

Engaging with stakeholders in China

Each supply chain and sourcing country is likely to have different dynamics with different stakeholders that should be considered as a priority for engagement. This is no different in China. This document provides further guidance to companies on how specific stakeholders should be engaged along with when to engage them if conducting due diligence on Chinese supply chains.

Identifying stakeholders for engagement

The process of identifying stakeholders, especially external stakeholders in sourcing countries such as China, can be challenging. Before you engage with stakeholders you should get an overview on salient issues regarding human rights and environmental issues. You could read JETO Country briefs, or at minimum [ITUC Global rights index](#).

It is important to speak with colleagues internally who have relevant experience of working with suppliers in sourcing countries, or whose job may involve communications with external stakeholders in the buyer's country. It will be important to get their input on who stakeholders are and whether they are likely to constructively engage with the company.

Speak with JETI to get their expert view on relevant NGOs, trade unions, or multi-stakeholder initiatives that are relevant to the company and which may be open to engagement. As the CSO and NGO landscape in both China shifts quickly, JETI contacts will be able to provide more up to date information on relevant stakeholders. Where the company already has an existing working relationship with an NGO or a trade union based in their home country, consider using them as a resource to help find stakeholders in China.

Alternatively, internet searches can provide useful information on relevant stakeholders. The [China Development Brief website](#) has details of NGOs and CSOs that focus on social and environmental issues in China. Note, however, that in China it is advised that buying companies do not directly engage with NGOs, and instead do this through international NGOs or local consultancies.

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)".

Key stakeholder groups in China

General

For all China-based stakeholders it is advised that engagement be conducted in Chinese language, either directly or indirectly through interpreters, unless English is otherwise stated as acceptable. This includes written communications. The lists of stakeholder groups are not necessarily exhaustive and instead are intended to bring focus to company engagements.

Stakeholder by priority	Considerations	Relevant due diligence stage				
		1	2	3	4&5	6
Suppliers and local agents	<ul style="list-style-type: none"> Focus on improvement of social dialogue with suppliers and local agents. Use appropriate language (i.e. instead of labour rights talk about harmonious workplace relations). Don't present actions as solely a means to protect the environment or human rights, but also as an opportunity to upskill and build the management capacity of suppliers or agents Where possible have regular face to face meetings with suppliers and agents with clear goals and objectives for each visit Provide suppliers and agents with opportunities to ask questions about requirements and provide technical support on implementation if they lack capacity Ensure that communication on environment and human rights is communicated consistently through all interactions with the supplier or agent to embed importance of the issue Make effort to understand supplier or agent constraints and concerns in implementing company requirements 		x	x	x	x
Auditing companies	<ul style="list-style-type: none"> Skilled auditors in China can in some cases be a useful resource for prevention and mitigation of risks Skilled auditors can help engage with vulnerable affected groups Auditors and consultancies are often expensive, however they can be useful for high risk cases where specific issues require investigation. 			x		
Consultancies	<ul style="list-style-type: none"> Skilled consultancies can help engage with vulnerable affected groups Auditors and consultancies are often expensive, however they can be useful for high risk cases where specific issues require investigation. Consultancies may also provide useful capacity building and training support to companies and their suppliers on how to best mitigate risks. 			x	x	x
Factory level trade unions	<ul style="list-style-type: none"> Approach factory level trade unions (or where not relevant, worker organisations within factories) for their view on general workplace challenges, focusing primarily on occupational health and safety and worker management dialogue. Engage with workplace level unions to understand whether they have capacity to support on trainings to improve workplace level relations between workers and management Be aware that unions are affiliated to the All-China Federation of Trade Unions (ACFTU) which is not independent from the government Note that unions may be sensitive about reporting significant issues to international buyers 		x	x	x	x
Sectorial initiatives and local government	<ul style="list-style-type: none"> Work with JETI contact to understand which multi-stakeholder or sectorial initiatives to engage with (consider the Multi-Stakeholder Advisory Committee (MAC) or industry bodies such as CESA or CNTAC) Work with others as part of an expert group, potentially through relevant JETI, including sourcing companies and locally based experts to improve responses to risks It is unlikely that SMEs will be able to influence the Chinese government to change practices Efforts are better placed to lobby EU policy makers to influence Chinese government through trade and procurement policy. This is best achieved through relevant industry associations. 	x	x		x	
Local NGOs and CSOs	<ul style="list-style-type: none"> Anti-intervention foreign NGO laws in China have created a climate of fear where interacting with foreign nationals on topics of human rights is perceived to be dangerous. It is therefore not advised to engage directly with CSOs and NGOs within China. Ideally engage with NGOs in the buyer's country on China related risks and issues. Carefully consider the language and topics being used to discuss human rights, opting instead for 'good governance' and 'harmonious work'. 		x	x		x