16 states that such a commitment should be *“informed by relevant internal and/or external expertise”* and *“communicated internally and externally to all personnel, business partners and other relevant parties”*.

Involvement of stakeholders in the development of the commitment will help ensure that it covers the material human rights issues for the company and can also increase the legitimacy of the corporate human rights position. It provides an opportunity for companies to become aware of potential gaps in their policy content, and anticipate and react to public criticism they might face when releasing the statement. The principle mode of engagement at this stage of the due diligence process will be consultation both internally and with external stakeholders e.g. to determine the most salient human rights issues for the company/sector, agree which standards to include as reference point, establish awareness, ownership and support for the commitment and identify what future commitments should be made.



**In setting its global human rights policy, *WorldBuild* could consult externally with among others:**

- Trade union(s) (federations) organising construction workers
- NGOs that have worked on human rights in the construction sector and for relevant supply chains
- The National Human Rights Institution of its home country
- Relevant sector experts from ILO, home state government, sector associations, sustainable investors, sustainability indices

### Engagement opportunities: Policy commitment

#### Engaging internally

- |                                     |   |
|-------------------------------------|---|
| Senior managers                     | <ul style="list-style-type: none"> <li>■ Involvement through direct engagement to ensure support and oversight for the process as well as CEO/Board level sign off</li> </ul>   |
| Experts in different departments    | <ul style="list-style-type: none"> <li>■ Involvement in drafting policy clauses on their fields of work and expertise</li> <li>■ Line managers, engineers and technical experts often need sensitisation on human rights before they can provide input on the social implications of their work or implement a policy</li> </ul>                                |
| Employees and their representatives | <ul style="list-style-type: none"> <li>■ Surveys on what they consider to be relevant aspects to be included in a policy</li> <li>■ Feedback on policy draft by a representative group of employees or trade union representatives</li> <li>■ Ensure voices of potentially vulnerable groups of employees are heard (e.g. persons with disabilities)</li> </ul> |

#### Engaging externally

- |                                  |  |
|----------------------------------|--|
| NGOs and community organisations | <ul style="list-style-type: none"> <li>■ One on one interviews or group workshops allow to gather their inputs on the material aspects the policy should address, specific content as well as expectations for implementation</li> </ul>   |
| (Potentially) affected groups    | <ul style="list-style-type: none"> <li>■ Where possible, engage representatives of affected groups to ensure the policy commitment addresses their concerns and potential impacts</li> </ul>   |
| Others                           | <ul style="list-style-type: none"> <li>■ Specific experts from government, business associations and international organisations (UN, ILO) can provide valuable input on policy clauses related to their field of expertise</li> <li>■ When developing supplier codes – companies should also consult suppliers and representatives of supply chain workers</li> </ul> |

## ASSESSING IMPACTS

*“Engaging with stakeholders is core to Kuoni’s human rights due diligence. Stakeholder consultations help us better analyse our potential impacts and define adequate responses. Great opportunities arise when such consultations transform into continuous dialogue, longer term collaboration and partnership.”*

**Matthias Leisinger, Vice President Corporate Responsibility, Kuoni Travel Holding Ltd.**

In line with Guiding Principle 18, instead of waiting for campaigners or the media to inform them on their negative impacts, companies should proactively “*identify and assess any actual and potential adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationships*”. The principle explicitly spells out that this process should involve meaningful consultation with potentially affected groups and other stakeholders – highlighting the importance of stakeholder engagement to performing credible and accurate impact assessment.

Companies need to decide when it is appropriate to do a broader *company-wide risk assessment* of how their business overall might affect human rights (where they mostly assess known risks for the sector, how they relate to the company and map mitigation measures) and when to actually dig deep and do a *full human rights impact assessment* in a country of operation, for a product line or a specific project (where they look for actual and potential impacts of that business activity). Both benefit from the involvement of stakeholders and affected groups – though both might require different engagement strategies.



**WorldBuild wants to assess the impacts of one of its hotel building projects in an emerging market. They engage:**

- Management of key suppliers and project partners
- Workers on the building site and at high risk suppliers
- Communities near the building site
- Local trade union representatives
- NGOs, community groups active in the area of operation or with sector focus
- The National Human Rights Institution of the country of operation
- Local/national government representatives
- National representatives of international organisations (UNICEF, ILO etc.)

For *company-wide risk assessments* consulting with external stakeholders and affected groups can help verify the findings and prioritise areas for action. Some companies also decide to collaborate with NGOs and other experts in designing the methodology and conducting the actual assessment. When doing *country, site or product impact assessments* it is essential to directly involve affected groups – as they are the actual experts when it comes to deciding if they have been negatively impacted or feel they are at risk. For example, a company might consider damage to community land that is not used for economic purposes a minor impact that can be easily compensated for, while the community might consider it to be a major impact based on their cultural and spiritual relation to the land. Note however, that affected groups may be unaware of their rights, which requires an ex-post assessment of their inputs against the spectrum of human rights.

When consulting communities, employees or workers in the supply chain, it can be advisable that companies leave the consultation to external/local partners and community groups in order to receive open feedback and not put these groups at risk. The assessment team should ensure that vulnerable stakeholders have an opportunity to reach them afterwards to report any repercussions. After completing an assessment, a company should make sure to communicate results and mitigation measures to the affected groups and other stakeholders and to involve them in the implementation where appropriate. Companies can also collaborate with a range of external stakeholders on identifying and designing joint mitigation approaches and programs. A more diverse stakeholder coalition with a common goal to address a specific set of impacts will often have broader and more long-lasting positive impact than single company action.



## Engagement opportunities: Assessing impacts

### Engaging internally

Managers and technical experts across departments

- Should be interviewed as part of risk and impact assessment processes to better understand potential impacts and mitigation measures in their area of operation

Local management

- Should be closely involved when doing in-country or project assessments to ensure ownership and capacity to follow-up

Employees and their representatives

- Should be directly consulted (individually and in groups) as part of risk and impact assessments to understand their concerns and potential impacts they perceive

### Engaging externally

NGOs and other experts from civil society/ international organisations

- Can help to understand the human rights legal framework and landscape relevant for the assessment project
- Provide insight on specific topics
- Translate local concerns to human rights terms
- Establish contact with or act as interlocutors to potentially affected groups

(Potentially) affected groups

- Depending on the nature of the business activity and relationships supply chain workers, outsourced/casual workers, surrounding communities, customers and others should be directly consulted (through interviews or focus groups) to ensure their views are included
- Particular attention should be paid to identifying the most vulnerable groups and finding appropriate engagement strategies to reach them without putting them at risk

Others

- Depending on the assessment context government representatives or business partners (suppliers, JV partners) need to be engaged to understand how the company might contribute to or is linked to potential harm they cause and their processes for identifying and managing impacts

## EMBEDDING AND INTEGRATION

*“There are a couple of fundamental things to grasp in the challenges posed by human rights due diligence. First there are no simple solutions to any of the problems. But, second, neither does any single actor have a total perspective on what the problems are. So due diligence must involve establishing dialogue with those who can broaden perspective on risks and responsibilities. And it must involve establishing partnerships to build a process to effectively respond to those imperatives.”* Dr Aidan McQuade, Director, Anti-Slavery International

Embedding and integration (reflected in Guiding Principles 16 and 19) means to embed the policy commitment, to act upon identified potential or actual impacts, and to make sure that corporate processes are in place and aligned so that they continuously receive adequate attention and response. For human rights due diligence to be effective, this integration should happen both horizontally – across departments/functions – as well as vertically – from top management to every employee. Integration activities might cover: assigning management responsibility and oversight, budget allocation, training, development of incentive structures etc.

*Internal* engagement is key in embedding and integration, as this means making human rights due diligence part and parcel of business routines in procurement, human resources, sales & marketing, research & development etc. This often requires people to change their work routine and therefore needs close engagement to ensure they see the value of and own the change. Due to the cross-cutting nature of human rights, embedding and integration might require to set up an oversight group with representatives from different departments or to integrate this issue into an existing group (e.g. a sustainability committee). The company should make sure this group feels mandated and knowledgeable to cover human rights.

External stakeholders can provide valuable support in these processes. For instance, companies can set up a stakeholder advisory group to accompany their due diligence and solve critical issues. The involvement of NGOs or other stakeholders in oversight of due diligence processes can help increase the legitimacy, quality, problem-solving capacity and ultimately effectiveness of the company’s approach.



**WorldBuild decides to create a cross-departmental working group to support their ongoing due diligence process. In addition, it initiates a collaborative stakeholder initiative to address the issue of working conditions of migrant workers that has been prioritised as a major risk during a company-wide risk assessment.**

### Engagement opportunities: Embedding and integration

#### Engaging internally

Top management	<ul style="list-style-type: none"> <li>Should steer the process and provide leadership and tone from the top to ensure effective integration</li> </ul>
Management and technical experts across departments	<ul style="list-style-type: none"> <li>Need to be properly trained, engaged and incentivised to lead the change required to embed respect for human rights in their area of responsibility</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Need to be trained, engaged and incentivised to make sure they know about their individual role in respecting human rights, consequences of non-compliance and potential grievance channels available</li> </ul>

#### Engaging externally

NGOs and other experts from civil society/ international organisations/ government	<ul style="list-style-type: none"> <li>Can help design responses to specific areas of impact identified and advise on the design and continuous improvement of a company's human rights approach</li> <li>Can participate in stakeholder advisory groups and implementation partnerships</li> </ul>
Others	<ul style="list-style-type: none"> <li>Where negative impacts of business relationships have been identified engagement with business partners to clarify expectations and define joint solutions</li> </ul>

## TRACKING AND COMMUNICATING

*“Rather than auditing suppliers repeatedly, companies wanting to respect human rights should track the number of workers in their supply chain who have permanent contracts, a living wage and freedom of association, and reward suppliers who can show an increase in these over time, as these are the things that really matter to workers. Companies need to actively engage with stakeholders including NGOs and workers representatives to really understand the root causes of human rights infringements and define preventative and remedial measures.”* Rachel Wilshaw, Ethical Trade Manager, Private Sector team, Campaigns and Policy Oxfam GB

Keeping track and communicating the implementation of a company’s commitment as well as response to human rights impacts are necessary to make continuous improvements on human rights due diligence. Principle 20 of the Guiding Principles spells out that tracking should “draw on feedback from both internal and external sources, including affected stakeholders”. Principle 21 on communication highlights that companies should be communication-ready in case concerns are raised by or on behalf of affected stakeholders, that communications should be accessible to their intended audiences and not pose risks to affected stakeholders. The commentary to the principle goes on to state that communication is not limited to formal reporting but can include among other things consultation with affected stakeholders. Moreover, the Guiding Principles require formal reporting from companies that have a risk of severe human rights impacts.

*Internally*, companies need to ensure they engage important stakeholders from different departments to get qualitative and quantitative data on management of impacts and results of mitigation measures. Relevant data can also come from (internally and externally accessible) grievance mechanisms, e.g. on types of complaints, how they have been solved, satisfaction of the complainant with the outcome etc. Moreover, employee surveys or forums can provide a tool to understand how employment related impacts are addressed. Communication on successes and shortcomings should be shared widely within the business to ensure awareness and commitment to improvements.

Engagement of *external* stakeholders can help companies verify the effectiveness of their approach and add legitimacy to their indicators and tracking methodology. By checking with their rights holders companies can identify whether they are really dealing with their impacts and become aware of changing impacts. This can be done through consultation with ‘professional’ stakeholders or through surveys and discussion fora with affected groups, e.g. as follow up to an impact assessment. Companies should ensure that their communication is in line with the communication habits of their affected groups (in terms of length, detail, language, terms used, written or oral, online or in-person, qualitative or quantitative). To make sure that companies become aware of the concerns of affected groups, and can respond accordingly through their communication, they need to have adequate channels for these concerns to reach them (e.g. standing stakeholder advisory panels, externally accessible grievance mechanisms and community relations personnel).



**After assessing the human rights impacts of the hotel building project, WorldBuild continuously monitors the implementation of agreed actions, tracks progress and communicates about it through its website and sustainability report. The human resources representative, the grievance mechanism and community relations contact point established on the ground support data collection and progress tracking.**

**WorldBuild informs the surrounding community on progress in quarterly community meetings in cooperation with a local NGO. During the meetings, which take place at the market square, WorldBuild’s community relations manager explains the progress on mitigation actions taken in simple language – with support and translation from the local NGO partner. The community members have opportunity to ask questions and voice concerns.**

## Engagement opportunities: Tracking and communicating

### Engaging internally

Top management	<ul style="list-style-type: none"><li>■ Oversight of tracking and communication process;</li><li>■ Readiness (and ability) to communicate in case of need</li></ul>
Management and experts across departments	<ul style="list-style-type: none"><li>■ Will need to provide qualitative and quantitative data as basis for effective tracking and communication</li></ul>
Employees and their representatives	<ul style="list-style-type: none"><li>■ Can provide quantitative and qualitative data (through surveys, interviews, use of grievance channels) to support effective tracking</li><li>■ Should be targeted by communication on how the company responds to potential impacts on the workforce</li></ul>

### Engaging externally

NGOs and other experts from civil society/ international organisations/ government	<ul style="list-style-type: none"><li>■ Can provide feedback on the company's human rights due diligence performance and support data collection, e.g. as follow up to a human rights impact assessment</li><li>■ Can give statements to be included in formal reports</li><li>■ Companies will want to be prepared to respond to their requests for how they have dealt with specific impacts/situations</li></ul>
(Potentially) affected groups	<ul style="list-style-type: none"><li>■ Can provide inputs into the company's due diligence performance essential for effective tracking through grievance mechanisms and direct engagement</li><li>■ Companies should communicate directly to them about policy commitments and how they have mitigated and addressed actual or potential impacts on these groups</li><li>■ Should not be put at risk by the company's communication (e.g. impact assessment reports that allow to identify vulnerable individuals that gave input)</li></ul>
Others	<ul style="list-style-type: none"><li>■ Rating agencies, indices and (ethical) investors; they can also provide benchmarking of human rights indicators reported by companies</li></ul>

## ACCESS TO REMEDY / GRIEVANCE MANAGEMENT

*“For Misereor, stakeholder engagement means really getting in touch with the people who are affected by business operations. Especially for grievance mechanisms stakeholder engagement is important, because complaints of local communities can only be solved if local communities are fully included in the process.” Axel Mueller, Politics and global Challenges, MISEREOR e.V.*

No matter how well-designed the corporate policies and due diligence processes are, there will always be instances where things go wrong. Therefore, businesses should provide for or cooperate in remediation where they have caused or contributed to negative human rights impacts (Guiding Principle 22). Moreover, they should establish or participate in operational-level grievance mechanisms for those who may be negatively impacted. These mechanisms need to be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on engagement and dialogue (Guiding Principle 29 and 31). The commentary to Principle 29 makes clear that such mechanisms cannot be a substitute but are a complement to wider stakeholder engagement or collective bargaining. The establishment of effective remediation procedures and grievance mechanisms not only allows for access to remedy when harm has been done but, if well-designed, also enables early conflict resolution before problems escalate. This will only be possible if stakeholders are properly engaged.

Companies often already have grievance mechanisms that are accessible *internally* to employees. The Guiding Principles ask them to ensure these are in line with the effectiveness criteria in Principle 31 and make adaptations where necessary. Employees and/or their representatives can be actively involved in designing or reviewing internal complaints mechanisms. Companies need to ensure the mechanism is accessible to and trusted by all groups of employees, including the most vulnerable.



**WorldBuild has decided to open its existing grievance channels for external stakeholders and to ensure it is in line with the requirements of the Guiding Principles. It consults with a group of experts and NGOs on how to redesign the mechanism, the types of complaints accepted, the investigation process and potential outcomes. One of the NGOs agrees to partner with WorldBuild in case they need support on investigating and solving specific cases. In-country WorldBuild trains workers to inform their peers on the revised mechanism. In high risk markets they partner with local community groups to inform communities about the existence, access points and functioning of the revised mechanism in a format and language understandable to them.**

It is often new territory and therefore more challenging for companies to provide grievance channels to *external* stakeholders and affected groups. Consultation or collaboration with NGOs and other professional stakeholders can help companies to better understand the requirements for an effective grievance mechanism or jointly design/administer one. External stakeholders could be involved in solving cases, where the company feels it lacks the competence to investigate and resolve the issue, or they can act as mediators in case of tension between aggrieved parties and the company. With regards to (potentially) affected groups, companies need to ensure that their grievance channels are adapted to their needs (language, online or face-to-face, timelines, what remedies are available etc.) and designed in a way that allows powerless stakeholders to continuously engage with the mechanism. Seeking feedback from rights holders which have used the grievance process can support monitoring its effectiveness.



## Engagement opportunities: Access to remedy / Grievance management

### Engaging internally

Top management	<ul style="list-style-type: none"> <li>■ Top level oversight of the grievance process</li> <li>■ Receive information on outcomes to address systemic issues</li> <li>■ Escalation of severe cases for top level decision-making</li> </ul>
Management and experts across departments	<ul style="list-style-type: none"> <li>■ Will be involved in investigating pending cases and identifying solutions for systemic problems identified</li> </ul>
Employees and their representatives	<ul style="list-style-type: none"> <li>■ Need to be made aware of existing grievance channels, engaged and informed throughout the process once they have submitted a complaint</li> <li>■ User feedback can help track and improve the performance of the mechanism</li> <li>■ Employee representatives can also participate in the running of the procedure</li> <li>■ In no way, should such a mechanism undermine collective bargaining processes</li> </ul>

### Engaging externally

NGOs and other experts from civil society/ international organisations	<ul style="list-style-type: none"> <li>■ Can support the design and joint administration of grievance procedures or the investigation of particular cases</li> <li>■ Can act as mediators if they are accepted by both sides</li> </ul>
(Potentially) affected groups	<ul style="list-style-type: none"> <li>■ Grievance mechanisms need to be accessible to them and adapted to their needs and ways of communication</li> <li>■ They need to be actively involved and informed throughout the procedure</li> <li>■ Can provide information on the effectiveness of the mechanism</li> </ul>

# 4 WAY FORWARD

Involving stakeholders, and especially potentially affected and vulnerable groups, is not only a requirement for effective human rights due diligence but can bring a range of benefits for businesses, e.g.:

- **Proactive engagement** can help avoid or solve conflicts, establish or maintain the social license to operate and prevent project delays or disruptions.
- Through direct input from affected groups and other stakeholders, the **quality and accuracy of information** on potential human rights impacts of the company increases.
- Stakeholder input can provide **creative solutions** to addressing human rights impacts, and identify new opportunities to support human rights.
- Stakeholder involvement can increase the **legitimacy and credibility** of a company's human rights due diligence approach, open new avenues for problem-solving and build capacity to support implementation.
- Stakeholders can provide a **sounding board** to help companies define when their human rights due diligence approach is fit for purpose or to take difficult decisions, e.g. about which impacts to address first.
- Engagement can help stakeholders to better understand specific business challenges and create more **realistic expectations** of positive impacts the company can have.
- In some cases engagement can lead to **stakeholders supporting** and if needed defending company actions in times of crisis.

In light of these benefits, it becomes evident that meaningfully engaging affected groups and other stakeholders is essential for implementing corporate respect for human rights and the Guiding Principles as well as other corporate sustainability standards. In doing so, it is not the amount of resources invested that counts but to have thorough engagement processes that help become aware of the issues faced by affected groups.

This publication gives inspiration for further action by companies to ensure their stakeholder engagement processes are fit for purpose, goal-oriented and adequately address stakeholder needs and the concerns of affected groups. It should encourage companies to assess their engagement processes based on the suggestions given in this publication and to define what additional measures are needed to ensure stakeholders are adequately involved in assessing and managing corporate human rights impacts.

# ANNEX

## OVERVIEW POTENTIALLY AFFECTED / VULNERABLE GROUPS

The following table gives a short and necessarily incomplete overview of potentially affected vulnerable groups and their representatives that can be relevant for engagement in human rights due diligence. Stakeholders – be it consumers, workers, community members, supply chain employees – can fall into several of the below categories at once.

Potentially affected groups	Potential areas of specific vulnerability	Possible representatives & experts (examples)
<b>Minorities (e.g. national, ethnic, linguistic, religious, political)</b>	Marginalised in society or by laws; at risk to become victims of violence, harassment or discrimination (e.g. in employment)	International NGOs (e.g. Minority Rights Group International, Global Human Rights Defence, Society for Threatened Peoples International), research centres (e.g. European Centre for Minority Issues), UN independent expert on minority issues, NGOs focusing on specific groups (e.g. European Roma Rights Centre), associations of people from specific minorities (e.g. religious groups)
<b>Children and young people</b>	Might be more susceptible to exploitation and affected/harmed more strongly than adults due to their physical size, developing bodies etc.	Parents and carers, teachers, child rights organisations and NGOs (e.g. Save the Children), international organisations (e.g. UNICEF), youth organisations, government representatives (e.g. children ombudsman, ministries for education, youth, family affairs)

Potentially affected groups	Potential areas of specific vulnerability	Possible representatives & experts (examples)
<b>Women</b>	Discriminated by laws; excluded from decision-making processes; subject to gender-specific violence and harassment	UNIFEM, UN Committee on the Elimination of Discrimination Against Women, international NGOs (e.g. Human Rights Watch, Equality Now, International Women's Rights Action Watch, Madre), government representatives responsible for gender issues, women's groups and associations, community-based women's organisations
<b>Persons living with HIV/AIDS or other diseases</b>	Discrimination and marginalisation within society; health related physical and psychological conditions that might complicate engagement	WHO, international and local patient groups and associations (e.g. International Alliance of Patients' Organisations, International Diabetes Federation, Alzheimer's Disease International), community health organisations, international NGOs (e.g. Medecins Sans Frontières, International Red Cross and Red Crescent Movement, Care International, Oxfam), UN Special Rapporteur on the right to health, local health care providers
<b>Indigenous peoples</b>	Not speaking official languages, illiteracy; access to information; marginalisation in access to services, education, jobs; livelihoods and environment threatened	Indigenous peoples groups and organisations and their federations (e.g. Indigenous Peoples of Africa Co-ordinating Committee), international NGOs (e.g. Survival International, Minority Rights Group International, Global Forest Coalition, Amazon Watch), Government bodies for indigenous issues, UN Special Rapporteur on the rights of indigenous peoples.  Indigenous peoples have an internationally agreed right to free, prior and informed consent (FPIC) when their livelihoods are affected by a project!
<b>Human and labour rights defenders and trade union activists</b>	At risk by repressive regimes and paramilitary groups; discrimination by employers	International Trade Union Federations (e.g. ITUC, UNI, IndustriALL), national and local trade unions, Amnesty International
<b>Informal and casual workers</b>	Not protected by trade union representation; face particular risk of abusive working conditions	Worker organisations representing informal workers, sometimes trade unions also focus on informal sector workers

<b>Potentially affected groups</b>	<b>Potential areas of specific vulnerability</b>	<b>Possible representatives &amp; experts (examples)</b>
<b>People with disabilities</b>	Societal/cultural discrimination; physical and psychological conditions that might complicate engagement	Disabled people's organisations, NGOs (e.g. International Disability Alliance, Christian Blind Mission, Handicap International, Inclusion International), International organisations (UN Committee on the rights of persons with disabilities, ILO Global Business and Disability Network), government representatives for disability issues
<b>Elderly people</b>	Physical and psychological conditions that might complicate engagement	NGOs (e.g. HelpAge International), care givers, elderly people associations
<b>Migrants, refugees and displaced persons</b>	Insecure legal status; at risk of abuse and discrimination; might face difficulties accessing basic services	Migrants' organisations, NGOs (e.g. Migrants Rights International, Internal Displacement Monitoring Centre), international organisations (e.g. UNHCR, OCHA, IOM, ICRC, UN Special Rapporteur on the human rights of migrants, UN Committee on Migrant Workers)
<b>Lesbian, gay, bisexual, transgender and intersex (LGBTI) individuals</b>	Discrimination and exclusion; victims of violence and harassment	Regional, national and local LGBTI groups and organisations, international NGOs working on sexual orientation (e.g. ARC International, Amnesty International, Human Rights Watch, Global Action for Trans*Equality, The International Gay and Lesbian Human Rights Commission, International Lesbian, Gay, Bisexual, Trans and Intersex Association)

## OVERVIEW

### CHALLENGES OF ENGAGEMENT

The following table highlights main challenges of stakeholder engagement and possible mitigation measures companies can take.

Issue		Mitigation measures
<b>Lack of capacity</b>	<ul style="list-style-type: none"> <li>■ Company representatives in charge of engagement might lack the experience and competency to engage stakeholders</li> <li>■ Stakeholders might lack resources and capacity to participate in engagement processes</li> </ul>	<ul style="list-style-type: none"> <li>■ Invest in training and internal capacity building for stakeholder engagement</li> <li>■ Be aware of and upfront about resource constraints of potential partners and possible power differences and jointly define agreed solutions</li> <li>■ Ensure weaker stakeholders remain in the process e.g. through capacity building</li> </ul>
<b>Legitimacy</b>	<ul style="list-style-type: none"> <li>■ Risk of giving legitimacy to the 'wrong' people (e.g. consulting leaders claiming to represent the community, or consulting vulnerable groups directly which challenges the traditional community hierarchy)</li> </ul>	<ul style="list-style-type: none"> <li>■ Carry out initial research about local power dynamics when choosing stakeholders for engagement</li> <li>■ Talk directly to a selection of affected groups to verify that the right representatives are being engaged (and possibly to triangulate the information received from them)</li> <li>■ Don't rely on single sources for information</li> </ul>
<b>Lack of engagement</b>	<ul style="list-style-type: none"> <li>■ Stakeholders might not be motivated to participate in company initiatives</li> <li>■ Lying behind this might be the feeling they can't influence the decision-making; that they do not agree with the goals; dissatisfaction with the format of engagement; lack of trust or resources; engagement exhaustion or disappointment from previous engagement processes</li> </ul>	<ul style="list-style-type: none"> <li>■ Rethink the stakeholder analysis – have the right groups been chosen?</li> <li>■ Find out the root causes for lack of engagement and what engages stakeholders</li> <li>■ Talk to stakeholders about what their needs for engagement are (engage about engagement)</li> <li>■ Make sure engagement is based on common/agreed goals and results-driven</li> <li>■ Create real engagement opportunities (e.g. continuous involvement throughout a process) not to nod off previously taken decisions</li> <li>■ Make sure engagement format is in line with stakeholder expectations (e.g. regarding time and resource investments)</li> <li>■ Build the capacity of stakeholders</li> </ul>

Issue	Mitigation measures	
<b>(Mutual) lack of trust</b>	<ul style="list-style-type: none"> <li>■ Stakeholders might distrust the company's motives, fear being used to legitimise the company or are not used to partner with companies</li> <li>■ The company might distrust stakeholder and fear being exposed</li> </ul>	<ul style="list-style-type: none"> <li>■ Invest in trust-building upfront (e.g. through informal conversations, individual talks)</li> <li>■ Approach stakeholders early and decide on goals of the engagement process jointly</li> <li>■ Begin cooperation on a small scale and deepen engagement as trust is developed</li> <li>■ Agree a Memorandum of Understanding that documents the agreed terms of working together and channels to raise grievances</li> <li>■ Do not make false promises and keep agreements</li> <li>■ Show stakeholders how their input will be used in the process and follow up regularly</li> <li>■ Engage neutral mediators to build trust and facilitate the engagement</li> <li>■ Create and celebrate common successes</li> </ul>
<b>Putting stakeholders at risk</b>	<ul style="list-style-type: none"> <li>■ In some locations, inviting people to engage on human rights concerns can put them at risk especially when these concerns arise in relation to the action of repressive governments</li> <li>■ Interviewing supplier workers can lead to retaliation by suppliers</li> </ul>	<ul style="list-style-type: none"> <li>■ Ask stakeholders for their security/safety concerns</li> <li>■ Design engagement formats in a way that addresses the concerns (e.g. secure anonymity, conduct interviews off site, provide contact details)</li> </ul>
<b>Receiving conflicting information</b>	<ul style="list-style-type: none"> <li>■ When engaging different groups of stakeholders and affected groups companies might receive conflicting information and face challenges to verify it (e.g. during impact assessments)</li> </ul>	<ul style="list-style-type: none"> <li>■ Make sure to engage as widely as possible and try to triangulate information through use of different sources</li> <li>■ Use independent partners to conduct research to ensure openness from consulted stakeholders</li> </ul>





Issue	Mitigation measures	
<b>Expectations not aligned/ clash of organisational cultures</b>	<ul style="list-style-type: none"> <li>■ Local stakeholders might expect that the company solves their problems and use engagement around human rights to raise unrealistic demands</li> <li>■ NGOs might be disappointed by company progress and withdraw from a cooperation</li> <li>■ Ideological differences might become obvious and dominate the engagement</li> </ul>	<ul style="list-style-type: none"> <li>■ Invest time and resources upfront to carefully manage the expectations regarding what the outcomes of any engagement process can be – sincere engagement takes time!</li> <li>■ Agree on joint goals and measure progress towards them, address goal alignment at different stages in the engagement process</li> <li>■ Clarify underlying interests, needs and organisational languages</li> <li>■ Agree clear roles and responsibilities in the process and reclarify if needed</li> <li>■ Acknowledge differences and integrate them into process design</li> </ul>
<b>High fluctuation</b>	<ul style="list-style-type: none"> <li>■ During longer term engagement processes stakeholders might drop out of the engagement process due to job changes, other priorities</li> </ul>	<ul style="list-style-type: none"> <li>■ Proper documentation of progress of the collaborative process to ensure new people can easily catch up</li> <li>■ Invest in relationship building to make new people part of the process and bring them up to speed</li> </ul>
<b>Exposure</b>	<ul style="list-style-type: none"> <li>■ Some stakeholders might demand a level of transparency as a basis for working together that the company is not comfortable with</li> </ul>	<ul style="list-style-type: none"> <li>■ Agree the terms of cooperation including any communication and disclosure requirements early on, e.g. in a Memorandum of Understanding</li> </ul>

## FURTHER READING

### Business and Human Rights

- **United Nations** Guiding Principles on Business and Human Rights, 2011
- **United Nations High Commissioner for Human Rights: The Corporate Responsibility to Respect Human Rights, 2012:** An Interpretive Guide
- **United Nations Global Compact Network Germany/twentyfifty/German Institute for Human Rights, 2013:** Respecting Human Rights – An introductory guide for business
- **Business and Human Rights Resource Centre:** <http://www.business-humanrights.org>
- **United Nations Global Compact:** Human Rights and Business Dilemmas Forum

### Stakeholder Engagement

- **AccountAbility/UNEP, 2006: From Words to Action – The Stakeholder Engagement Manual – Volume 2: The Practitioner's Handbook on Stakeholder Engagement**
- **Business for Social Responsibility, 2012:** Back to Basics – How to Make Stakeholder Engagement Meaningful for Your Company
- **Collective Leadership Institute, 2011:** Working with Stakeholder Dialogues – Key Concepts and Competencies for Achieving Common Goals
- **Collective Leadership Institute:** <http://www.stakeholderdialogues.net/>
- **International Finance Corporation, 2007:** Stakeholder Engagement – A Good Practice Handbook for Companies Doing Business in Emerging Markets
- **OECD, forthcoming:** Stakeholder Engagement & Due Diligence in Extractive Industries, A User Guide
- **Shift, 2013:** Bringing a Human Rights Lens to Stakeholder Engagement
- **UNICEF, 2014:** Engaging Stakeholders on Children's Rights. A Tool for Companies

## ENDNOTES

- 1 See for example the article by John Browne and Robin Nuttall, McKinsey 2013: [Beyond corporate social responsibility: Integrated external engagement.](#)
- 2 See 2012 [Guardian interview with Paul Polman.](#)
- 3 "Material aspects" are defined in the Guidelines as: *"those that reflect the organization's significant economic, environmental and social impacts; or substantively influence the assessment and decisions of stakeholders"*.  
[See GRI Guidelines Reporting Principles and Standard Disclosures](#), page 92.  
The Guidelines also make "stakeholder inclusiveness" one of the core principles for defining report content.
- 4 The Guiding Principles will be referred to throughout this publication (see section "Further Reading"). For a basic introduction to what it means for companies to respect human rights including case studies: Global Compact Network Germany/twentyfifty/German Institute for Human Rights, [Respecting Human Rights – An introductory guide for business.](#)
- 5 See for instance the updated OECD Guidelines or the EU CSR definition and strategy.
- 6 See for this and the following definition: United Nations High Commissioner for Human Rights, The Corporate Responsibility to Respect Human Rights: [An Interpretive Guide](#), page 8.
- 7 United Nations High Commissioner for Human Rights, The Corporate Responsibility to Respect Human Rights: [An Interpretive Guide](#), page 8.
- 8 For more see the [UN Declaration on the Rights of Indigenous Peoples](#) and [UN Global Compact, A Business Reference Guide – United Nations Declaration on the Rights of Indigenous Peoples.](#)

