

Knowledge Document Meaningful stakeholder dialogue Who to partner up with?





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SOCIAL AND ECONOMIC COUNCIL



This tool is part of a collection of resources, including tools, knowledge documents, and training, designed to help companies prepare and conduct <u>meaningful dialogues</u> with their stakeholders. Meaningful stakeholder engagement is fundamental for (International) Responsible Business Conduct (IRBC) and is reflected in <u>all steps of the due diligence process</u> as included in the OECD guidelines.

Importance of collaboration in stakeholder dialogue

Collaboration is often crucial in the preparation, execution, and follow-up of stakeholder dialogues. It also serves as a valuable way to involve your stakeholders. However, a common question is: who should you collaborate with, and how can you ensure you are partnering with the right organisations? The answer depends largely on the specific needs and timing of your dialogue. Once the right partners are identified, it is important to collaborate in a constructive and sustainable manner. For guidance, refer to the general tips provided at the end of this document, as well as the specific tips for collaboration with partners in production countries.

Who should I collaborate with and for what purposes?

Start by defining the purpose of your collaboration within the context of the dialogue. The purpose will guide your next steps, including identifying who you need to collaborate with and how to structure the partnership.

The collaboration may serve one or more of the following purposes:

- 1. Gathering knowledge or verifying information
- 2. Accessing a network of relevant stakeholders to enhance inclusion
- 3. Organising and coordinating the logistics of an in-person dialogue
- 4. <u>Receiving advice on the approach or follow-up to the dialogue</u>
- 5. <u>Increasing influence during or after the dialogue</u>
- 6. <u>Gaining social acceptance and legitimacy</u>
- 7. <u>Promoting efficiency</u>

Below, you wil find advice on who to collaborate with based on these different goals.

Gathering knowledge or verifying information

Theory

When preparing for a dialogue, you may need specific knowledge, such as risk analyses for a particular country or sector, insights into the supply chain, or information about local laws and customs (see the <u>tool</u> 'Country-specific and cultural factors'). Additionally, you might need knowledge about working conditions at specific production sites. As a company, you might not always possess this expertise, making collaboration with external partners essential. Some risks related to International Responsible Business Conduct (IRBC) can also be blind spots, especially when they do not surface through audits or regular discussions, such as issues faced by migrant workers or the effectiveness of trade unions.

Practice

Start by determining what information you need or want to verify and then connect with the appropriate partners. Whenever possible, collaborate with local experts – individuals who live and work in the regions where you need information or are conducting a dialogue. While (Western) consultants may offer a quick and accessible solution for analysing supply chain issues, local experts often provide deeper, on-the-ground insights. Building long-term relationships with these knowledge partners allows your company to continuously retrieve and verify crucial information. Here are a few examples:

- \rightarrow Need to initiate a discussion about freedom of association in a country like India? Contact an international or local trade union.
- \rightarrow Want to monitor compliance with agreements on improved working conditions? Collaborate with a local trade union, NGO, or a monitoring partner such as <u>Fair Wear Foundation</u> or <u>&Wider</u>.

→ Need to understand the regulations and guidelines in the region where you source your products? Reach out to local authorities or employment agencies, possibly through the Dutch embassy, local representatives of monitoring partners, or local civil society organisations.

Practical example

In Pakistan, amendments were made to the minimum wage legislation (read the <u>case</u>). A group of Dutch clothing companies wanted to engage in dialogue with their suppliers to express support for the wage increase and discuss how it could be implemented. To obtain accurate information about wage payments and legislation, these companies collaborated with the following organisations:

- Clean Clothes Campaign (<u>CCC</u>): this organisation informed companies about the developments via the <u>Agreement on Sustainable Garments and Textile</u>. CCC was also able to approach a number of companies directly because of information at <u>Open Supply Hub</u> and contact from previous meetings.
- Fair Wear Foundation (FWF): this multi-stakeholder initiative informed affiliated companies about the wage increase and was able to verify information about the legislation to ensure it was correct. FWF also has local offices that can verify information, but in Pakistan this was not the case.
- Agreement on Sustainable Garments and Textile: the partnership was able to share information from the NGOs with the affiliated companies.
- NGOs: Through collaboration with a Dutch NGO, one company obtained factory-level information from a local NGO.

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Accessing a network of relevant stakeholders to enhance inclusion

Theory

Engaging in dialogue with stakeholders who are far removed from your company, such as workers in the supply chain or local communities, often requires collaboration to access the right networks or strengthen connections based on existing trust. This can be achieved by partnering with other companies, multistakeholder initiatives (such as sector agreements or business networks), or civil society organisations. In some cases, your company may lack the legitimacy, trust, or connections needed to effectively engage in dialogue. In these instances, it may be beneficial to collaborate with a trusted third party that can facilitate the dialogue on your behalf. For example, you might partner with local organisations that workers trust to conduct interviews outside the production site.

Practice

First, identify the specific stakeholder group you want to reach. Then, consult step 3 of the <u>tool</u> 'Identifying your stakeholders' to determine the best way to connect with them. Assess whether you are the most suitable person to conduct the dialogue, or if it would be more effective to outsource it. Consider the situation from the stakeholder's perspective:

- → Want to speak with factory workers to understand their working conditions? Collaborate with a local trade union or NGO, possibly through international organisations or umbrella groups like <u>Electronics Watch</u>. Alternatively, work with partners such as the <u>WE Program</u> or multi-stakeholder initiatives. Refer to the <u>knowledge document</u> 'Listening to workers in the supply chain' for more details.
- \rightarrow Looking to engage with local communities? Start by contacting an international or local NGO active in the area. These organisations often publish reports on local issues or have established relationships with partner organisations in the region.

→ Need to discuss a sensitive topic with suppliers? Consider whether suppliers with whom you already have discussions could facilitate an initial conversation with other suppliers in the region to ease their reluctance.

Practical example

In a multi-stakeholder dialogue in Rajasthan, India, natural stone importers sought to engage with workers in the informal segments of the supply chain. The importers had little insight into this part of the chain and were unable to establish contact on their own. Their suppliers were also unable to facilitate this, as their relationships with these workers were not based on trust. To bridge this gap, the importers collaborated with two Indian organisations that had been active in local communities for about ten years. These organisations worked to improve working conditions through empowerment projects, providing safe spaces for workers to voice complaints, and offering start-up capital for small businesses. The trust built through these projects provided a solid foundation for facilitating dialogue with the workers.

Organising and coordinating the logistics of an in-person dialogue

Theory

Organising a dialogue abroad requires a deep understanding of the local context, including logistics, transportation, accommodation, and cultural customs. As a company or organisation based in Europe, for instance, managing these details from afar can be challenging. Therefore, it is often beneficial to collaborate with local partners who can assist with these logistical arrangements.

Practice

Identify the tasks related to organising a local dialogue that you cannot perform on your own. Refer to the <u>tools</u> 'Checklist multi-stakeholder dialogue meeting' 'Checklist multi-stakeholder dialogue meeting abroad' to guide this assessment. Then, consider who might assist with these tasks. Here are a few examples:

- \rightarrow Supplier assistance: If you have good contact with your supplier, they may be able to help with logistical matters such as local transportation or hotel arrangements.
- → NGO support: Reach out to NGOs with a specific focus on the country or those active locally. They can often connect you with resources to help organise your dialogue. Make sure to use the '7 tips for good collaboration with partners in production countries'.
- \rightarrow Travel agencies: If other options are not available, consider using a travel agency to handle practical arrangements.

Practical example

Two organisations from the TruStone Initiative and an NGO, organised a multistakeholder dialogue in the natural stone sector in Rajasthan, India. They partnered closely with two Indian organisations to implement the local program. The Indian partners had a better understanding of the feasibility of the program, the logistical landscape, suitable venues, and transportation options. They also organised segments of the program involving local stakeholders, such as a dialogue with workers and site visits to a quarry and stone storage facility. Due to the long-standing collaboration between these organisations, there was a high level of trust in each other's capabilities.

Receiving advice on the approach or follow-up to the dialogue

Theory

When a dialogue is new or complex, your company may need support in how to approach it or follow up afterward. For instance, you might be initiating a dialogue with a supplier about freedom of association but are unsure how to proceed. Or you might be engaged in ongoing discussions about wages with a supplier, but the dialogue has stalled for months. Collaborating with the right partner can help you determine the next steps, prepare for the conversation, or explore reasons why the dialogue is challenging. You might also choose to conduct the dialogue jointly with your collaboration partner, which can be especially beneficial if you need an NGO to explain local legislation to a supplier while you emphasise its importance from your company's perspective. This approach allows you to stay within your own role and expertise while leveraging external support.

Practice

For companies, it is important to recognise that seeking advice about conducting a dialogue requires time and effort from the advising party. Therefore, if you request advice, take it seriously, consider offering compensation, and show a commitment to the long term. This could be formalised through a contract or a Memorandum of Understanding (MoU) outlining the principles of the collaboration, or by initiating a specific project with other organisations on a theme such as freedom of association. Another option is to hire an external facilitator, which can provide both guidance and structure. For more on this, see the <u>knowledge</u> <u>document</u> 'What makes a good facilitator?'

Practical example

To collectively improve working conditions in clothing factories, several clothing brands partnered with local NGOs to develop and deliver a training program at the factory level. One supplier was initially very reluctant to participate. It proved invaluable to work with the NGOs to evaluate how discussions with this supplier were conducted and to develop a strategy on how to approach future conversations differently. Before this collaboration began, a project plan was created that included agreements on mutual collaboration. The partners then discussed their approach to the dialogue with the suppliers and clearly defined their respective roles.

Increasing influence during or after the dialogue

Theory

When addressing an issue during a dialogue, your company might have limited influence due to factors like low purchasing volumes or a weak relationship with the supplier. This can lead to an unequal dialogue where your position of power is relatively weak. To navigate this, your company can amplify its influence by collaborating with other companies in your sector or, in the case of investment relationships, with other investors.

Practice

These are possible actions:

- \rightarrow Check <u>Open Supply Hub</u> to find out which companies source from the same production location. Contact these companies with a request to collaborate on a theme or risk area.
- \rightarrow Join a multi-stakeholder initiative, such as a <u>sector agreement</u> facilitated by the SER, and collaborate with companies within this initiative.
- \rightarrow Engage with your sector organisation or trade association and ask them to convene companies that are working on a similar topic.

Practical example

Parties affiliated with the Dutch Pension Funds Agreement on Responsible Investment - NGOs, trade unions and pension funds - formed a working group to jointly address human rights issues in the investment chain, specifically focusing on labour rights in the <u>palm oil sector</u>. Through joint fact-finding, the working group continuously exchanged information from experts, local contacts, and research organisations. A collaborative approach to dialogue was developed between the pension funds and the companies in which they invested. This collective effort was crucial because, together, the pension funds had a larger pool of invested capital, thereby increasing their leverage on the companies involved and enhancing the potential for meaningful change.



Gaining social acceptance and legitimacy

Theory

Collaborating with organisations that have a critical perception of your business operations or supply chain, or with those that hold significant trust among your stakeholders, can enhance your company's social acceptance and legitimacy. This can be crucial when engaging with vulnerable stakeholders or those who have a negative perception of your company.

Practice

Collaboration aimed at gaining social acceptance and legitimacy must be rooted in genuine intentions and goodwill. Companies should avoid exploiting these partnerships merely to enhance their own reputation, as this approach is unlikely to be successful in the long run. Instead, invest in building trust with your collaboration partners by showing commitment at every stage of the dialogue process – preparation, implementation, and follow-up – and by being genuinely willing to engage. For practical advice on how to build trust, refer to the tool 'Building trust.'

Practical example

Before a clothing company began sourcing from a supplier in India, it sought information from a Dutch NGO about the current working conditions. This type of prior consultation was (and still is) rare, which encouraged the NGO to collaborate. The NGO involved local partner organisations, including a local trade union composed of former garment workers. The trade union's background and expertise were instrumental in building trust with the factory workers and facilitating connections. After extensive consultations and logistical coordination, the trade union was able to share the gathered information with the clothing company.

Although the clothing company was initially open to collaboration to improve working conditions, the relationship with the supplier ended abruptly, preventing the company from effectively addressing the issues identified. Unfortunately, the company failed to communicate this development back to its collaboration partners, leading to a disappointing conclusion to the partnership. The trade union was left unable to update the workers it had consulted, damaging mutual relations. In this case, the company's social acceptance clearly suffered due to poor communication.



Theory

It is inefficient for multiple companies to individually engage in dialogue with the same stakeholders. Often, the receiving stakeholder does not have the capacity to handle numerous separate dialogues (see also step 6 in the <u>tool</u> 'Identifying your stakeholders'). Where possible, it is beneficial for companies to collaborate with others to jointly conduct and follow up on certain dialogues. Many issues are too complex to be tackled alone, making early-stage collaboration with other companies or organisations, such as civil society groups, joint suppliers, or vulnerable stakeholders, particularly valuable.

Practice

Consider the following actions to promote efficiency in stakeholder dialogues:

- → Identify overlapping dialogues: Determine which dialogues your company is conducting that may also be relevant to other companies, for example, those involving trade unions or specialist NGOs. Ask the organisations you are engaging with whether it would be beneficial to scale up the dialogue. Then, collaborate with other companies and the relevant dialogue partners to organise this expanded dialogue.
- → Explore joint dialogues: Investigate whether multi-stakeholder initiatives, sectoral collaborations, or trade associations could facilitate joint dialogues. This approach can streamline efforts and enhance impact.

Practical example

Within a sectoral partnership, a collective dialogue was organised between members (including companies, knowledge institutions, NGOs, and trade unions) and representatives of the Uyghur community in the Netherlands. The dialogue focused on the working conditions of Uyghurs in China. By organising this dialogue collectively, the Uyghur representatives were able to reach a larger audience and have a greater impact than they would have through individual dialogues. Additionally, this approach reduced the emotional burden on Uyghur stakeholders, who found it difficult to repeatedly discuss their situation.

10 tips for successful collaboration

To foster effective – and meaningful – collaboration, consider the following 10 tips:

1. Be transparent about interests and commitment

Clearly communicate your role, interests, and level of commitment in the collaboration. For successful collaboration, your company's interests should align with those of the other party, or at least be openly discussed. All parties should work to prevent any potential harm to their reputations. To formalise this, consider drafting a letter of intent that outlines each party's interests and commitment throughout the dialogue process, including preparation, execution, and follow-up.

2. Clarify roles and responsibilities

Ensure that everyone involved understands their responsibilities and the tasks required of their organisation. Make these expectations as explicit as possible to avoid confusion.

3. Build trust

Build trust between your company and the organisation you collaborate with by being open, honest and transparent. Keep agreements to show that you are a reliable party. For more information, see the <u>tool</u> 'Building trust'.

4. Maintain regular communication

Keep your collaboration partners informed about the steps you are taking or planning to take. Provide feedback on issues that concern them, such as how their information was used or the contacts you have made.

5. Adopt an open attitude

Approach collaboration with the same principles as dialogue. Be curious, open, and friendly toward your partners, fostering a positive working relationship.

6. Focus on long-term collaboration

Aim for long-term partnerships and show a commitment to a shared vision for the future. Avoid short-term, transactional collaborations. Long-term relationships lower barriers to ad-hoc contact and make it easier to collaborate when opportunities or challenges arise.

7. Regularly evaluate the collaboration

Periodically assess the effectiveness of the collaboration and apply lessons learned to improve future interactions.

8. Be transparent and visible

Be visible to other parties by, for example by listing your production locations on platforms like <u>Open Supply Hub</u> or by openly communicating about your sustainability policy and outcomes. This transparency encourages other organisations to seek collaboration with you.

9. Consider capabilities and availability

Be mindful of your partners' availability and capabilities. Adjust your communication methods (e.g. email or phone) and the frequency of meetings to accommodate their needs.

10. Avoid tight timelines

Avoid entering collaborations with new or unfamiliar partners when operating under tight deadlines. Building a strong relationship takes time, and rushing the process can strain the partnership.

7 tips for effective collaboration with partners in production countries

To achieve your goals in a production country, it is often essential to collaborate with a local organisation. In addition to the general collaboration tips, consider these specific factors:

1. Introduction

Get to know the organisation you are partnering with as you would any other stakeholder. Understand the nature of the organisation and what they value in the collaboration. Key questions to ask include: Who do you work with? Who trusts or distrusts you? What are your goals, and how do you pursue them? How large is your organisation, and how is it structured? This understanding will help you adjust your behaviour, expectations, and activities accordingly.

2. Sincerity and commitment

Avoid using civil society organisations for quick fixes. NGOs and trade unions prefer working on long-term solutions rather than just addressing immediate problems. Demonstrate your company's commitment by:

- Ensuring that (senior) management takes the time to build a relationship with the organisation.
- Collaborating on the preparation, implementation, and follow-up of the dialogue process. Instead of simply providing funding and stepping back, remain actively involved.

3. Caution in the face of distrust

Be mindful that collaboration with a trade union or NGO might affect your relationship with other stakeholders, such as a supplier who has a negative view of freedom of association or wants to exclude critical NGOs. There is often significant distrust toward civil society organisations, so proceed carefully and introduce the collaboration gradually. Companies play a key role in legitimising civil society partnerships.

4. Setting realistic expectations

Clearly communicate your company's sphere of influence and what is feasible. Avoid creating unrealistic expectations that could lead to disappointment and damage mutual trust.

5. Offering concessions

Recognise that many civil society organisations have limited capacity for collaboration. Your company should offer something in return, such as financial compensation or participation in a joint project. If your interests align with those of the organisation, this may provide sufficient motivation for them to collaborate.

6. Cultural differences

Read the <u>tool</u> 'Considering country-specific and cultural factors' for more insights. This will help you navigate any cultural differences that may arise.

7. Building trust

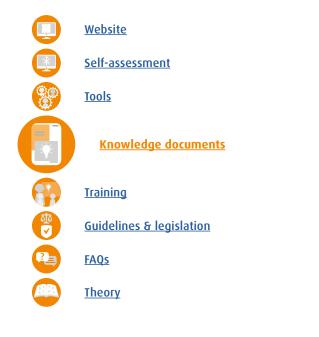
Trust between a company and a local organisation is easier to build when:

- The organisation has previous experience working with similar companies and organisations.
- Both parties develop solutions together through co-creation, rather than imposing ideas or proposals.
- Each party recognises the importance of the other's approach to dialogue.
- They can share specific examples from past dialogues and propose methods based on those experiences.
- They speak a common language, both in terms of jargon and spoken language.

Information and support

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Click on a topic below for more information and support preparing and conducting a meaningful stakeholder dialogue.



Colophon

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