G() FFEE Project

Cooperation On Fair, Free, Equitable Employment

Guidance on Stakeholder Engagement

TOOL 9 OF 28

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About Our Funding

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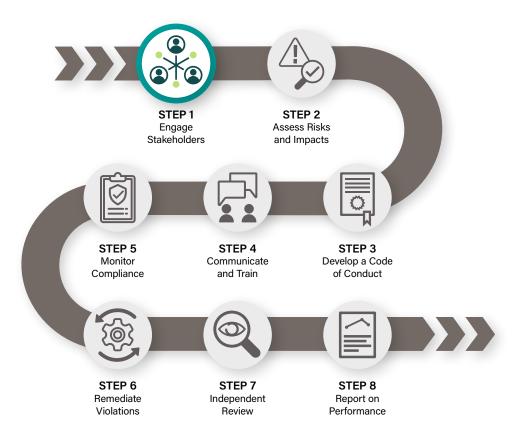




About the COFFEE Toolkit

This tool is one of 28 tools and 14 online training modules comprising the <u>COFFEE Toolkit</u>, which was developed as part of Verité's Cooperation on Fair, Free, Equitable Employment (COFFEE) Project through generous funding from the US Department of Labor's Bureau of International Labor Affairs (USDOL-ILAB). The purpose of the COFFEE Toolkit is to promote coffee retailer, roaster, trader, cooperative, and farm adoption of socially sustainable sourcing and farming practices in order to promote improved working conditions for farmworkers in the coffee sector.

The COFFEE Toolkit was developed in alignment with USDOL's <u>Comply Chain</u> model, with at least one tool created for each of the eight steps of Comply Chain (see graphic below). Many of the tools are derived from tools created for the <u>Responsible Sourcing Tool</u>, developed by Verité with funding from the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons (J/TIP). The tools can be used á la carte, but it is important that companies have systems and tools in place for each step of Comply Chain.







Why Stakeholder Engagement?

Stakeholder engagement has always been a fundamental part of human rights due diligence (HRDD). As new HRDD legislation emerges in countries around the world, stakeholder engagement is shifting from voluntary toward a mandatory activity.

Companies engage with many of their stakeholders constantly, as part of doing business. This guide focuses on stakeholder engagement only as it relates to respecting human rights and labor rights in the coffee supply chain.

When done well, stakeholder engagement can make a valuable contribution to companies' human rights strategies and enhance their impact. For example, it yields **insights** for:

Defining salient human rights issues

Identifying high-risk geographies

Anticipating emerging risks

Stakeholder Engagement

Understanding how companies' business decisions affect upstream stakeholders

Designing and improving grievance mechanisms Designing programs to mitigate risks and prevent human rights harms

Doing meaningful stakeholder engagement also helps a company differentiate itself as a sustainability leader.





About This Tool

The **purpose** of this guide is to help companies understand their key stakeholders and rightsholders, identify the questions and issues for which stakeholder engagement is needed, and determine the best channels for each stakeholder.

The main **audience** for this guide is coffee retailers, roasters, and traders seeking to engage with stakeholders to enhance and inform their human rights efforts. It can also be used by large coffee estates with a hired workforce and significant impacts on their surrounding communities.

Step 1: What Issues Should We Engage on?

Stakeholder engagement is an **opportunity**. In any company's human rights strategy, there are challenges: gaps in knowledge, geographies where visibility is low, areas where internal capacity is weaker, and systemic barriers that are difficult to overcome. Stakeholder engagement can infuse new ideas to help the company tackle those challenges.

The following are the types of questions for which stakeholder engagement can bring insight.

Stakeholder engagement may also shed light on new challenges that the company was not aware of. This is the nature of the process, and continued engagement can help the company tackle those new challenges.



What issues are workers/smallholder farmers/families facing on coffee farms? What do they appreciate about their experience, and what challenges do they experience?

What challenges do children face in coffee-growing communities?







What challenges do women face in coffee-growing communities?

Are these challenges similar across particular countries/regions/coffee growing areas? If not, how do they vary?

What solutions to these challenges do stakeholders suggest?

What recent political developments have taken place in key coffee origins and/or importing countries, and how could they affect coffee workers, farmers, families, or communities?

If stakeholders have been provided training, capability building, or other services, were they effective? How could they be improved?

What investments/programs (from companies, governments, NGOs) have stakeholders observed to be most effective, and why?

How are specific stakeholders affected by coffee buying/trading practices? What are their suggestions for improvements, if any?

Do workers/farmers/families/communities have access to grievance mechanisms? If so, do they trust them? If not, how can they be improved? What do rightsholders suggest?







Step 2: Who are the Relevant Stakeholders?

Every company has a wide range of **stakeholders**, from customers to employees to regulators. In this guide, the focus is on stakeholders whose actions affect peoples' labor and human rights, and stakeholders whose labor and human rights are affected. This latter group is also referred to as **rightsholders**. It is important that a company's stakeholder engagement efforts include a broad range of stakeholders. For every issue the company engages on, at least one rightsholder group should always be consulted.

Stakeholder

Any individual or organization that may affect, or be affected by, a company's actions and decisions.

Source: <u>UN Guiding Principles Reporting Framework</u>

Rightsholder

An individual or social group that has particular entitlements in relation to specific duty-bearers [such as companies]... A human rights-based approach does not only recognize that the entitlements of rightsholders need to be respected, protected and fulfilled, it also considers rightsholders as active agents in the realization of human rights and development.

Source: <u>UNICEF</u>

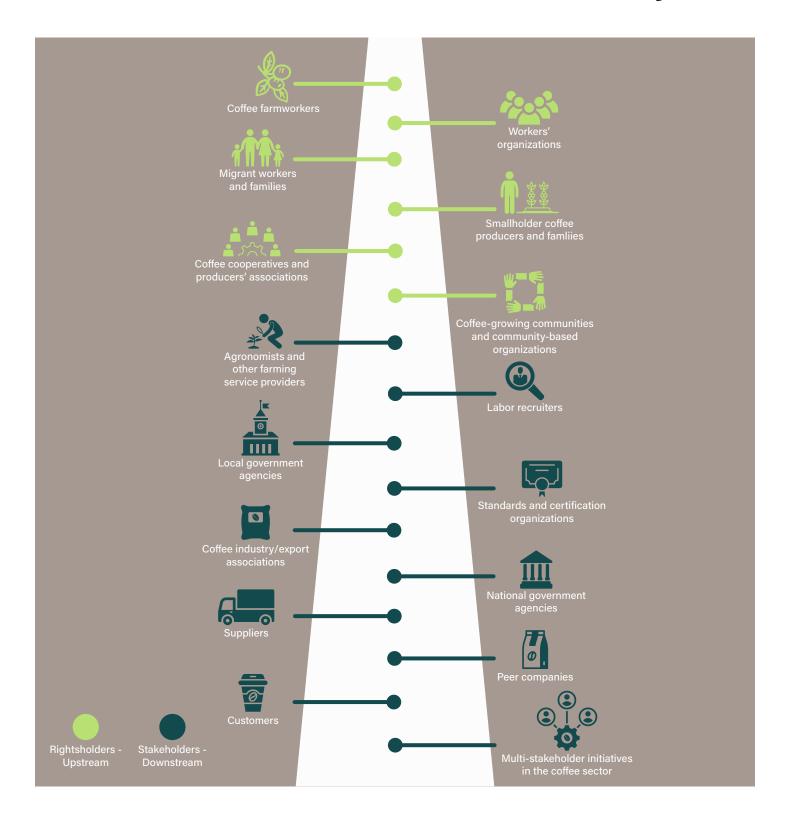


Coffee Industry Associations and MultiStakeholder Groups

- SCA: Specialty
 Coffee Association
- NCA: National
 Coffee Association
- GCP: Multi-Stakeholder
 Initiatives: Global
 Coffee Platform
- SCC: Sustainable
 Coffee Challenge
- WCPF: World Coffee
 Producers Forum
- IWCA: International Women's Coffee Alliance











Once the company has identified its key gaps and questions for engagement, it is useful to match those issues to the stakeholders who might have the most insight on those issues. This can be documented in a simple worksheet, shown below.

Issue for Engagement	Relevant Stakeholder(s)
Example What challenges do children face in the coffee-growing communities we source from? Is child labor a salient risk?	Smallholder farming families
	Local and migrant workers
	Community-based organizations and educational institutions
	Agronomists and other farming service providers
	Labor recruiters
	Local government agencies
	Standards and certification organizations
	Coffee industry/export associations
	National government agencies



A Note on Trust and Relationship-Building

Many stakeholders, especially rightsholders, may take time to agree to participate in engagements, or to be candid in those engagements. Human rights and labor challenges are sensitive, and building relationships of trust and confidence takes time. Stakeholders can tell if a company's desire to understand and improve its practices is genuine, and if it is, they will open up eventually. A long-term commitment to engagement will ultimately yield better decisions and programs that have more impact.





Step 3: What Types of Engagement Should We Do?

There are different ways to reach out to stakeholders. Communication channels and engagement types should be appropriate to the preferences, needs, and level of literacy and technology access of each stakeholder group. Options include:



In some cases, it is helpful to work with a third party when reaching out to a particular stakeholder or group. For example, it can be difficult to have direct contact with farmworkers employed by a supplier, so a workers' organization or community-based organization that directly interacts with workers can provide access, arrange meetings, and/or be present in meetings to facilitate conversation.





Engagement types should then be matched to the issues and stakeholders identified above:

Issue for Engagement	Relevant Stakeholder(s)	Engagement Type(s)
Example What challenges do children face in the coffeegrowing communities we	Smallholder farming families	In-person community discussionSite visit to home with facilitator
	Local and migrant workers	 In-person community meeting Site visit to community with facilitator Mobile phone survey (where appropriate)
	Community-based organizations and educational institutions	In-person meetingRemote meetingMobile phone survey
	Agronomists and other farming service providers	In-person meetingRemote meetingMobile phone survey
source from? Is child labor a salient risk?	Labor recruiters	Site visit to farm/community with facilitator
	Local government agencies	In-person meeting Remote meeting
	Standards and certification organizations	Remote meeting Email survey
	Coffee industry/export associations	Remote meeting Email survey
	National government agencies	In-person meeting Remote meeting

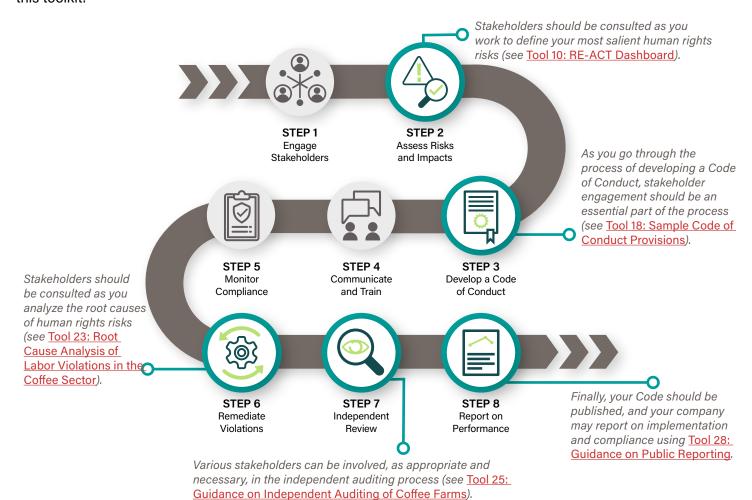




Next Steps

After going through the steps above, a company will have the beginnings of a stakeholder engagement plan. It will know the key issues to engage on, the appropriate stakeholders for those issues, and the optimal channels to reach them. The worksheet shown above can then be developed into a fuller workplan with prioritized issues, timelines, and budget. The plan should be flexible and adaptable as needed.

Stakeholder engagement is an important part of implementing a number of the other tools in this toolkit:







Additional Resources

For companies or organizations interested in exploring stakeholder engagement principles in more detail, below are some useful resources:

- Gbangola, Kye; Lawler, Nicole. How to produce a sustainability report.
 Routledge, T&F. 2014.
- Jeffery, Neil. Stakeholder Engagement: A road map to meaningful engagement. Doughty Centre, Cranfield School of Management. 2009.
- Taylor, Allison; Bancilhon, Charlotte. Five-Step Approach to Stakeholder Engagement. BSR. 2019.
- Sanford, Carol. "The Responsible Business: Reimagining sustainability & success." InterOctave, 2020.

