



Meaningful Stakeholder Engagement – From Principles to Practice

conference paper



Meaningful stakeholder engagement is essential in all steps of human rights due diligence (HRDD). In order to reliably identify, effectively prevent, and mitigate human rights and environmental impacts, meaningful engagement with stakeholders (potentially) impacted by a company's business activities is needed.

Thus, meaningful stakeholder engagement is an international standard stipulated in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The EU's Corporate Sustainability Due Diligence Directive (CSDDD) makes it a legal obligation and specifies at which stages of the due diligence process stakeholders should be engaged.



“Business and human rights go hand in hand. Sector Dialogues thereby play a key role in supporting companies in their due diligence practice. Meaningful engagement of rights holders and relevant stakeholders along the supply chain enables early risk identification and effective measures. This is a collaborative approach to shaping fair supply chains.”

Lilian Tschan, Permanent State Secretary at the German Federal Ministry of Labour and Social Affairs (BMAS)

Moreover, engaging meaningfully with stakeholders is not just a regulatory obligation or expectation. If rights holders are constructively involved in decision-making processes, their perspectives and expertise can lead to more effective solutions. HRDD can thus be implemented more successfully and sustainably. For the private sector, meaningful stakeholder engagement is a business advantage providing a strong basis for risk management, long-term sustainability and resilience based on positive relationships with stakeholders.



“Meaningful stakeholder engagement strengthens our company’s resilience by fostering open dialogue with affected stakeholders and partners, allowing us to address risks where they arise and build trust that guides our actions as a whole – across our operations and supply chains.”

Nora Hesse, Legal Human Rights, Mercedes-Benz Group

From a due diligence perspective, priority should be given to those stakeholders for whom the risk of adverse impacts is most severe, or the potential adverse impact could become irremediable. Special attention should be paid to vulnerable groups that are faced with structural disadvantages and limited influence (e.g. women, children, migrants and indigenous people).

Despite growing recognition as a core element of due diligence, practical implementation along global supply chains remains limited. What are the main barriers that make it difficult to achieve effective stakeholder engagement? And which approaches make stakeholder engagement truly meaningful?

To highlight the significance of stakeholder engagement as a cornerstone of HRDD, to share good practices and to support the development of guidance from the European Commission, the Sector Dialogues of the German Federal Ministry of Labour and Social Affairs (BMAS) hosted the conference “Meaningful Stakeholder Engagement – From Principles to Practice” in Berlin on 16 September 2025. More than 150 participants from companies, civil society, trade unions, academia, sustainability initiatives and governmental institutions discussed key principles of meaningful stakeholder engagement, needs for action and good practices. Special focus was placed on meaningful stakeholder engagement in respect of risk analysis, collective action, in conflict-affected contexts and for grievance management.



“As communities and rights holders are often very heterogeneous, context-specific approaches and understanding of potential obstacles and needs is important. Stakeholder engagement is only meaningful when trusting relationships and co-ownership are ensured.”

Amadou Bah, Executive Director, Action Mines Guinea

According to the [United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#) and the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#), stakeholder engagement needs to be inclusive and accessible, ongoing and iterative as well as a two-way and participatory process. In order to be meaningful, it needs to allow for co-ownership, have an influence on decision-making, and be transparent, safe and trust-based.

Several guidance documents exist defining what makes stakeholder engagement meaningful from a procedural and outcome perspective using various sets of principles. Relevant publications include, among others, the guidance documents of the [Sustainable Textile Initiative \(STITCH\)](#), the [UN Global Compact Network Germany](#), the [Global Business Initiative on Human Rights \(GBI\)](#) and the [Social and Economic Council \(SER\) of the Netherlands](#).

The conference aimed at enriching existing guidance by bringing practical experiences to the forefront.

This conference report is intended as a supplement to existing guidance on meaningful stakeholder engagement. Thus, the paper does not claim to be exhaustive. It rather aims to contribute to the current debate and encourage companies in particular to invest in meaningful stakeholder engagement.

The following section highlights challenges identified and provides practical recommendations.

Navigating stakeholder engagement and risk analysis in corporate due diligence

Challenges identified

- Turning “inputs” into action: ensuring that appropriate feedback loops inform corporate decision-making with the outcomes of the engagement, e.g. with respect to prioritisation of risks
- Goals may not fully align between rights holders and enterprises: for rights holders, risk analyses represent the beginning of the engagement process whereas for enterprises, finalising their risk analysis is a goal in itself
- Avoiding over-conceptualised engagement or creating theoretical scoping engagements with few actionable results
- Focusing resources for meaningful engagement on where it really matters
- Addressing power imbalances and allowing for co-ownership



Practical actions to take

Distinguish different objectives and design a transparent process

- Identify and engage with stakeholders appropriate to the selected purpose or objective – they can range from international organisations and academia to local village committees and women’s cafés – each with their own specific engagement format and style.
- Understand stakeholder engagement as an integral part of any risk assessment process, not as an add-on towards the end to validate insights.
- Ensure group-level feedback on local processes to make engagement relevant for rights holders.
- Leave room for the challenges of rights holders that may diverge from the enterprise’s needs with regard to the output (e.g. validate risks).

Prioritise specific contexts for deeper engagement and track effectiveness

- Apply a risk-based approach linked to the proximity of potential risks for prioritisation of specific contexts (e.g. procurement categories, jurisdictions).
- Invest in building an ecosystem of trust- and relationship-building activities linked to turning conversations into action.
- Create feedback loops to continuously improve engagement strategies, formats and methodologies.

Be aware of power imbalances and acknowledge they might not be overcome immediately

- Actively try to reduce power imbalances through information-sharing, joint reflection on procedures and methodologies used.
- Design processes such that they offer space for both louder and quieter voices; voting methodologies can help to reduce power imbalances.
- Listen first to affected stakeholders and move then to more representative functions.

Approach engagement like a human relationship: with an open mindset leaving room for the unexpected

- Include enough time for open discussion beyond formalised processes. Be prepared for things to be called into question or viewed critically.
- Clearly manage expectations.
- Making mistakes is OK as long as there is room to address them; adopting a co-ownership mindset might even help to avoid the most common mistakes.
- Without losing sight of the objective, it is important to approach any engagement openly and ask questions aimed at shaping it into something meaningful.

Be locally grounded

- Rely on local facilitators, legitimate representatives and support structures; design processes not just at headquarters but also involve local staff.
- Gain an understanding of the context and possible local dynamics to inform your process design; use open, neutral spaces where needed.
- Engage in smaller, more homogeneous groups rather than diverse set-ups because each group may need a different process.

Experiences from practice



Norsk Hydro engages with stakeholders to inform the various stages of the company's human rights risk assessment. Engagement is an ongoing, layered process, relying on global, regional and local stakeholders. The company's approach to stakeholder engagement helps to deepen their understanding of human rights risks as well as who to engage in the process of understanding those risks. Norsk Hydro prioritises areas with higher human rights risk for deeper, more direct engagement to ensure that resources are directed where they matter most. For more information on Norsk Hydro's approach see: [What meaningful stakeholder engagement really looks like in practice](#) and [Human Rights Due Diligence in Hydro](#).

Fair Wear, as part of the STITCH Meaningful Stakeholder Engagement Working Group, supported stakeholder engagement pilots in India to put the jointly developed [MSE framework](#) into action. The MSE Pilots bring together key stakeholders in the textile supply chain – including brands, suppliers, trade unions, employers' associations and academia – to identify human rights risks across the apparel and footwear supply chain and prioritise them based on severity, impact and urgency of action. Moving beyond passive participation, this approach promotes mutual learning, trust-building and collaborative decision-making to ensure all voices are heard and valued.

Implementing collective measures through meaningful stakeholder engagement

Challenges identified

- Identifying legitimate representatives of rights holders and the “right” people to engage with
- Ensuring the safety of stakeholders involved, especially in conflict-affected settings
- Balancing different views of various stakeholders
- Dealing with power imbalances between stakeholders involved in the process



Practical actions to take

Focus on process before outcomes

- Focus on building relationships with people and ensure enough time to build trust across sectors and geographies.
- Ensure that there are mutually agreed upon goals for all stakeholders.
- Give rights holders the time and space to shape the process in order to develop solutions that work for them.
- Keeping everybody involved is more important than achieving fast results.

Employ open, two-way communication and skilful facilitation

- Close the information gap by making relevant information accessible.
- Don't assume you know what constitutes accessible information, but rather involve stakeholders in developing appropriate formats, including audio and visual.
- Language barriers may entail time-consuming decision-making processes, but joint solutions are more sustainable in the long term.
- Hire a neutral third-party facilitator that is accepted by all stakeholders and utilise bottom-up approaches to address power imbalances.

Acknowledge contributions and investments

- Be aware of and acknowledge limited resources. Ensure that there are benefits for both sides throughout the engagement process.
- Allow for direct interactions with stakeholders to introduce viewpoints that downstream actors are not aware of.

Gain profound understanding of the context

- Understand and be sensitive to local decision-making and power structures and build trust with key actors, e.g. heads of villages; they can be important door-openers for reaching specific groups of rights holders such as women and youths.
- Employ communities' own social and cultural codes and build on existing structures to engage with them.
- Involve rights holders and their representatives, who know the relevant local context best.

Involve the right people based on proper stakeholder analysis

- Engage with stakeholders who are legitimate representatives, not with those who are merely easy for you as a company to contact.
- Cooperate with partners and networks that have knowledge of the context and appropriate standing to identify and map relevant stakeholders. Also seek advice from trusted partners when designing the processes and tools used for engagement.
- Try to facilitate direct contact with legitimate trade unions.
- Manage expectations to avoid disappointment and be transparent from the beginning about what can be achieved throughout the engagement process.

Accept the heterogeneity of different rights holder groups

- Engage with different types of actors, including local academia, NGOs and communities. Direct exchange can expose blind spots and challenge assumptions.
- Be aware that there is no one right person to engage with and include different perspectives through multi-focal working groups.

Mitigate safety risks for stakeholders

- Be aware that rights holders might feel intimidated by companies and create conditions where community members feel safe to engage.
- Depending on the context, both anonymity and visibility can provide protection for rights holders. Allow for anonymity through the use of tools like CNV Internationaal's [Fair Work Monitor](#).
- Support civil society networks that can aid rights holders in risk situations.

Experiences from practice



The [German Energy Sector Dialogue](#) cooperates closely with Guinean civil society organisations (CSOs) in the development of a collective measure regarding land rehabilitation in the context of [bauxite mining in Guinea](#). Through the networks of German NGO members of the Dialogue, relevant Guinean CSOs were identified at the start of the engagement process. One CSO representative acts as coordinator of the Guinean CSOs. This has helped to improve the flow of information and feedback between the downstream actors, local CSOs and affected communities.

Meaningful stakeholder engagement in conflict-affected contexts

Challenges identified

- Considering the heightened complexity of social context, which exposes communities to increased social and ecological risks
- Avoiding retraumatising effects for persons with lived experience (e.g. of modern slavery) due to the engagement process
- Mitigating the heightened safety risks of engagement for rights holder activists and their families associated with non-state armed actors, long-lasting history of mistrust land rights disputes or corruption
- Obtaining the evidence required to draw legal/contractual consequences



Practical actions to take

Practice context-sensitive behaviour

- Consider carefully whether you can engage people with lived experience in a stakeholder group. Engaging with vulnerable groups like children in a trauma-sensitive, age-appropriate way requires a high level of expertise and capacity. Use language and terms that laypersons/children in that area are familiar with (for example: the term “modern slavery” is often not understood).
- The right way to communicate with survivors is to go through trusted, reliable and familiar locals.
- Establish an ongoing relationship with rights holders also after they share their story.
- Support local economies and consider circumstances beyond project life cycle. Develop strategies on how to exit responsibly.

Consider multiple dimensions of trust

- Enable interaction between companies and mediating NGOs to build trustful relationships.
- Relevant factors for preventive actions of upstream companies are: trustful relationships to direct/indirect suppliers (long-term relationship, reliability, quality, etc.); existing local structures such as potential project partners, associations and other enterprises for collaborative approaches.

Gain a profound understanding of the context

- Conduct **heightened human rights due diligence (hHRDD)** by identifying potential and actual impacts on people (human rights) as well as on the context (conflict).
- Carry out a conflict analysis and update it regularly.
- Information and knowledge about the country, the situation and rights holders are key and lay the foundation for hHRDD strategies.
- Use rights holders' context intelligence that no desk review can provide. Stakeholder engagement processes can build on their insights when designing and implementing measures to address human rights impacts.

Identify safety risks and mitigate these

- Security and safety needs of involved stakeholders need to be taken very seriously, especially in contexts of armed conflicts.
- Consider that certain strategies to mitigate safety risks may not work in all contexts, e.g. public attention can provide a protective shield for rights holders in a particular context, but may increase safety risks in others.



Experiences from practice

*In Honduras' Aguán River Valley, decades of expansion by palm oil giant Dinant have displaced smallholder cooperatives and human rights violations against them are ongoing. Smallholder cooperatives started collaborating with the Christliche Initiative Romero (CIR) to explore strategies drawing on the German due diligence act. As a **result**, German companies followed the demands of the smallholders to disengage from this producer.*

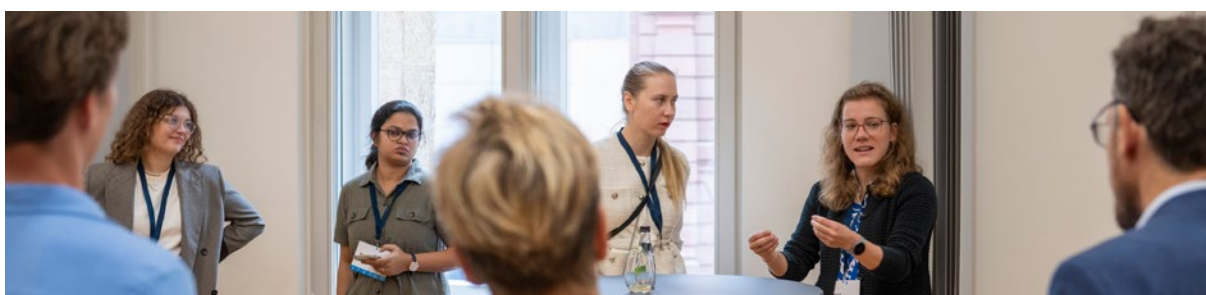
*A **project launched by UNDP and Footprint to Freedom** provided guidance to investors on how to engage with survivors of human trafficking/people with lived experience as part of due diligence. To interview 43 survivors, including children who used to work in cobalt mines in the Democratic Republic of the Congo, they involved community members that the persons with lived experience were familiar with. Teachers that the children knew took the role of interpreters and contributed to applying a trauma-sensitive approach.*



Designing effective grievance mechanisms through meaningful stakeholder engagement

Challenges identified

- Overcoming the reluctance of rights holders to use a grievance mechanism for fear of negative consequences or lack of support during the grievance process
- Trade unions may not exist or be only weakly established/not trusted (“yellow” trade unions)
- Building trust in a specialised grievance mechanism, as rights holders may not trust mechanisms that don’t cover rights violations outside of the workplace
- Possible reluctance on the part of suppliers to cooperate with independent trade unions



Practical actions to take

Design grievance mechanisms to be inclusive

- Ensure rights holders are engaged from the start when the mechanism is designed.
- Carefully verify actors’/organisations’ role as representatives of rights holders before relying on them.
- If trade unions do not exist or have poor reputation among rights holders, look for independent community-based NGOs or individuals who might enjoy greater trust.

Be transparent and reliable

- While establishing the mechanism, communicate openly and early about its limits, processes, responsibilities and relevant decisions.
- Communicate information about the grievance mechanism regularly in workplaces; this requires continual efforts.
- Implement the outcome of a grievance procedure in a manner visible to the rights holder group to increase awareness of and trust in the mechanism.

Use trust-building and empowering strategies

- Ensure all cooperating companies’ buy-in to improve rights holders’ situation beyond formally installing a mechanism.
- Settling disputes in public can enhance transparency among rights holders and have an empowering effect.
- Embed a grievance mechanism in existing structures that are effective and trusted. If a grievance mechanism proves ineffective, address issues in a timely manner.

Design grievance mechanisms to be accessible and safe

- Invest in educating workers about their rights and how to claim them. This can be done in collaboration with trade unions and/or local organisations.
- Provide safe (e.g. anonymous) reporting channels and ways to collectively address gender-based violence and harassment.
- Claiming one's rights requires supportive structures available to rights holders such as well-resourced trade unions or NGOs.

Design grievance mechanisms that are rights-compatible

- Consider the human rights situation of rights holder groups in their communities/families when setting up the grievance mechanism.
- Review of grievance mechanisms should pay particular attention to outcome enforcement; mechanisms otherwise risk losing legitimacy and trust.
- Visible commitment on the part of companies and credible readiness to exert pressure on suppliers if supplier management fails to act is crucial.

Be respectful and aware of cultural context

- Invest (and plan for) sufficient time to select true representatives as well as inform and onboard them prior to taking decisions.
- Adapt the mechanism to the specific context and do not install models using a top-down view.
- Human and labour rights do not just affect the workplace; try to connect the grievance mechanism with existing structures at community level that are already used by rights holders to deal with rights abuses.

Experiences from practice



The **Dindigul Grievance Mechanism** was established in 2022 to protect rights holders in the textile sector in southern India. The mechanism builds on a strong role of the Tamil Nadu Textile and Common Labour Union (TTCU). The trade union takes a holistic approach and supports rights holders not only in the area of labour rights but also with respect to community- and family-related human rights issues and enjoys high levels of trust. The cooperation with TTCU in designing and operating this grievance mechanism was a key factor for its high functionality, which resulted in a large number of grievances being brought forward. Many of these were successfully resolved in less than three weeks. Rights holders feel empowered to invoke their rights and profit from a positive cultural exchange in terms of the relationship between rights holders and their supervisors/employer.

The **Mecanismo de Reclamación de Derechos Humanos (MRDH)** was launched in 2024 as cross-company grievance mechanism of the German automotive industry in Mexico. The mechanism involves different types of civil society organisations in both countries. Rights holders can file their complaints via online form, email, messenger app, by phone call or in person. The strong role of a local workers' organisation as the main contact point for grievances and as the entity responsible for case management helps to increase transparency, strengthen trust among rights holders and balance power. Stronger engagement of supplier companies is supported by a supplier membership model that includes soft incentives as well as legally binding provisions (terms of contract, cascading contract clauses).

Concluding remarks

Practical experience and insights from a range of sectors provide valuable guidance for implementing stakeholder engagement in a truly meaningful and effective way. However, achieving genuine participation of affected rights holders always requires a context-specific approach.

A common challenge across stakeholder engagement efforts is the presence of power imbalances. To foster trust as the foundation for meaningful engagement, it is essential to develop strategies that address these imbalances in a sensitive and constructive manner.

Collaboration with legitimate and empowered representatives of rights holders plays a central role in this process. The careful selection of these representatives, along with the establishment of inclusive processes that enable their influence from the outset, are strategic factors that cannot be omitted.

As rights holders vary in their positioning and needs across the different contexts, time must be recognised as a strategic resource. Building trust, ensuring inclusivity and achieving meaningful stakeholder engagement depend on allowing sufficient time for these processes to unfold.



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