

How to prioritise and engage with stakeholders

For an overview of stakeholder engagement, please see “Engaging stakeholders in due diligence: A beginner’s roadmap for small and medium sized companies (SME’s)”.

Prioritising stakeholders

Once relevant stakeholders have been identified, companies should prioritise them for engagement. Keeping in mind the objective of the engagement - in relation to each stakeholder identified, ask the questions in the table below. Where the response is “Definitely” or “Probably” that stakeholder should be considered as a priority for engagement by the company.

Collaborative platforms will often be the best way for SMEs to engage with stakeholders in a structured way throughout the due diligence process. However, individual engagement between a company and stakeholders may be required. In addition, the below serve as a useful tool for companies to assess whether the stakeholders that are part of a collaborative platform are those they should prioritise for engagement.

Questions to help prioritise stakeholders	Definitely	Probably	No	Don't know
Are they directly affected by company operations or supply chain activities?				
Do they represent or advocate for people who are affected by company operations or supply chain activities?				
Do they have direct, up-to-date information about the impact of activities?				
What are the values, mission and objectives of the stakeholder?				
Do they have the ability to influence company operations or supply chain activities?				
Do they have the ability to influence perceptions about the company?				

Preparation

Whether or not an external stakeholder has been recommended to a company by a trusted partner, it is always important to prepare for engagement. JETI can be a useful resource when thinking about framing the engagement and understanding the stakeholder’s position. Alternatively, local experts or facilitators may be well placed to do this. Ultimately a company should prepare by:

Before engaging directly companies should	x
Ensuring there is a clear understanding on the objectives and scope of the proposed engagement.	
Having a good understanding of the background and objectives of the stakeholder. <ul style="list-style-type: none"> • Are they likely to be cooperative? • What is their perspective likely to be on your issue? • What groups, if any, do they represent? • What capacity will they have to engage, including language? • Do they have any political or religious affiliations? • Do they already work with other companies? • What is their relationship with other relevant organisations, including trade unions? 	

Making contact

When making contact with the external stakeholder, whether this is a trade union or NGO, it is important to think about how to contact and open up a dialogue. The below provides some guidance.

When engaging, companies could	x
<p>Consider the most appropriate channels to make contact (directly or through JETI counterpart / other relevant third parties). Think about the potential language barriers.</p>	
<p>Make sure that in the initial communication the stakeholder is provided with a clear overview of the following:</p> <ul style="list-style-type: none"> • The company and the reasons for making contact • The proposed purpose of engagement and potential likely outcomes • Clarity over what is not within the proposed scope of engagement • What will be required for the engagement, including meetings, document review, expected calls • Set out terms of proposed engagement, whether this should be public or confidential • Offer the stakeholder the opportunity to ask further questions or raise any concerns 	
<p>Generally, it is important to set realistic expectations and to be open to constructive, critical discussions. Being open about limitations imposed on the company can help manage external stakeholders' conflicting views.</p>	
<p>Have a considered approach to agreeing external stakeholders on their proposals. Ensure that there is clarity on procedure for receiving and responding to inputs from the outset of discussions, and that there is time to weigh up and consider inputs before responding with company decision.</p>	
<p>Where necessary, consider using the services of local facilitators. This may be required where there are language barriers, regular direct contact is required, the stakeholders are combative / unwilling to accept company decisions.</p>	
<p>Ensure that stakeholders are kept informed of progress / updates on a regular basis to help build trust and maintain momentum</p>	
<p>If companies engage with affected groups there is a risk of putting them at further risk of retaliation. It is therefore important for companies to ensure their staff are well trained with clear safeguarding procedures and that engagement is carried out in a way that protects the stakeholders' anonymity. Alternatively, expert third parties should be engaged to lead engagement or companies should seek to speak with these groups' legitimate representatives.</p>	

Key buying country-based stakeholder groups

Stakeholder	Considerations	Relevant due diligence stage					
		1	2	3	4	5	6
Internal							
Senior management	<ul style="list-style-type: none"> Ensure that company policy and culture feature a commitment to meaningful stakeholder engagement Integrate stakeholder views into decision making process Keep informed of due diligence activities and to ensure they are committed to approach Build awareness of risks created or exacerbated by company purchasing practices Build business case for improving due diligence on environmental and human rights issues 	x	x	x	x	x	x
Cross departmental teams	<ul style="list-style-type: none"> Ensure that all colleagues have a central role in helping shape what environmental and human rights due diligence looks like Ensure that they provide input into due diligence processes so that company commitments and decisions are incorporated into business operations and activities Build awareness of risks created or exacerbated by company purchasing practices Build awareness of how new business relationships may potentially impact on identified stakeholders Colleagues that are union members should also be engaged, see row on “Trade unions and/or representative in SME country” below 	x	x	x	x	x	x
External							
JETI contact	<ul style="list-style-type: none"> Seek guidance on appropriate external third parties to engage with both in buying country and in sourcing country Seek input on policy development 	x	x	x	x	x	x
International NGOs	<ul style="list-style-type: none"> Map and identify NGOs that are willing to have a constructive relationship. Consider using JETI contact as an interlocutor. Understand their expectations and advice on engaging with partner NGOs in sourcing countries Establish clear agreement on scope of engagement in advance Seek their inputs in advance of decisions being made and update them on how they have informed company decisions Be prepared to have discussions on prioritisation and next steps Be prepared for critical feedback and the need to have difficult discussions 	x	x	x	x	x	
Customers	<ul style="list-style-type: none"> Customers may have different human rights and environmental expectations. It is important to explore if these are reflected in policies and codes of conduct. 	x			x	x	
Industry peers	<ul style="list-style-type: none"> Work with or join multi-stakeholder initiatives (such as relevant JETI) or other sectorial initiatives to convene meetings between companies to hold discussions in non-competitive space Pool resources to carry out due diligence in more resource effective manner across Chinese and/or Indian supply chains 	x	x	x	x	x	x
Trade unions and/or representative in SME country	<ul style="list-style-type: none"> Where there are buying company employees that are union members, engage with members, representatives and unions themselves when drafting policies Employee unions may also have awareness of issues in sourcing countries and could help assess risks and track results of measures taken. 	x	x		x		