



# Stakeholder engagement role in ensuring respect for human rights

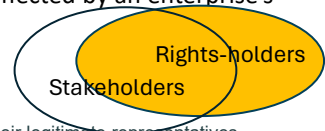
7th March 2024, Riga, Latvia

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## What do we mean when we speak about...

- **Stakeholder:** any individual or group who may affect or be affected by an organization and its activities.
- **An affected stakeholder:** an individual whose human rights have been affected by an enterprise's operations, products, or services.

UNGPs differentiate between 3 groups of stakeholders:



1. **Rights-holders** i.e. affected and potentially affected stakeholders (human beings) and their legitimate representatives.
  - entitled to rights;
  - entitled to claim rights;
  - entitled to hold the duty bearer accountable;
  - has a responsibility to respect the rights of others.
2. **Credible proxies for the views of affected stakeholders:** individuals with sufficiently deep experience in engaging with the people from a particular region or context (for example, women workers on farms, indigenous peoples or migrant workers) who they can help to effectively convey their likely concerns. In practice, this can include development and human rights NGOs, international trade unions and local civil society, including faith-based organisations.
3. **Human rights experts.** BUT NOTE: They are not a replacement for engaging with affected stakeholders.

**DUTY BEARERS:** those who have the obligation to respect, protect and fulfil the rights of the rights holder (e.g. companies, States).

Source: UN OHCHR, The corporate responsibility to respect human rights. An Interpretative Guide., NY and Geneva, 2012

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## Stakeholder engagement is...

an ongoing process of interaction and dialogue between an enterprise and its (potentially) affected stakeholders that enable the enterprise to hear, understand and respond to their interests and concerns, including through collaborative approaches.

Source: UN OHCHR, The corporate responsibility to respect human rights. An Interpretative Guide., 2012

UNGP OP18

„In order to gauge human rights risks, business enterprises should identify and assess any actual or potential adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationships. This process should:

**(a) Draw on internal and/or independent external human rights expertise;**

**(b) Involve meaningful consultation with potentially affected groups and other relevant stakeholders, as appropriate to the size of the business enterprise and the nature and context of the operation.”**

Commentary:

„To enable business enterprises to assess their human rights impacts accurately, **they should seek to understand the concerns of potentially affected stakeholders by consulting them directly in a manner that takes into account language and other potential barriers to effective engagement.**”



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## If done the right way stakeholder engagement can ...

- create opportunities for **dialogue** between an organisation and one or more of its stakeholders
  - Improved quality of analysis of HR -> an informed basis for the organisation's decisions -> lower risk of litigation
  - enable individuals and communities who may be affected by company's activities to express their concerns, needs and issues directly -> company can easier understand their perspectives
- enable **prioritisation** of those impacts, without the company making those decisions alone -> **lower risk of conflict & lower risk of litigation**
- **build trust**
- help to better understand how to manage identified impacts
- result in unexpected **solutions and allies**

### Stakeholder consultation in the process of identifying our salient issues



Stakeholder engagement is a crucial part of human rights due diligence. Banks should engage with potentially affected individuals and groups in order to truly understand their interests and concerns. By consulting stakeholders and experts earlier in the process, banks will be better equipped to deal with any negative impacts that are linked to their operations, to prevent or mitigate and remediate them.”

- Thijs van Brussel, program leader natural resources, conflict & human rights, Pax for Peace



Involving stakeholders and inviting others to comment on ING's human rights due diligence shows meaningful commitment to the topic and contributes to the high level of transparency on human rights to which the Dutch banking sector has committed itself.”

- Maryse Hazelzet, advisory sustainability, NVB

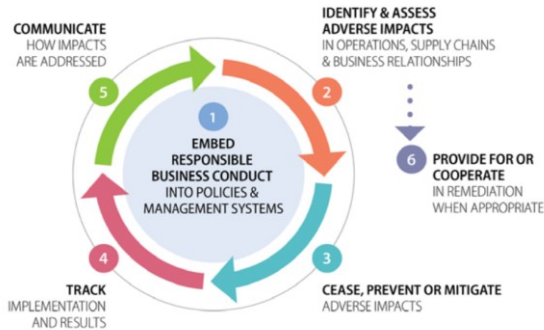
Source: ING Human Rights Report 2018



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## HRDD & Stakeholder Engagement

### DUE DILIGENCE PROCESS & SUPPORTING MEASURES



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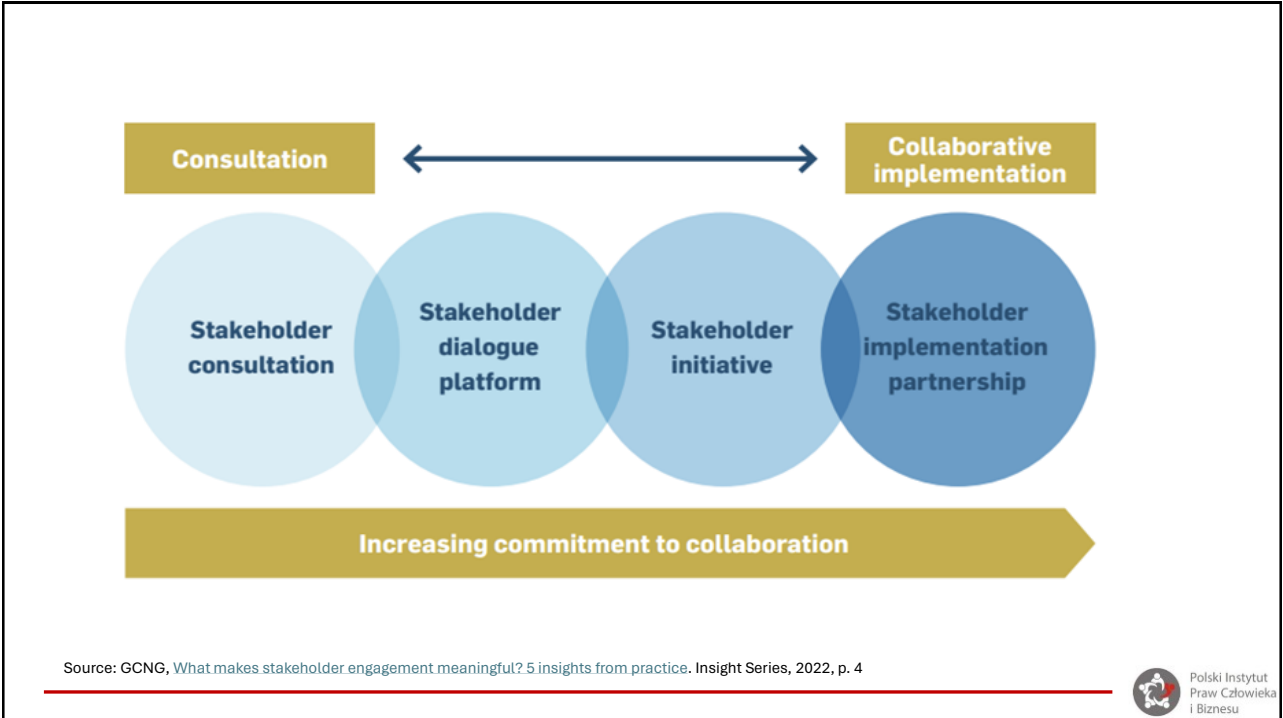
- SE can inform and should be carried out at all stages of the HRDD cycle, as appropriate to its size, sector and operational context of the company, at each of them it will serve different purpose.
- Stakeholders can be engaged in variety of ways and can help a company to:
  - identify and assess any actual or potential adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationships;
  - design tailored ways to prevent and counteract those impacts and mitigate risks;
  - develop tailored indicators against which the effectiveness of the actions undertaken would be assessed;
  - ensure external monitoring of mitigation measures or other environmental and social programmes;
  - use the public disclosure/reporting process to engage in discussion about what works well and what requires adjustment to result in progress, to help companies avoid wasting their resources on non-effective actions that perhaps have PR potential but no real economic or social impact.

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## Meaningful & effective stakeholder engagement

- **based on dialogue** (it cannot be a simple gathering of opinions that are later not taken into account at decision-making stage. It has to be driven by stakeholders through ongoing consultation and follow-through);
- **ongoing** (it is not a one-off exercise but needs to be conducted on a regular basis; it should be integrated into project planning and regular business operations through sharing of decision-making power with interested and affected parties);
- **focused first of all on potentially affected stakeholders** (it needs to be carried out first of all with the right stakeholders, in particular Human Rights Defenders, workers and local communities)
  - stakeholder engagement strategies should prioritize engagement with most severely affected rather than most influential stakeholders
- **accessible and appropriate for the different stakeholders** (it needs to use variety of communication channels and formats to enable stakeholders participation),
- **be safe for stakeholders** ( it needs to be done in a manner that will not result in repressions or retaliation only because they spoke up) and be
- **focused on stakeholders' rights, interests and concerns** (needs to be focused on the right issues, i.e. those that can potentially result or did result in negative human rights impacts).

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## .. and yet very few companies undertake meaningful SE (CHRB 2023)

Corporate Human Rights Benchmark

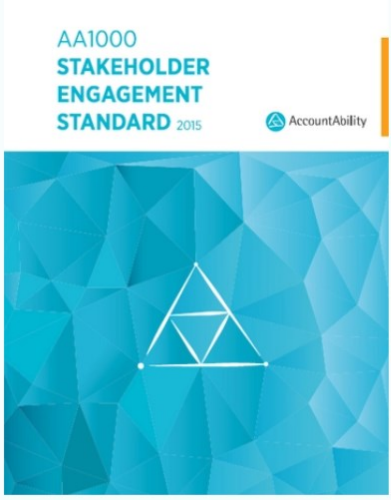
<5% companies engages affected stakeholders in finding solution aimed at preventing, minimising and remedying adverse impacts.

The graphic shows a grid of 100 person icons. The first 5 icons in the top row are white, representing the less than 5% of companies that engage affected stakeholders. The remaining 95 icons are red.

Source: WBA, [CHRB 2023](#)

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AA1000  
STAKEHOLDER  
ENGAGEMENT  
STANDARD 2015


AccountAbility

- [AA1000 Stakeholder Engagement Standard](#) (2015)
- IFC, [Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets](#) (2007)
- [OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector](#) (2017)
- UN OHCHR, [The corporate responsibility to respect human rights. An Interpretative Guide](#) (2012).
- Shift, [The Quality of relationships Toolkit](#), 2021,




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**GBI  
Conversations**  
with

**Andrea Shemberg**  
GBI Chair




### Episode 3 - Why meaningful engagement with stakeholders is key to managing legal risk

Andrea Shemberg, Chair of the Global Business Initiative on Human Rights speaks with Catie Shavin about why meaningful engagement with stakeholders is key to implementing effective human rights due diligence – and to managing legal risk – and what 'meaningful' looks like.

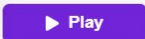
[Read more about Andrea's experience and connect on LinkedIn](#)

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**Thank you for your attention!**

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