

# What makes stakeholder engagement meaningful?

## 5 insights from practice

INSIGHTS SERIES –

Keys to effective human rights due diligence



Global Compact  
Network Germany



HUMAN RIGHTS &  
LABOUR



# Background

Business and human rights has become an increasingly important topic on the corporate sustainability agenda. The German Network of the UN Global Compact has been assisting companies to live up to their human rights responsibilities since its inception 20 years ago. The 10th anniversary of the [UN Guiding Principles on Business and Human Rights](#) (UNGPs) – celebrated in June 2021 – provides an opportunity to reflect on some of our key insights for effective human rights due diligence. This series offers companies food for thought, highlights inspirational practice and shares valuable lessons learned to stimulate business managers and decision-makers towards an ambitious, transformational approach to respecting human rights in line with the UNGPs.

The publications in this series give emphasis to approaches, strategies and mindsets that:

- are effective and meaningful
- grow legitimacy and increase transparency across corporate human rights practices
- help to raise trust between stakeholders.

The insights shared in the series are based on the experience of Global Compact Network Germany in supporting business practitioners to implement human rights due diligence. They include knowledge gathered through engaging with businesses, and the know-how of our partners, and experts over the years.

## WHAT THIS INSIGHTS SERIES IS ...

The Insights Series aims to present a selection of key lessons learned and success factors for respecting human rights in the spirit of the 10 Principles of the UN Global Compact and in line with the UNGPs, providing companies with inspiration for effective and meaningful human rights due diligence and continuous improvement.

## ... AND WHAT IT'S NOT

The Insights Series does not provide guidance on how to 'comply' with the UNGPs, nor does it constitute a step-by-step guide to human rights due diligence or meeting legal requirements. Reference to existing guidance is included at the end of this publication.

## The corporate responsibility to respect human rights

In 2011, the UNGPs established the first internationally recognised, comprehensive framework defining the roles of states and companies in addressing the negative impacts of business on people's rights. Developed by John Ruggie, the then Special Representative of the UN Secretary-General on Human Rights and Transnational Corporations and Other Business Enterprises, and his team, the UNGPs' 'Protect, Respect, Remedy' framework says that

- states have a **duty to protect** human rights against human rights abuses by third parties, including by business;
- businesses have a **responsibility to respect** human rights and address risks associated with their business activities and relationships; and
- people whose rights have been impacted by business must have **access to remedy**.

In spelling out the corporate responsibility to respect human rights, the UNGPs also operationalised the human rights-related expectation contained in the [Ten Principles of the UN Global Compact](#): that businesses shall respect human rights and ensure they are not complicit in human rights abuses by others. The [OECD Guidelines for Multinational Enterprises](#), in turn, were updated in 2011 to include stronger reference to human rights and provide detailed guidance on human rights due diligence in line with the UNGPs.

These three frameworks share an underlying idea: business respect for human rights can only be achieved by putting people at the centre of a risk-based approach, changing the perspective from risk to business, to risk to people. This fundamental shift of perspective is what defines **human rights due diligence** – and also constitutes a crucial contribution business can make to the **sustainable development** agenda more broadly.<sup>1</sup>

The UN Working Group on Business and Human Rights – tasked with promoting the implementation of the UNGPs – asks states to publish **National Action Plans on Business and Human Rights** (NAPs) to detail their priorities and actions in implementing the UNGPs. The Working Group also encouraged states to adopt a **'smart mix'** of measures – including voluntary and mandatory, national and international – to ensure and encourage businesses to respect human rights. In recent years a growing number of countries adopted **legislation** – such as Germany's Supply Chain Due Diligence Act and France's Loi sur le Devoir de Vigilance – that implicitly build on or explicitly refer to human rights due diligence as set out in the UNGPs.

<sup>1</sup> The UN Global Compact describes the principles-based approach to the Sustainable Development Goals (SDGs), including the ways in which the Ten Principles and the UNGPs interact with the SDGs, in its 2016 White Paper [The UN Global Compact Ten Principles and the Sustainable Development Goals](#)

# Meaningful Stakeholder Engagement

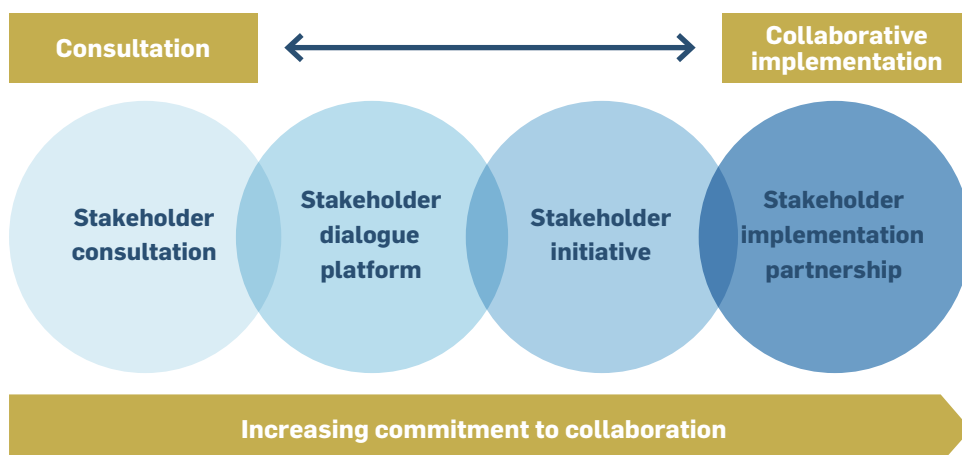
Engaging stakeholders in a meaningful way is critical for human rights due diligence. In fact, one could go so far as to argue that there is no effective human rights due diligence without meaningful stakeholder engagement. Stakeholder engagement is considered meaningful when it benefits people potentially at risk of negative impacts and when it supports robust due diligence processes within business. Together with understanding and addressing negative impacts, it ensures that affected people remain at the very heart of the due diligence process.

*'Stakeholder engagement involves interactive processes of engagement with relevant stakeholders. (...) Meaningful stakeholder engagement is characterised by two-way communication and depends on the good faith of the participants on both sides (...) Meaningful stakeholder engagement is a key component of the due diligence process.'*

OECD Due Diligence Guidance for Responsible Business Conduct

## Meaningful stakeholder engagement at a glance

Stakeholder engagement is a cross-cutting issue in the UN Guiding Principles and other key frameworks, such as the [OECD Due Diligence Guidance](#) for Responsible Business Conduct. The latter defines a company's stakeholders as 'persons or groups who have interests that are or could be impacted by an enterprise's activities'. Their perspective matters not only with regard to identifying and assessing negative human rights risks and impacts, tracking and reporting on risks and impacts, but also with regard to designing effective grievance mechanisms, or providing targeted remediation. As shown below<sup>2</sup>, such engagement can range from informal relationship building, to consultative processes and organised dialogue to more formalised implementation partnerships and Multi-Stakeholder-Initiatives (MSIs).



<sup>2</sup> Adapted from Collective Leadership Institute (2011): *Working with Stakeholder Dialogues – Key Concepts and Competencies for Achieving Common Goals*, p. 32

The primary objective of stakeholder engagement in the context of human rights due diligence is to ensure that the **measures taken by businesses match the actual risks and needs of individuals or groups whose rights are negatively impacted** by their activities. Engagement with (potentially) affected rightsholders is therefore critical. However, engaging with rightsholders in a meaningful way can be particularly challenging for companies. For this reason, the focus of this publication is primarily on **engagement with rightsholders**, as a subset of stakeholders, or their legitimate representatives where direct engagement is not possible.

While legislation increasingly requires companies to conduct ongoing human rights due diligence, many still struggle with meaningful stakeholder engagement and as a result, may miss out on the **benefits** it can generate. Systematically integrating stakeholder engagement into due diligence processes can help companies detect potentially negative impacts early, increase the efficacy of collaborative responses to impact mitigation, as well as the potential for grievance mechanisms to successfully identify and address actual and potential harm. Businesses that wait for negative impacts to become severe before directly engaging with stakeholders risk losing valuable resources needed for firefighting and (re-)building trust. Not engaging with rightsholders in a meaningful way is therefore a missed opportunity for **robust human rights due diligence processes** that have the potential to enhance business resilience through proactive risk management.

But what makes stakeholder engagement meaningful for businesses and stakeholders alike?

## Five insights on meaningful stakeholder engagement

Many publications have been developed to provide businesses, civil society, unions, development agencies and other governmental organisations with technical guidance on the 'dos and don'ts' of stakeholder engagement.<sup>3</sup> Building on these, as well as practical experience and conversations with selected companies and engagement practitioners, this publication seeks to highlight five selected success factors that help make stakeholder engagement meaningful – as a transformative rather than a transactional process of human interaction.

The five insights identified suggest that stakeholder engagement is truly meaningful when it is

**designed** in a way that is

- **based on trust**
- **fit for purpose**
- **rights-based**

informed by a **mindset** that is

- **characterised by co-ownership**
- **sensitive to context**

Although the focus of this publication is on stakeholder engagement between business and external stakeholders, the success factors identified can be just as relevant in other engagement contexts, e.g. when businesses engage internal stakeholders in shaping their ongoing due diligence processes or when development agencies engage on the design of development projects. The insights identified do not represent an exhaustive list, but rather aim to highlight selected, crucial aspects, acknowledging that these insights are strongly interlinked.

<sup>3</sup> For a selection of guidance documents see [Annex 2](#)



INSIGHT  
**1**

## Stakeholder engagement is meaningful when it is based on trust

Striving towards stakeholder engagement which is based on trust and which is oriented toward building trusting, open and transparent relationships is critical for making engagement truly meaningful. If the engagement is not oriented towards building trusting relationships, it risks becoming merely transactional, used by a company to achieve certain commercial or operational objectives and by stakeholders to secure maximum immediate benefits. Investing in trust building strengthens the ability of the parties involved to move beyond individual interests and work in good faith towards a common endeavour. Additionally, continuous investment in trust building is crucial to establish, maintain and develop sustainable relationships resilient in times of crisis. Critical to this is a true willingness to partner to solve the issues at hand, empathy for the perspectives of the other and a recognition that all parties involved bring their own interests and needs to the table.

Several factors can influence the growth of trust in a stakeholder relationship:

- **Ensuring that all engagement and interaction is underpinned by transparency** of both process and available outcomes. Transparency involves being open about what is expected from one another, about the limitations of what can be achieved, in particular from the company's side, and about potential trade-offs as they emerge throughout the process. Transparency is therefore critical for addressing existing power imbalances and working towards a level playing field between all parties involved.
- **Giving the process time.** This factor may conflict with short-term goals and planning within businesses. Particularly when it comes to consultation processes, timeframes are often driven by specific deadlines, e.g. when a grievance mechanism needs to be up and running, or a policy published. This however may come at the expense of true dialogue as well as identification of new, unforeseen and potentially improved solutions. If stakeholder engagement becomes a tick-box exercise, the potential for co-creating innovative solutions or putting thought into the best outcome for all parties involved will likely be limited.
- **Moving ahead with reliable and predictable behaviour.** This includes jointly agreeing and adhering to the rules under which the stakeholder engagement takes place and being willing to potentially (re-)negotiate them.
- **A commitment to act on all sides.** Those participating in an engagement from the business side might not have the company leadership's mandate to openly share information or make decisions that might have financial or other operational impacts. This may be as much a challenge for stakeholders, e.g. NGOs representing right-sholders acting without a mandate to move in a certain direction.

## BRINGING IT TO LIFE

As described in the book 'Getting it Right' there are actions that can function as trust builders and others that can function as trust breakers in community–company relations. Trust builders, derived from practice, can be categorised as follows:

„Trust Builder“ <sup>4</sup>	Illustrative example
<p>The company is reliable and predictable, follows through on commitments, ensures that company staff are open to engaging on a regular basis (even if there are no immediate needs on the company's side) and sets clear criteria for benefit distribution between the business and the affected rightsholders.</p>	<p>A company commits to respecting the UN Declaration on the Rights of Indigenous Peoples. This includes ensuring that any engagement and decision-making with the involvement of indigenous peoples is guided by the principle of 'free prior informed consent (FPIC)'.</p>
<p>Company staff convey patience in meetings and demonstrate knowledge about the local culture, customs and values. They address potential language barriers and show respect for culturally significant sites and customs, thereby displaying behaviour that is characterized by mutual respect.</p>	<p>Community engagement forums are scheduled to convene when community members are not at work, ensuring that food is provided, children are catered for and translators employed, allowing all stakeholders to participate fully.</p>
<p>If an unforeseen consequence, e.g. a negative social or environmental impact occurs, the company demonstrates a readiness to take responsibility and address negative consequences with community involvement.</p>	<p>Upon receiving information on a negative impact, the company appoints an independent external expert to review the situation, accepts the findings of such an investigation and commits to finding solutions jointly with affected rightsholders.</p>

<sup>4</sup> Table on trust builders adapted from Luc Zandvliet & Mary B. Anderson (2009): *Getting it Right – Making Corporate-Community Relations Work*, p. 119 ff

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## Stakeholder engagement is meaningful when it is fit for purpose

Meaningful stakeholder engagement that is fit for purpose means that there is **a clearly defined objective** to guide the engagement and that the engagement is **set up in a way that helps meet this objective**. Without this strategic and problem-solving oriented thinking, engagement risks being done just as a box-ticking exercise, which might result in consuming valuable resources of all involved.

For businesses, this means that any engagement should be clearly linked to a company's human rights due diligence approach and strategy, which itself was ideally developed through engagement with relevant stakeholders. The objective of engagement in the context of a company's human rights due diligence process could be to better understand and address a salient issue identified as part of the company's risk analysis (e.g. poor working conditions in a specific supply chain), or to improve the human rights management system (e.g. enhancing the efficacy of a community grievance mechanism). Often (and ideally), both aspects play a role. If stakeholder engagement has a clear objective, everyone involved will have a shared understanding of why they are at the table. This also allows stakeholders to make an informed choice whether to be involved or not.

A clearly defined objective is equally relevant for the actual design of stakeholder engagement processes. Meaningful engagement requires careful thought by companies about why the engagement should take place, what the objectives are, who should be involved and what approaches need to be chosen to support getting there (e.g. information, dialogue, or design of a joint-implementation project). This is explored in more detail in the following insights.

The objectives of a stakeholder engagement process can evolve. Meaningful engagement that is fit for purpose is therefore also one that is characterised by a **willingness to change and adapt**, to allow the engagement to grow into something new. This flexibility is also crucial given the potential changes to the operational, physical, political, social, or cultural environment of any engagement process. Striving for continuous improvement guides all due diligence activity, including stakeholder engagement. For this to work, those leading stakeholder engagement processes within the business need to be equipped with leverage to influence the company's broader human rights approach and a mandate to adapt the process over time.

### BRINGING IT TO LIFE

Companies that have engaged with stakeholders meaningfully, affirm that there is a **clear business case** to do so. They also affirm that the business case grows the more a company is willing to invest in the engagement and let it inform business decisions. Some describe initial hesitance by management to engage with civil society actors and communities, driven by the perception that they needed to have answers to every question raised. Companies willing to share openly about the challenges they are facing, however, often proved to be more successful in building longstanding relationships. These relationships help companies get insights on issues before they escalate, e.g. NGOs contacting them proactively when issues arise. Such examples show that stakeholder engagement can save resources otherwise needed for crisis management. It can strengthen risk management and help protect the company's reputation. Done right, stakeholder engagement can be a true asset of a company's sustainability journey by incorporating external perspectives and solutions when addressing complex questions.



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## Stakeholder engagement is meaningful when it is rights-based

Engagement in the context of human rights due diligence is different from other types of external engagement because it aims to achieve improvements for (vulnerable) rightsholders (potentially) affected. This requires adopting a rights-based lens and **applying human rights principles as a compass** throughout the process, helping to proactively acknowledge and address power imbalances between the different parties involved. If the engagement process is not rights-based it can result in a worsening of the situation for certain rightsholders, contribute to pre-existing human rights violations, or even be the cause of new rights infringements. This can in turn also increase the risk to the business, e.g. financially or reputationally. If the whole engagement process is guided by the ambition to further the realisation of human rights, it can even result in the recognition that direct engagement with certain rightsholders is ill advised, as their involvement in the engagement may put them at risk (e.g. in situations where specific individuals or groups face repression).

The European Network of National Human Rights Institutions has captured the characteristics of a rights-based stakeholder engagement approach in the so-called [PANEL principles](#) of **P**articipation, **A**ccountability, **N**on-discrimination and equality, **E**mpowerment and **L**egality. Stakeholder engagements that are led by the application of the principles of **participation** as well as **non-discrimination and equality**, for instance, would include a gender-specific lens to acknowledge how impacts and appropriate engagement methods can differ for men and women in a given context and address this in the design of the engagement. Adopting a right-based approach also encourages to focus on identifying potentially affected (vulnerable) groups that are often overlooked or that are impacted but unable to participate directly in engagement processes, such as children or future generations. Companies that engage meaningfully following the principle of **empowerment** will invest in training and knowledge building for rightsholders participating at any stage of the process. This can include clarifying certain terminology, inviting additional expert input or introducing relevant data on the issues at hand which might not be common knowledge in order to allow rightsholders to fully understand the impacts of their decisions.

### BRINGING IT TO LIFE

In the context of project implementation, the United Nations define a human rights-based approach as one that **further the realisation of human rights**, that is **designed in line with** human rights principles at all phases and that **contributes to the development of the capacities** of duty-bearers and rights-holders. Applying a rights-based approach to any project can be challenging, as actions that might appear to be in the best interest of rightsholders may in fact not be. This is illustrated by the spectrum depicted in the graphic below and developed by the Danish Institute for Human Rights – showing the crucial differences between a charity, a needs and a rights-based approach to development projects:

Charity Approach	Needs Approach	Rights-Based Approach
Focus on input not outcome	Focus on input and outcome	Focus on process and outcome
Emphasises increasing charity	Emphasises meeting needs	Emphasises realising rights
Recognises moral responsibility of rich towards poor	Recognises needs as valid claims	Recognises individual and group rights as claims toward legal and moral-duty bearers
Individuals are seen as victims	Individuals are objects of development interventions	Individuals and groups are empowered to claim their rights
Individuals deserve assistance	Individuals deserve assistance	Individuals are entitled to assistance
Focuses on manifestation of problems	Focuses on immediate causes of problems	Focuses on structural causes and their manifestations

INSIGHT  
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## Stakeholder engagement is meaningful when it allows for co-ownership

For stakeholder engagement to be meaningful, both the **process and the outcome need to be owned by everyone who participates** – especially in longer-term or more formalised forms of engagement. Co-ownership helps to prevent the dominance of one actor throughout the process or an unfair distribution of benefits as a result of the engagement.

Co-owned stakeholder engagement processes are characterised by:

- **focus on process before outcomes**, allowing for a joint development and articulation of aspirations and targets and an open feedback culture throughout the engagement. This requires giving stakeholders a say in determining the key issues to be addressed and a willingness to rethink the original agenda or targets of the engagement, as also described in [Insight 2](#).
- **open and joint communication regarding challenges** with or failure of the engagement, such as initial targets not or only partially being reached.
- **acknowledgement of the contributions and investments** each side has made or is making on an ongoing basis to participate. This can include an honest exchange about the costs of participation, e.g. travel or working hours to prepare meetings, especially where civil society or community actors are involved.
- **skilful facilitation of the co-creation of processes, solutions or entire projects.** Stakeholder engagement processes can be led and held by one party, often the business. It is notable, however, that many successful, long-standing stakeholder initiatives on an industry or sector level are facilitated by third parties jointly selected by those involved.

Co-ownership does not imply that every aspect discussed under the umbrella of engagement by the parties involved needs to be agreed upon jointly or developed together. What is critical, is agreement on the process and methods used and implementation of a mechanism to ensure joint monitoring of outcomes. A **commitment to co-ownership** entails, at the very least, letting stakeholders know how their inputs have been processed and used and giving feedback on the input received. On a more advanced level, it also includes the open sharing of knowledge between parties involved (in the context of businesses, this could be details about a project and related business decisions; in the context of NGOs, it could be an update on upcoming campaigns). Even more critically, it requires that outcomes, even those unintended, are shared with rightsholders and decisions are open to scrutiny. Demonstrating that there is a willingness to share, learn and commit to the engagement whatever its ultimate results may be, paves the way to a truly meaningful engagement of stakeholders.

### BRINGING IT TO LIFE

An example for a stakeholder engagement process that is characterised by co-ownership is the design of so-called **hybrid Human Rights Impact Assessments** (HRIA), which are co-led by affected communities and companies. As one civil society representative describes it:

*'A hybrid HRIA is a promising approach that has the potential to address the power imbalance between rightsholders and the company. This innovative model can address legitimacy challenges of parallel HRIAs (company-commissioned and community-based), improve communications between the company and communities, build consensus on key priorities and offer a more receptive audience for recommendations and action plans. The success of this approach lies on the adoption of a governance structure and safeguard mechanisms. Communities and company are jointly (and with equal decision-making powers) deciding on the process to follow and the elements to be included in the HRIA. A committee composed of representatives from each group has the mandate to oversee the process, compliance with rules and guard against domination of the process by one actor. Funding for such an HRIA is routed through a neutral entity to address the particularly fraught challenges surrounding funding and finances.'*

INSIGHT

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## Stakeholder engagement is meaningful when it is context-sensitive

Meaningful stakeholder engagement is designed in a context-sensitive way, meaning that the targets and approaches used are informed by the respective context that the engagement takes place in or focuses on. Without understanding the context, there is a high risk of failing to address the relevant issues or, at worst, causing unintended negative outcomes for the affected rightsholders. Companies investing time and resources before the start of the engagement to fully understand the context are likely to be more efficient and effective at preventing conflicts, e.g. because they are able to choose appropriate means of communication from the start that allow stakeholders to successfully participate.

A context-sensitive approach is characterised by a clear understanding of the nature of stakeholders and their respective circumstances and livelihoods. Some of its key characteristics are:

- **The right people are involved based on a proper stakeholder analysis**, that considers all those who might be impacted, with a particular focus on the most vulnerable. In cases where it is difficult to engage them directly, time and effort are invested to identify who might be legitimate representatives for certain groups. To effectively feed into human rights due diligence, the engagement process is set up to bring in all relevant views, including views that speak against the company or a certain project the company is involved in.
- A **profound understanding of the political, legal, social, economic and cultural context**, including specific origins, ethnicities, religious backgrounds or the varying levels of human rights protection that rightsholders might experience. Designing stakeholder engagement accordingly can involve simple things, such as acknowledging religious holidays when setting up appointments, or more complex considerations,

such as choosing appropriate engagement methods to protect certain rightsholders from retaliation, providing the right tools for rightsholders with high levels of illiteracy or prioritising in-person meetings and personal interaction over more seemingly convenient online engagement.

- **The heterogeneity of different rightsholder groups is accepted.** This requires understanding that a group of stakeholders may not have a unified opinion or the same needs just because they are part of or associated with a more general group or category of stakeholders. It includes acknowledging that one cannot necessarily transfer engagement approaches from one regional, local or country context to another. An honest analysis of capacities, goals and relationships of stakeholders in a specific context will result in an adaption of the engagement approach from one situation to another in order to address this heterogeneity.

Meaningful stakeholder engagement that is based on such thorough assessments tends to be led by practitioners with the required skills to lead and participate in the engagement. The more there is known about a specific context, the more specific requirements can be defined in terms of language skills, facilitation skills and expert knowledge to involve.

### BRINGING IT TO LIFE

Much of the available guidance for human rights risk or impact assessments, e.g. for the extractive industry<sup>5</sup>, stresses the importance of understanding the context and doing thorough stakeholder analysis. From the perspective of a large multinational corporation, it can be useful to provide sites and business units with templates on how to conduct such analysis and how to engage stakeholders, in particular local communities. Instead of prescribing a single stakeholder engagement approach for the entire company, templates provided by headquarters allow the sites to analyse the context and choose the approach that meets the local needs in the best way. From a company risk management perspective, the entire business benefits from context-specific approaches that allow for long-term relationship building on the ground. At the same time, the headquarter can use such templates to define minimum standards, collect findings and derive salient issues as well as systemic mitigation measures for the entire company.

<sup>5</sup> Examples include: [OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector](#), [Research Toolkit by the International Council of Metals and Mining](#)

## Key takeaways

Involving and engaging with stakeholders in a meaningful way is a **key ingredient for the successful implementation of human rights due diligence processes**, that should be inherently focused on continuous improvement. Meaningful stakeholder engagement is about human interaction between people, allowing for open exchange and mutual learning. Actively supporting such conversations in an open and trustworthy manner is still a challenge in modern-day business decision-making. Of course, meaningful engagement can be a source of conflict or unintended outcomes – even with the best planning and intentions. Nevertheless, as an engagement practitioner puts it: *'Stakeholder engagement is always the least costly measure. If you don't engage there will be more demands, more obstruction, more protest. Because people understand: this company only moves if we create trouble.'*

So why not view meaningful stakeholder engagement as an opportunity for better-informed decision-making, moving from:

- **transactional**, where the emphasis of engagement is on the achievement of immediate, often commercial or operational objectives, to **transformational**, where the emphasis of engagement is on addressing power imbalances to enable sustainable solutions to complex issues and change the nature of business-stakeholder interactions
- **firefighting**, where resources and energy are focused on crisis management, to **proactive engagement**, where the potential sources of conflict are understood, anticipated and addressed before they escalate
- **compliance**, where the emphasis of engagement is on satisfying external expectations, to **recognising the intrinsic value of properly resourced engagement** at all levels of the organisational hierarchy
- **hierarchic**, where the business leads the engagement process and explicitly or implicitly dictates engagement outcomes, to **collaborative**, where engagement is co-designed by all involved stakeholders and is adaptable and oriented toward continuous learning

There is no 'one size fits all' approach and given the diverse contexts and issues to address, there cannot be. This brochure hopes to provide some food for thought, that allows future engagement to be designed and run in a meaningful way – for the **benefit of businesses and rightsholders alike.**



# Annex 1

## Legal frameworks

A growing number of jurisdictions are adopting legislation that implicitly builds on or explicitly refers to human rights due diligence in line with the [UN Guiding Principles on Business and Human Rights](#), such as

- **Germany's** [Act on Corporate Due Diligence in Supply Chains](#) – adopted in July 2021 – which specifically defines due diligence obligations as well as expectations towards risk management in relation to defined human rights and environmental aspects;
- **France's** [Loi sur le Devoir de Vigilance](#) (in French), which was one of the first combining requirements on environmental and human rights due diligence;
- the **European Union's** [Conflict Minerals Regulation](#), which defines supply chain due diligence obligations for Union importers of certain minerals originating from conflict-affected and high-risk areas; or
- **Switzerland's** [responsible business legislation](#), expected to require companies in scope to exercise due diligence in relation to conflict minerals and to child labour.
- Additionally, [mandatory human rights and environmental due diligence legislation](#) is being developed at **EU level**.

## Annex 2

# Selected sources of useful information and practice-oriented guidance

Readers interested in learning more and looking for practice-oriented guidance on Stakeholder Engagement are invited to explore the following selection of tools and resources.

**UN Global Compact Network Germany** offers a wide range of guidance notes, tools and other resources on business and human rights and the UNGPs, including:

- A [business guide on stakeholder engagement in human rights due diligence](#) with helpful methods to apply in day-to-day business
- The [Human Rights Capacity Diagnostic Tool](#), enabling companies to assess the level of maturity of their human rights due diligence processes
- A [five step guide on how to get started on human rights due diligence](#) with lots of practical examples
- A [detailed guidance note on setting up human rights grievance mechanisms](#), including how to engage stakeholders in the process

The **UN Global Compact** also offers a variety of practical tools and resources to support companies in implementing human rights due diligence, including:

- Good practice notes on successfully [engaging with stakeholders and communities](#) or on [setting up a stakeholder panel](#)
- A briefing on [stakeholder inclusion as an accelerator for the SDGs](#) by the Global Compact Network Netherlands
- A variety of on-demand webinars on business and human rights topics as part of the [UN Global Compact Academy](#)

Additional helpful **selected resources** include:

- Business and human rights-related publications by OHCHR in particular the [Interpretive Guide on the Corporate Responsibility to Respect](#)
- Guidance issued by OECD, in particular the [Due Diligence Guidance for Responsible Business Conduct](#) and the [Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector](#)
- A Good Practice Handbook on [Stakeholder Engagement](#) for Companies Doing Business in Emerging Markets by the International Finance Corporation (IFC)
- The book [Getting it Right – Making Corporate-Community Relations Work](#) by Luc Zandvliet & Mary B. Anderson.
- Briefing notes by Shift, in particular [Bringing a Human Rights Lens to Stakeholder Engagement](#) and [Meaningful Engagement with Affected Stakeholders](#)
- A [Guidance Note on Board Duties in Ensuring Company Engagement with Affected Stakeholders](#) by the World Economic

# IMPRINT

## The UN Global Compact and UN Global Compact Network Germany

The UN Global Compact is the world's largest initiative for sustainable and responsible business. Based on the Ten Universal Principles and the Sustainable Development Goals (SDGs), the UN Global Compact pursues the vision of an inclusive and sustainable society. More than 18,000 participants at the UN Global Compact, among them 14,000 companies, contribute to the global vision. UN Global Compact Network Germany is one of the largest of the UN Global Compact's 70 Local Networks. It currently comprises 850 participants – including 790 companies, ranging from large multinationals to SMEs – as well as 60 representatives of civil society, academia and politics. Aiming to induce change processes within companies and support the strategic integration of sustainability, the Global Compact Network Germany focuses on the topics of human rights & labour standards, environment & climate, the prevention of corruption, reporting as well as on promoting the business contribution to the SDGs.



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