



# VALUING RESPECT

— BY *Shift* —

## ENGAGING AFFECTED STAKEHOLDERS

Evaluating the quality of  
processes for company-community engagement

BY LLOYD LIPSETT



## About Valuing Respect

**Valuing Respect** is a global collaborative platform, led by Shift, to research and co-create better ways of evaluating business respect for human rights. Our aim is to develop tools and insights that can help both companies and their stakeholders focus their resources on actions that effectively improve outcomes for people.

Learn more: [valuingrespect.org](http://valuingrespect.org)

## About Shift

Shift is the leading center of expertise on the UN Guiding Principles on Business and Human Rights. Shift's global team facilitates dialogue, builds capacity and develops new approaches with companies, government, civil society organizations and international institutions to bring about a world in which business gets done with respect for people's fundamental welfare and dignity. Shift is a non-profit, mission-driven organization.

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## Introduction

This discussion paper considers how best to evaluate a company's engagement with stakeholders affected by its business activities. It focuses on one aspect of this, namely *the quality of company processes* of engagement, in terms of their likelihood of fostering good relationships with affected stakeholders and good human rights outcomes for those stakeholders.

The Valuing Respect project aims to develop better ways of evaluating a companies' human rights performance. The hypothesis of this paper is that even where it is not possible to track every single – good or bad – outcome for workers and communities that results from a company's activities, a robust analysis of the quality of company processes could aid in predicting good or bad human rights outcomes.

All too often investors, civil society, the media and businesses focus on signals of failed engagement—such as protest, conflict, violence, or litigation. It is hoped that developing leading indicators for *positive* relationships and outcomes will enable companies (as well as investors, civil society and States) to invest resources into what works well for affected stakeholders.

To this end, the paper proposes five important elements of engagement processes, with possible indicators for their evaluation. Each element is articulated in the form of a framing question or “key performance question”. They are:

1. Does the company have a **strategic approach** to stakeholder engagement that aligns with its broader commitment to human rights?
2. Does the company have the **appropriate processes** for stakeholder engagement that are customized for the business activity and country context?
3. Does the company engage on the **substantive issues that matter** to its affected stakeholders?
4. Do the company's stakeholder engagement efforts **produce results** in terms of changes to the business decisions and actions?
5. Are affected stakeholders involved in **monitoring, evaluation and continuous improvement** of the processes designed to engage them?

The paper focuses on company-community relationships in the extractive sector (oil, gas and mining), with an assumption that the lessons are likely to be relevant for other industries with a physical footprint that can lead to negative impacts on communities, including forestry, agribusiness and construction. There may also be lessons for other types of relationships between companies and stakeholders affected by their business. However, this paper does not address the challenges posed in contexts where a company is not in direct contact with all the stakeholders that it could negatively impact, such as workers in its remote supply chain or end-users of its services.

The discussion paper is based on a review of the literature and guidance about stakeholder engagement between companies and affected stakeholders, as well as some initial consultations with stakeholder engagement experts. Moreover, it seeks to bring a human rights lens to the question of stakeholder



engagement, which puts the people who are most likely to experience adverse impacts on their rights at the centre of the discussion.<sup>1</sup>

## Why focus on engagement with affected stakeholders?

Meaningful engagement with affected stakeholders is an important cross-cutting theme for a company's human rights performance (which constitutes the most significant aspects of so-called 'social performance'). In the UN Guiding Principles on Business and Human Rights (UNGPs), engagement with affected stakeholders is emphasized as an integral part of the ongoing process of human rights due diligence that all companies must undertake to fulfil their responsibility to respect human rights.

In the literature and guidance for companies about human rights performance, stakeholder engagement is consistently emphasized for a variety of important and inter-connected objectives. These include:

- Understanding business impacts on human rights from the viewpoint of the people experiencing those impacts;
- Undertaking mitigation actions that are informed by – even co-created with – stakeholders;
- Avoiding and resolving grievances, designing grievance mechanisms, and avoiding and resolving conflict;
- Building open and resilient company/community relationships that enable companies and stakeholders to deal effectively with, and learn from, both good and bad events;
- Attuning the company to power dynamics and other contextual issues that are important to operating with respect for human rights.

## A note on sources of evidence

Gathering relevant evidence and data to aid in evaluating indicators can be as much of a challenge as defining the right indicator. Indeed, part of the barrier to better evaluating business respect for human rights is that our imagination about what constitutes a good indicator is often constrained by what evidence is easy to gather, such as human resources allocated to stakeholder engagement efforts, number of trainings, number of stakeholder meetings, number of stakeholders consulted, or number of grievances received.

If we are going to establish more meaningful indicators (beyond inputs, activities and outputs), it is important to simultaneously consider what sources of evidence are available or needed to assess progression or regression against a given indicator. As a starting point, for every indicator proposed in this paper, we have offered reflections on where one might find data to support evaluation. Appendix A shows all of the framing questions, suggested indicators and possible sources of evidence in table form.

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<sup>1</sup> See Shift's previous publication "Bringing a Human Rights Lens to Stakeholder Engagement" at: <https://www.shiftproject.org/resources/publications/human-rights-lens-stakeholder-engagement/>



Two further points for consideration should be that:

- **Evaluation should consider disaggregated information – for example, based on gender, age, and ethnicity.** Communities or other groups of affected stakeholders are not homogenous. They are internally diverse, being made up of unique individuals who may experience both negative impacts and benefits from a business activity in different ways. Further, some groups will have a stronger voice within their own community than others, or stronger access to channels of communication with a given company.
- **Certain sources of evidence will be more readily available to those inside the company than those outside.** There may be limits in what external organizations can evaluate firsthand. For example, it may not be appropriate for performance evaluations of community liaison officers to be made public. Similarly, in certain situations it might be irresponsible to share detailed, granular information about community feedback or complaints. So, at times, investors, civil society and others would have to rely on company analysis of evidence.

## Element One: Strategic Approach

### Does the company have a strategic approach to stakeholder engagement that aligns with its broader commitment to human rights?

In the literature and in discussions with stakeholder engagement experts, the importance of having a strategic approach to stakeholder engagement is consistently emphasized. Given the crucial importance of stakeholder engagement to a variety of objectives (sharing information, understanding impacts, avoiding and resolving grievances, avoiding conflicts etc.), there is growing recognition that stakeholder engagement efforts must be planned and adequately resourced, rather than reactive and ad hoc.

Having a strategy also implies undertaking stakeholder engagement on an ongoing and regular basis, rather than only being activated when something is needed or in response to a crisis. In the context of an extractive company, stakeholder engagement is ideally commenced at the outset of a new project or business activity and continues throughout the business lifecycle; and, over time, the modes of engagement will progress from one-way communication and transactional interactions towards two-way communication and shared decision-making.

It will be important for companies to employ stakeholder engagement experts to sustain these efforts over time. It is heartening to see that more extractive companies are understanding the strategic importance of stakeholder engagement, and are investing more in positions such as community liaison officers. In turn, this is creating a field of practice where there is a recognized skill set and heightened expectations for professionalism.

In line with the UNGPs, stakeholder engagement strategies should themselves be rights-based, meaning that they are grounded in an overall commitment to human rights and are conducted in a manner that is



respectful of human rights. As mentioned in the introduction, the UNGPs emphasize stakeholder engagement as a critical component of ongoing human rights due diligence. Without good stakeholder engagement, it is difficult to accurately assess potential or actual human rights impacts and undertake appropriate and effective due diligence to prevent, mitigate or remediate those impacts.<sup>2</sup>

These elements of a strategic approach connect to the quality of relationships in the sense that a good relationship is built over time and requires respect to be sustained. In a world where there is a fair degree of cynicism about the motives of companies, community acceptance, trust and goodwill must be earned.

#### Suggested indicators

- A. Stakeholder engagement is included as **part of a company's broader public commitment to human rights**, responsible business conduct and sustainability.
- B. The company can demonstrate that its stakeholder engagement **objectives include respecting rights, sharing information, understanding impacts, avoiding conflicts** and not just public relations.
- C. **Company executives** and **senior managers at site-level**.
  - i. Engage on a regular basis with individuals from, or who represent, stakeholder groups that are, or may be, negatively affected by business activities
  - ii. Have a method to regularly seek information and evidence, from independent sources, about the on-the-ground, day-to-day realities of stakeholders that are, or may be, negatively affected by business activities
- D. The company personnel that are responsible for stakeholder engagement have the necessary training and resources to conduct stakeholder engagement in a **professional, empathetic and sensitive manner**.
- E. The company personnel that regularly interface with stakeholders have the necessary training and resources to do so in a:
  - a. **Way that is consistent with the company's broader public commitment to human rights**, responsible business conduct and sustainability.
  - b. **Professional, empathetic and sensitive manner**.

**Example sources of Evidence:** Corporate policies; Budgets; Public reporting; Job descriptions; Staff qualifications; Training materials and post-training evaluation/testing; Community interviews; Community feedback about formal consultations.

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<sup>2</sup> See UNGP 19 and commentary.



## Element Two: Appropriate Processes

### Does the company have the appropriate processes for stakeholder engagement that are customized for the business activity and country context?

Moving from the premise that a company needs a strategy for stakeholder engagement, the next framing question is about the processes that are in place to support good stakeholder engagement. There is an incredible wealth of guidance documents that suggest how stakeholder engagement can be planned and implemented in a systematic and effective manner. The additional questions and indicators at the end of this section highlight some of the common themes for evaluating the procedural aspects of stakeholder engagement.

From a rights-based perspective, some of the critical procedural aspects relate to affected stakeholder mapping with due attention to those who are the especially vulnerable — not just the powerful stakeholders who have influence over a project. Conducting a rights-based stakeholder mapping exercise leads naturally to questions about how to engage effectively and appropriately with the different sub-groups within an affected population.

It is important to customize the stakeholder engagement process to the national and local context in which a business operates, since each community is unique in its composition, internal dynamics and ability to engage with a company. From a community perspective, some of the most basic signs of company respect relate to use of local languages and cultural sensitivity when engaging with them. From a human rights perspective, it is important to be aware of potential discrimination against or persecution of different groups within and across communities that may be particularly vulnerable to adverse human rights impacts.

#### Suggested indicators

- A. Stakeholder engagement is **planned and implemented in a timely manner** (i.e. prior to business decisions and activities that have impacts on affected stakeholders).
- B. There is **regular mapping** of stakeholders that includes consideration of affected stakeholders and vulnerable groups.
- C. The **modes of engagement are adapted** to the needs and preferences of the affected stakeholders and vulnerable groups.
- D. **Affected stakeholders and vulnerable groups are able to raise issues**, either informally or through a formal dialogue or grievance mechanism.
- E. Company representatives **participate in cultural events or other community meetings** when invited to do so by community representatives.
- F. Stakeholder engagement activities are **properly documented, commitments are included in a register, and follow-up action is reviewed regularly**.

**Example sources of Evidence:** Stakeholder engagement plans; Community interviews; Results of mapping activities; Stakeholder engagement logs / minutes; Grievance mechanism records; Commitment registers.





## Element Three: Addressing what matters to stakeholders

### Does the company engage on the substantive issues that matter to its affected stakeholders?

Moving from the “who” and “how” elements of stakeholder engagement, the next key issue relates to “what” should be the subject of the interaction between companies and communities. The answer to this question is quite straightforward, but sometimes is challenging to implement: communities ultimately want to understand what are the potential impacts of a business on their lives, but often companies are nervous to have a frank discussion about potential adverse impacts. It is natural to want to emphasize the positive aspects of business development and the potential benefits of new projects, but it is often harder to acknowledge that there may be adverse impacts, and that benefits may be limited.

For example, in some international human rights cases about the rights to information and consultation (and free, prior and informed consent (FPIC) in the case of indigenous peoples), human rights tribunals have emphasized the failure to provide information and consult about potential adverse impacts of projects as a critical factor in ruling that project proponents have failed to respect human rights.<sup>3</sup> In other words, it is not sufficient to pitch the positive benefits of jobs and social investments if you are not willing to engage about the increasingly predictable environmental, social and governance issues that will affect peoples’ lives.

From the perspective of the UNGPs, corporate respect for human rights and efforts to conduct human rights due diligence must be focused on a company’s salient human rights issues: those human rights at risk of the most severe negative impact through the company’s activities and business relationships. This implies that the real conversation between companies and communities should be focused on how to prevent and address adverse impacts on all community members, not just about the economic and other contributions that may only benefit a few. This, in turn, implies a shift in mindset between trying to “pitch” a project or business activity to a real discussion of how the avoidance of harms to people create the conditions for a sustainable “win-win” relationship between companies and communities.

#### Suggested indicators

- A. The company shares information and **engages on potential adverse impacts** and not just about positive contributions.
- B. Stakeholder engagement activities are **aligned with the company’s salient human rights issues**.
- C. **Stakeholders have opportunities to initiate meetings and to set the agenda** for meetings and other engagements.
- D. The company is willing to **engage with critical stakeholders**.

**Example sources of Evidence:** Public records from environmental and social impact assessments; Stakeholder engagement logs / minutes; Community interviews; Human rights assessments and action plans; Public reporting on human rights ; NGO interviews and reports.



## Element Four: Producing Results

### Do the company’s stakeholder engagement efforts produce results in terms of changes to the business decisions and actions?

In the previous sub-sections, we have reflected on the strategy, procedures and substance of stakeholder engagement. That part of the discussion is mainly based on a company’s efforts and ability to effectively follow emerging best practice. For this framing question, we start to turn towards the results and outcomes of those practices from a community perspective; from “who”, “how” and “what” to “so what?”

Ultimately, any relationship is based on being listened to, heard and having one’s concerns acknowledged as legitimate. If a company has listened and heard, it is incumbent for it to respond. From the perspective of the UNGPs, this coincides with the responsibility to address adverse impacts through mitigation or remediation efforts. In other words, it is insufficient to have an elaborate plan and process for engaging with stakeholders unless the questions, concerns and desires of a community result in appropriate responses – including, where necessary, changes to their decisions and actions – by the business. Of course, this does not mean that all community requests can be fulfilled, but where engagement exposes risks or impacts to human rights, action is required.

A critical aspect of building trust between companies and communities has to do with following up on commitments. It is not uncommon to hear affected stakeholders describe a breakdown in their relationship with a company as a result of unfulfilled commitments or broken promises. For this reason, good practice for stakeholder engagement and community relations increasingly emphasizes having a “commitment register” to document and track follow-up on promises made during stakeholder engagement. Similarly, documentation and tracking of follow-up on the agreed remediation actions from grievance processes is an important aspect of good company practice.

#### Suggested indicators

- A. There is evidence that stakeholder engagement has **resulted in change(s) in business decisions and/or actions.**
- B. Affected stakeholders are **informed about how their engagement efforts have contributed to changes** (or reasons why changes could not be made).
- C. Results of stakeholder engagement are **documented, analyzed, tracked over time and reported.**

**Example sources of Evidence:** Public records from environmental and social impact assessments; stakeholder engagement logs / minutes; commitment registers; community interviews; records of changes in company plans, and evidence of company feedback to community representatives.



## Element Five: Participatory Monitoring and Evaluation

### Are affected stakeholders involved in monitoring, evaluation and continuous improvement of the processes designed to engage them?

Companies and communities need the tools to recognize if their processes are not leading to the desired engagements, relationship building and outcomes. This framing question deals with the role that affected stakeholders have as participants in a mutual process of engagement, rather than just as subjects or target groups for a company-controlled process. What does the community think about the processes used to engage them? Do they work for affected stakeholders? How can they be improved?

In relation to the earlier reflection about the professionalization of stakeholder engagement and community relations efforts, it is interesting to note the increase of participatory monitoring and evaluation efforts by which affected stakeholders have a voice in the continuous improvement of companies' human rights performance. This is where the "rubber hits the road" in terms of building sustainable relationships, as it implies that a company is willing to change its approaches in response to community input, and that a community has enough interest and trust to invest itself in dialogue about the modalities of future engagement.

#### Suggested indicators

- A. The company has methods to gather feedback from affected stakeholders about **the quality of engagement processes**.
- B. Affected **stakeholders are able to propose alternative** modes of engagement with the company.

**Example sources of Evidence:** Evaluation reports; Updated stakeholder engagement plans; Community interviews; Perception surveys; Engagement with 3<sup>rd</sup> party mediators / facilitators where necessary.



## Looking Ahead

The Valuing Respect project has identified that evaluating the quality of company processes – versus simply the existence of processes – can offer insights about the likelihood of better, or worse, outcomes for affected stakeholders.

This paper posits several themes and indicators to evaluate processes to engage affected stakeholders. As a next step, the project team invites inputs, critique and suggestions about the indicators and thinking set out in this paper. It may also be fruitful for certain companies to test-run an evaluation of their processes using these indicators. Looking ahead, other valuable areas of exploration for the project might be:

### **Adapting the elements, indicators and sources of evidence above and beyond company/community engagement.**

It is clear that where a brand or corporate group identifies the likelihood of risks to people (e.g. forced labor, poverty wages, sexual abuse) in their value chain they may not easily be able to identify the precise location in the value chain where the at-risk individuals are, much less form a relationship with them. So different indicators or sources of evidence might need attention. For example, this might require – among other things - building relationships with stakeholders' representative organizations (such as trade unions) or legitimate proxies who have real insight into their concerns and experiences.

**Focusing on Quality of Relationships:** A great deal of guidance for the extractives industry focuses on processes and procedures. But, given the geographically-fixed assets and long-term project timelines in the industry, companies have come to understand the importance of quality relationships in terms of maintaining their social licence to operate. Focusing on the “relationship” aspect of the interaction between a company and its affected stakeholders can require looking beyond the procedural aspects of stakeholder engagement and towards the long-term results of that engagement in terms of sustainability, resilience and trust. More recently, there has been a serious effort to evaluate and improve practice in this area from industry associations and leading companies by developing new relational assessments and applying new indicators of community support to projects. Early feedback from some pilot projects indicates that it is particularly important that evaluation efforts are rooted in a strong understanding of local context and are repeated over time to capture the dynamic relationship between companies and communities.

**The role of technology in stakeholder engagement:** Technology is transforming how we engage with one another, including in the evaluation of products, services and relationships. In terms of company-community engagement, tools and apps have been used to seek feedback from communities and workers to improve company performance—either directly by companies or by NGOs and third parties. As part of Valuing Respect, Shift will be developing a broader mapping of the technological innovations that exist to understand how technology can best support company/stakeholder engagement.



## Appendix A: Framing Questions, Suggested Indicators and Sources of Evidence

Framing Questions	Suggested Indicators	Sources of Evidence
<p><b>ONE:</b> Does the company have a strategic approach to stakeholder engagement that aligns with its broader commitment to human rights?</p>	<p>A. Stakeholder engagement is included as part of a company’s broader commitment to human rights and sustainability.</p>	<ul style="list-style-type: none"> <li>• Corporate policies</li> </ul>
	<p>B. Stakeholder engagement objectives include respecting rights, sharing information, understanding impacts, avoiding conflicts and not just public relations.</p>	<ul style="list-style-type: none"> <li>• Corporate policies</li> <li>• Public reporting</li> </ul>
	<p>C. Company executives: i) Engage on a regular basis with individuals from, or who represent, stakeholder groups that are, or may be, negatively affected by business activities; ii) Have a method to regularly seek information and evidence, from independent sources, about the on-the-ground, day-to-day realities of stakeholders that are, or may be, negatively affected by business activities</p>	<ul style="list-style-type: none"> <li>• Minutes of meetings / recordings</li> <li>• Community interviews</li> </ul>



Framing Questions	Suggested Indicators	Sources of Evidence
	<p>D. Personnel that are responsible for stakeholder engagement have the necessary training and resources to conduct stakeholder engagement in a professional, empathetic and sensitive manner.</p>	<ul style="list-style-type: none"> <li>• Job descriptions and training materials for personnel</li> <li>• Community interviews</li> </ul>
	<p>E. The company personnel that regularly interface with stakeholders have the necessary training and resources to do so in a: a) Way that is consistent with the company's broader public commitment to human rights, responsible business conduct and sustainability; b) Professional, empathetic and sensitive manner.</p>	<ul style="list-style-type: none"> <li>• Job descriptions and training materials for personnel</li> <li>• Community interviews</li> </ul>
<p><b>TWO:</b> Does the company have the appropriate processes for stakeholder engagement that are customized for the business activity and country context?</p>	<p>A. Stakeholder engagement is planned and implemented in a timely manner (i.e. prior to business decisions and activities that have impacts on affected stakeholders).</p>	<ul style="list-style-type: none"> <li>• Stakeholder engagement plans</li> <li>• Community interviews</li> </ul>



Framing Questions	Suggested Indicators	Sources of Evidence
	<p>B. The modes of engagement are adapted to the needs and preferences of the affected stakeholders and vulnerable groups</p>	<ul style="list-style-type: none"> <li>• Stakeholder engagement plans</li> <li>• Community interviews</li> </ul>
	<p>C. There is regular mapping of stakeholders that includes consideration of affected stakeholders and vulnerable groups.</p>	<ul style="list-style-type: none"> <li>• Stakeholder engagement plans / mapping exercises</li> </ul>
	<p>D. Affected stakeholders and vulnerable groups are able to raise issues, either informally or through a formal dialogue or grievance mechanism.</p>	<ul style="list-style-type: none"> <li>• Stakeholder engagement logs / minutes</li> <li>• Grievance mechanism records</li> <li>• Commitment registers</li> <li>• Community interviews</li> </ul>
	<p>E. Stakeholder engagement activities are properly documented, commitments are included in a register, and follow-up is reviewed regularly.</p>	<ul style="list-style-type: none"> <li>• Stakeholder engagement logs / minutes</li> <li>• Grievance mechanism records</li> <li>• Commitment registers</li> <li>• Community interviews</li> </ul>



Framing Questions	Suggested Indicators	Sources of Evidence
<p><b>THREE:</b> Does the company engage on the substantive issues that matter to its affected stakeholders?</p>	<p>A. The company shares information and engages on potential adverse impacts and not just about positive contributions.</p>	<ul style="list-style-type: none"> <li>Public records from environmental and social impact assessments</li> <li>Stakeholder engagement logs / minutes</li> <li>Community interviews</li> </ul>
	<p>B. Stakeholder engagement activities are aligned with the company's salient human rights issues.</p>	<ul style="list-style-type: none"> <li>Human rights assessments and action plans</li> <li>Public reporting on human rights (according to <a href="#">UNGPRF</a>)</li> <li>Community interviews</li> </ul>
	<p>C. Stakeholders have opportunities to initiate meetings and to set the agenda for meetings and other engagements.</p>	<ul style="list-style-type: none"> <li>Stakeholder engagement logs / minutes</li> <li>Community interviews</li> </ul>
	<p>D. The company is willing to engage with critical stakeholders.</p>	<ul style="list-style-type: none"> <li>Company interviews</li> <li>NGO interviews</li> </ul>





Framing Questions	Suggested Indicators	Sources of Evidence
<p><b>FOUR:</b> Do the company's stakeholder engagement efforts produce results in terms of changes to the business?</p>	<p>A. There is evidence that stakeholder engagement has resulted in change(s) in business decisions and/or actions.</p>	<ul style="list-style-type: none"> <li>• Public records from environmental and social impact assessments</li> <li>• Stakeholder engagement logs / minutes</li> <li>• Commitment registers</li> <li>• Community interviews</li> <li>• Records of changes in company plans</li> </ul>
	<p>B. Affected stakeholder are informed about how their engagement efforts have contributed to changes (or reasons why changes could not be made).</p>	<ul style="list-style-type: none"> <li>• Stakeholder engagement logs / minutes</li> <li>• Commitment registers</li> <li>• Community interviews</li> <li>• Evidence of company feedback to community representatives</li> <li>•</li> </ul>
	<p>C. Results of stakeholder engagement are documented, analyzed and reported.</p>	<ul style="list-style-type: none"> <li>• Stakeholder engagement logs / minutes</li> <li>• Commitment registers</li> <li>• Updated stakeholder engagement plans</li> </ul>



Framing Questions	Suggested Indicators	Sources of Evidence
<p><b>FIVE:</b> Are affected stakeholders involved in monitoring, evaluation and continuous improvement of the processes designed to engage them?</p>	<p>A. The company has methods to gather feedback from affected stakeholders about the quality of engagement processes.</p> <hr/> <p>B. Affected stakeholders are able to propose alternative modes of engagement with the company.</p>	<ul style="list-style-type: none"> <li>• Evaluation reports</li> <li>• Updated stakeholder engagement plans</li> <li>• Community interviews</li> <li>• Perception surveys</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Updated stakeholder engagement plans</li> </ul>



## Appendix B: Guidance Related to the Suggested Questions / Indicators

### Framing Question 1: Does the company have a strategic approach to stakeholder engagement that aligns with its broader commitment to human rights?

- Is stakeholder engagement a clear part of a **company's broader commitment to human rights, CSR and sustainability**?
  - IFC PS 1 (*Stakeholder Engagement, para 25 GN91-94*)
  - OECD Guidelines (*Chapter II General Policies; Chapter IV Human Rights*)
  - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Position stakeholder engagement strategically, p. 24, 28-31*)
- Does the company have **appropriate objectives** for its stakeholder engagement efforts (e.g. respecting rights, sharing information, understanding impacts, avoiding conflicts, etc. vs. public relations)?
  - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Setting appropriate aims and objectives, pp. 51-52*)
  - IAIA - Stakeholder Engagement (*appropriate way/intention conducting SE, whole document*)
  - BSR Back to Basics: How to Make Stakeholder Engagement Meaningful for Your Company (*engagement requires a shift in corporate mindset and a change from treating stakeholders' issues as outside concerns that need to be managed to serious topics that merit dialogue, p. 5*)
  - CIRDI - The Rise in Conflict Associated with Mining Operations: What Lies Beneath? (*conflict risks are reduced if a constructive relationship with shared decision-making is built between company and community, whole document*)
- Does the company provide the **necessary training and resources** for managers and staff to conduct stakeholder engagement in a professional, empathetic and sensitive manner?
  - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Step 1: Ensuring that personnel leading stakeholder engagement understand the local and operating context, pp. 34-43; Developing systems to ensure that enterprise personnel treats stakeholders with respect, p. 52; Increase awareness, pp. 56-59*)
  - BSR Rights Holder Engagement – Challenges for ICT (*capacity of company employees to recognize human rights issues, receive training to be able to handle human rights cases, pp. 20-22*)
  - BSR Back to Basics: How to Make Stakeholder Engagement Meaningful for Your Company (*Reach out internally and build a baseline understanding around stakeholder engagement, find the SE champions —a prerequisite to developing an effective strategy, p. 5*)
  - IFC – Good Practices for Juniors (*Invest in your employees, p. 90*)

### Framing Question 2: Does the company have the appropriate processes for stakeholder engagement that are customized for the business activity and country context?

- Is stakeholder engagement planned and implemented in a timely manner (i.e. prior to business decisions and activities that have impacts on affected stakeholders)?
  - IFC PS1 (*Stakeholder Engagement, para 25 GN93*)

- OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Step 4: Designing appropriate and effective stakeholder engagement activities and processes, pp.60-78*)
  - IFC - Managing Community Relations in Palm Oil Sector (*early adoption of a stakeholder engagement plan - Building Strong Stakeholder Engagement Processes, pp. 25-57*)
  - IFC - Good Practices for Juniors (*Developing an Early Stakeholder Engagement Process: Context, pp. 25-36*)
- Is there a regular mapping of affected stakeholders and are the modes of engagement adapted to the needs and preferences of the affected stakeholders?
    - IFC PS1 (*Stakeholder Analysis and Engagement Planning, paras 26-28 GN95-98*)
    - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Step 2: Identifying priority stakeholders and interlocutors, pp. 44-50*)
    - IFC - Managing Community Relations in Palm Oil Sector (*stakeholder mapping and periodical review; techniques for engaging with stakeholders, pp. 29 - 47*)
    - IFC - Good Practices for Juniors (*Use of participatory rural appraisal (PRA) techniques, pp. 78-81; Mapping and prioritization of stakeholders, pp. 81-87*)
    - IFC - Stakeholder Engagement – Doing business in emerging markets (*periodically review and update stakeholder information, p. 145*)
    - ICMC Community Development Tools (*Tool 1: Stakeholder Identification; Tool 2: Stakeholder Analysis; Tool 3: Consultation Matrix, pp. 45-62*)
    - BSR – Future of Stakeholder Engagement (*Use of technologies in stakeholder engagement, whole document*)
- Are vulnerable groups specifically considered in the stakeholder engagement planning and is the process adapted to their specific needs to ensure their participation?
    - IFC PS1 (*Vulnerable groups in Stakeholder Analysis and Engagement Planning, paras 12, 26-28 GN48-50, GN95-96*)
    - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Enterprises should consider how certain impacts may vary amongst different stakeholder groups and prioritize the most vulnerable and severely impacted groups for engagement, pp. 44-50*)
    - DIHR - Stakeholder Engagement (*HRIA mapping focuses on the risk to rights-holders, typical stakeholder mapping focuses on the risk to business, p. 11; vulnerable groups may need adapted engagement methods, p. 28*)
    - IFC -Managing Community Relations in Palm Oil Sector (*Position of women and other vulnerable groups: Research shows that empowering women and promoting gender equality produces various benefits, pp. 30-34*)
    - IFC - Stakeholder Engagement – Doing business in emerging markets (*Gender considerations in consultations, pp. 56-62*)



- IFC – Good Practices for Juniors (*Gender-responsive approach, p. 35; Early stakeholder engagement and gender issues, pp. 76-78*)
  - BSR - Rights Holder Engagement – Challenges for ICT (*Possibility to use technology to reach vulnerable groups, pp. 13-14*)
  - Oxfam – How Decent is Decent Work? (*Incorporating a gender perspective in the measurements done with the software, pp. 7-8*)
- Are affected stakeholders able to raise new issues, either informally or through a formal dialogue or grievance mechanism?
    - IFC PS1 (*Introduction, para 2; Objectives GN3; para 5 GN10; Stakeholder Engagement, para 25 GN91-94; External Communications and Grievance Mechanisms, paras 34-35 GN108-111*)
    - OECD Guidelines for Multinational Enterprises (*General Policies, paras 10-14; Commentary on Human Rights, para 46*)
    - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Grievance mechanisms in Step 4: Designing appropriate and effective stakeholder engagement activities and processes, pp.60-78*)
    - GIZ and BMZ - Stakeholder Dialogues (*Cooperation between at least two actors, multi-stakeholder initiatives or platform, whole document*)
    - ICMM Community Development Tools (*Tool 5: Grievance Mechanism, p.73-80*)
    - AMC – Protocole d'évaluation de l'Initiative VDMD (*2. Dialogue efficace avec les communautés d'intérêts, pp. 4-6*)
- Are the stakeholder engagement activities properly documented (esp. commitments)?
    - IFC PS1 (*Consultation and participation must be documented, paras 30-31*)
    - IFC – Good Practices for Juniors (*log of stakeholders met, p. 56; Keep records and share them, p. 91; Documentation and information sharing, p. 113*)
    - IFC - Managing Community Relations in Palm Oil Sector (*Document the process and results of consultation on ESIA and HCV and implementation of the FPIC process, p. 40*)
- Are ongoing stakeholder commitments systematically integrated to operations management systems and is their progress regularly reviewed?
    - IFC PS1 (*Monitoring and Review, paras 22-23 GN83-84*)
    - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Step 4: Designing appropriate and effective stakeholder engagement activities and processes, p. 64; Step 5: Follow-through, pp. 79-80*)
    - IFC - Managing Community Relations in Palm Oil Sector (*Ongoing operations and/or maintenance and harvesting, p. 41*)
    - IFC – Good Practices for Juniors (*Follow up regularly to ensure that commitments made have been fulfilled, p. 56; Integrate ongoing commitments into management systems, p. 68; etc.*)

- IFC - Stakeholder Engagement – Doing business in emerging markets (*Integration of ongoing stakeholder commitments into operations management systems, p. 146; using software programs for tracking stakeholder consultation activities and commitments – examples of software, p. 90*)

**Framing Question 3: Does the company engage on the substantive issues that matter to its affected stakeholders?**

- Does the company **share information** and **engage** on potential adverse impacts and not just about positive contributions?
  - IFC PS1 (*Consultation, Informed Consultation and Participation, paras 30-32, GN103-105*)
  - OECD - Guidelines for Multinational Enterprises (*General Policies, paras 10-14, Commentary on General Policies, para 25, Chapter III – Disclosure, para 1*)
  - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Step 3: Establishing the necessary support system for meaningful stakeholder engagement – providing necessary information to stakeholders, pp. 51-59; Identifying and responding to external challenges to engagement, pp. 70-74; Establishing clear and functional processes to respond to grievances, pp. 75-76; Engaging with stakeholders to ensure remediation is appropriate, pp. 77-78*)
  - IFC - Managing Community Relations in Palm Oil Sector (*Building a SEP – “The goals are (1) to ensure the timely provision of relevant and understandable information in a culturally appropriate manner and (2) to create a process that provides opportunities for stakeholders to express their views and concerns, and for the company to respond to them.”, p. 39*)
  - DIHR - Stakeholder Engagement (*Information must be ongoing and two-way to be meaningful, or participative, pp. 5-6*)
  
- Are stakeholder engagement activities aligned with the company’s **salient human rights issues**?
  - UN Guiding Principles on Business and Human Rights
  - IFC PS1 (*para 3, GN3, GN44-47*)
  - OECD Guidelines (*Chapter II General Policies; Chapter IV Human Rights*)
  - DIHR – Stakeholder Engagement (*Engagement and participation opportunities should in the first place prioritise potentially affected rights-holders and/or their legitimate representatives, with particular attention to vulnerable individuals and groups, p. 12*)
  - ILBC, IFC and Global Compact - Guide to HRIAMs (*whole document*)
  - SOMO, CEDHA and Cidvidep India - How to use the UN Guiding Principles on Business and Human Rights in company research advocacy (*whole document*)
  
- Do affected stakeholders have opportunities to set the **agenda**?
  - IFC PS1 (*Consultation, Informed Consultation and Participation, paras 30-32, GN103-105*)
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- Is the company willing to engage with **critical stakeholders**?
  - IFC – PS1 (GN105)

**Framing Question 4: Do the company’s stakeholder engagement efforts produce results in terms of changes to the business?**

- Is there evidence that stakeholder engagement **has resulted in change(s)** to the business?
  - OECD - Guidelines for Multinational Enterprises (*General Policies, paras 10-14*)
  - IFC PS1 (*Ongoing Reporting to Affected Communities, para 36 GN112-113*)
  - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Step 5: Follow-through – a commitments register should be maintained, pp. 79-80; Step 6: Monitoring and evaluating stakeholder engagement activities and responding to identified shortcomings, pp. 81-83*)
  - IFC - Managing Community Relations in Palm Oil Sector (*Using results to drive decision-making, p. 110*)
  - AMC – Protocole d’évaluation de l’Initiative VDMD (*Mécanisme d’intervention auprès des communautés d’intérêts : Démontrer qu’il existe des processus pour recevoir les plaintes et les préoccupations des communautés d’intérêts, y compris les communautés et les organismes autochtones, afin de s’assurer qu’elles sont comprises et que des mesures efficaces sont prises à leur égard, pp. 7-8*)
- Are affected stakeholder **informed** about how their engagement efforts have contributed to changes (or reasons why changes could not be made)?
  - IFC PS1 (*Ongoing Reporting to Affected Communities, para 36 GN112-113*)
  - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Step 5: Follow-through – reports on observance or not of commitments should be communicated to stakeholders, pp. 79-80*)
  - IFC - Managing Community Relations in Palm Oil Sector (*Reporting to Stakeholders, p. 112*)
  - IFC - Stakeholder Engagement – Doing business in emerging markets (*Reporting to Stakeholders, pp. 85-98*)
- Are the results of stakeholder engagement **documented, analyzed and reported**?
  - IFC – PS1 (*The client should document specific actions, measures or other instances of decision-making that have been influenced by or resulted directly from the input of those who participated in the consultation, GN105; Ongoing reporting to affected communities, para 36, GN112*)
  - IFC - Managing Community Relations in Palm Oil Sector (*Making a Corrective Action Plan - Using results to drive decision-making, p. 110; Reporting to Stakeholders, p. 112*)





**Framing Question 5: Are affected stakeholders involved in monitoring, evaluation and continuous improvement of the engagement process?**

- Does the company adopt measurable indicators to evaluate stakeholder engagement activities and results early in the process? Does it include stakeholders in the determination of those indicators?
  - IFC PS1 (*Monitoring and Review, paras 22-23, GN83-84*)
  - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Step 6: Monitoring and evaluating stakeholder engagement activities and responding to identified shortcomings, pp. 81-82*)
  - ICMM - Community Development Tools (*Tool 19: Indicator Development, pp. 191-196*)
  - IFC - Managing Community Relations in Palm Oil Sector (*developing measurable goals and indicators, pp. 103-114*)
  - IFC – Good Practices for Juniors (*Measure, Evaluate, and Communicate for Strategic Advantage, pp. 112-114*)
  
- Does the company employ **participatory monitoring** and evaluation techniques for stakeholder engagement?
  - IFC PS1 (*Monitoring and Review, paras 22-23, GN83-84*)
  - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Step 6: Monitoring and evaluating stakeholder engagement activities and responding to identified shortcomings, pp. 81-83*)
  - IFC – Good Practices for Juniors (*Measure, Evaluate, and Communicate for Strategic Advantage, pp. 112-114*)
  - IFC - Managing Community Relations in Palm Oil Sector (*Involving stakeholders in evaluation of results, pp. 103-114*)
  - IFC - Stakeholder Engagement – Doing business in emerging markets (*Stakeholder Involvement in Project Monitoring, pp. 79-85*)
  
- Has the company **changed its engagement practices** in response to stakeholder feedback?
  - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Step 6: Monitoring and evaluating stakeholder engagement activities and responding to identified shortcomings, pp. 81-83*)
  
- Does the company have tools to obtain the stakeholders' perception on the quality of relationship with the company? If so, how do affected stakeholders characterize the **quality of the relationship** with the company? Does this align with the company's assessment of the relationship?
  - OECD - Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (*Step 6: Monitoring and evaluating stakeholder engagement activities and responding to identified shortcomings – “enterprises can provide community suggestion boxes, which enable stakeholders to submit anonymous feedback on the engagement processes, or*



- distribute “citizen report cards” that provide a way to assess the quality of relationships between an enterprise and its stakeholders. An annual or semi-annual “perception” survey can be used to measure the quality of relationships between an enterprise and stakeholders over time”, pp. 81-82)*
- IFC – Good Practices for Juniors (*Improve ways to measure what matters – perception studies, p. 90, Community Scorecard interactive tool, p. 82*)
  - Oxfam – How Decent is Decent Work? (*SenseMaker, possibly a way to obtain stakeholders’ perceptions, especially workers, whole document*)
  - IFC - Stakeholder Engagement – Doing business in emerging markets (*Track changes in the quality of stakeholder relationship, pp. 107-108; Consider ways to assess stakeholder perceptions, p. 145*)
  - ICMM Understanding Company-Community Relations Toolkit (*tool to measure the level of community support, pp. 19-28; tool to understand the reasons for the current level of community support and how it can be improved, pp. 30-34*)



**Valuing Respect** is a global collaborative platform, led by Shift, to research and co-create better ways of evaluating business respect for human rights. Our aim is to develop tools and insights that can help both companies and their stakeholders focus their resources on actions that effectively improve outcomes for people.

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