

# Managing grievances effectively: How do I proceed?

## Application

This practical guide is intended to help you design a grievance mechanism as effectively as possible. To this end, it describes eight internationally recognized effectiveness criteria in detail and provides examples of good practice from actual companies. Questions provide orientation on how the criteria can be implemented in practice.

### Grievance mechanism

A grievance mechanism is ‘a routine, non-governmental process to present grievances about human rights violations in connection with the company.’ The process determines potential negative human rights impacts on the part of a company and identifies grievances. In addition to human rights, grievance mechanisms can also take into account other aspects, e.g. corporate governance or compliance.

Source: Federal Foreign Office ([FAQs on NAP Monitoring](#))

Further information on the grievance mechanism is available [here](#).

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## 1 Why are grievance mechanisms important?

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Grievance mechanisms are important tools that allow stakeholder groups to make grievances, concerns and questions heard in your company (see the figure on the next page for the grievance procedure process). Stakeholder groups are people or groups who influence the company’s actions or who can be influenced by them.

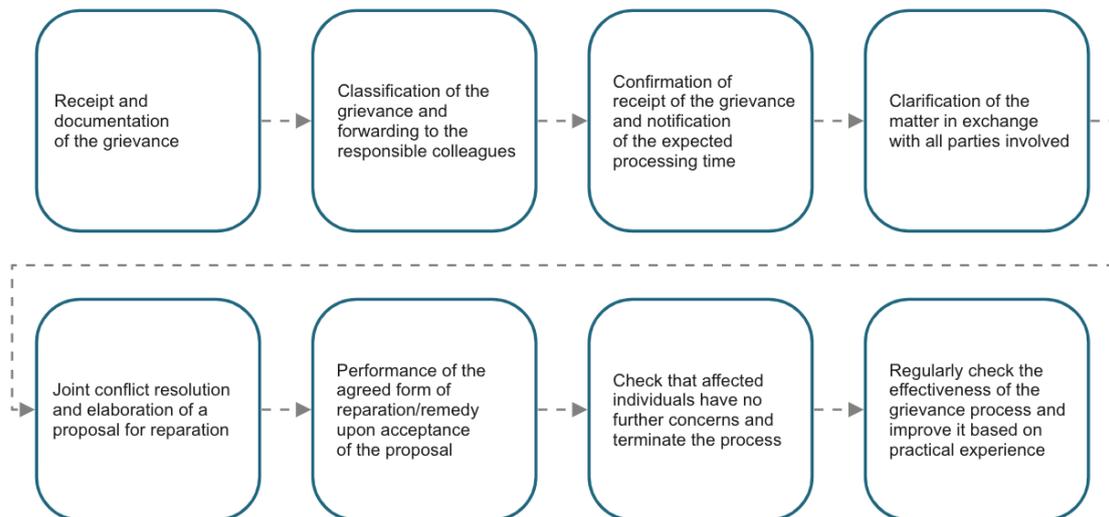
An effective grievance mechanism enables your company to investigate concerns and rectify and redress negative effects on those affected or the environment. It also helps to identify human rights and environmental risks at an early stage and develop a mutual understanding of the relevant risks with stakeholders.

**Key questions for setting up a grievance mechanism**

- ✓ What is the role of the grievance mechanism in the company?
- ✓ How does the grievance mechanism complement existing grievance procedures (operational, judicial and extrajudicial)?
- ✓ What are the roles/responsibilities of specific departments/employees?
- ✓ At which levels does the grievance mechanism apply (company headquarters and/or locations abroad)?
- ✓ Which stakeholder groups should have access to the grievance mechanism (employees in the company, employees of suppliers and customers, local residents, etc.)?
- ✓ What channels do you use to offer grievance procedures?

You can find more information in the guide "[Worth listening – Understanding and implementing human rights grievance management. A business guide](#)" from the Global Compact Network Germany.

**Figure: Typical grievance procedure process**



Source: adelphi illustration based on:

Guide | Global Compact Network Germany | 2018 | Worth listening – Understanding and implementing human rights grievance management. A business guide | pp. 38-39 | [Click here.](#)

## 2 Which criteria make grievance mechanisms effective?

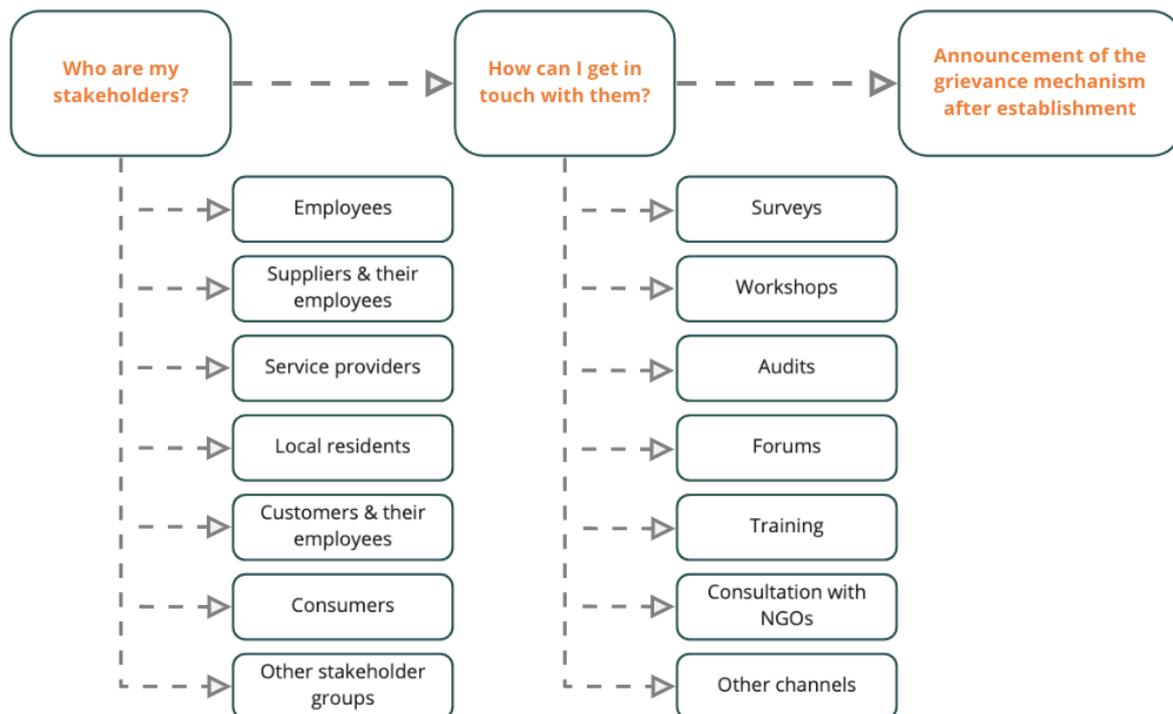
An effective grievance mechanism should be: 1) dialogue-based; 2) legitimate; 3) accessible; 4) predictable; 5) equitable; 6) transparent; 7) rights-compatible; and 8) a source of continuous learning. These criteria are defined in the United Nations Guiding Principles on Business and Human Rights and illustrated on the following pages with practical examples.

### 1) Dialogue-based

#### Brief description

The grievance mechanism should focus on dialogue with stakeholders in order to record grievances and resolve and redress negative effects. Create an atmosphere that helps stakeholders openly and honestly address grievances in a constructive manner.

Figure: Identification and consultation of stakeholders



Source: adelphi illustration

### Practical example: Tchibo

In the dialogue-based 'WE' qualification program, Tchibo aims to create a trusting space for the employees of its producers to formulate grievances or express wishes. The ongoing goal is for employees in the production facilities to learn (for example in workshops) to openly address their problems at work, such as unfair wages, working hours or discrimination, and solve them together.

More information is available [here](#).

#### Questions: 'dialogue-based'

- ✓ Do you plan to involve stakeholders in setting up the grievance mechanism?
- ✓ Are those affected involved in processing, checking and clarifying the grievances?
- ✓ Have you contacted all stakeholders and informed them about the establishment of a grievance mechanism?
- ✓ Have you developed target group-specific communication formats?

## 2) Legitimate

### Brief description

The grievance mechanism's processes should be designed in such a way that they create trust among stakeholders and are recognised by all parties involved. The focus is on guaranteeing that the grievances procedure will be handled fairly. The selection of a suitable channel (or several channels) plays an important role here.

Figure: Overview of possible channels of grievance and their potential legitimacy

| CHANNEL                    | LEGITIMACY |   |
|----------------------------|------------|---|
|                            | Scale      | Justification/advantages  |
| Letter (by name)           | Low        | Whistle-blowers could fear reprisals and therefore refrain from reporting           |
| Letter (anonymous)         | Medium     | The possibility of anonymous reporting strengthens trust in the grievance mechanism |
| Phone (by name)            | Low        | Complainants could fear reprisals and therefore refrain from reporting              |
| Phone (anonymous)          | Medium     | The possibility of anonymous reporting strengthens trust in the grievance mechanism |
| Email (by name)            | Low        | Complainants could fear reprisals and therefore refrain from reporting              |
| Online Mailbox (anonymous) | High       | Enables exchange with anonymous informants  |
| External representative    | Medium     | Enables exchange with anonymous informants  |
| Independent lawyer         | High       | Enables exchange with anonymous whistle-blowers and strengthens trust               |
| NGO contact point          | High       | Enjoy a high level of trust and know the local conditions very well                 |

Source: adelphi illustration

### Practical example: Daimler AG

Those affected have the option of contacting Daimler's whistle-blower system 'Business Practices Office' by name or anonymously via post, email or online form. Stakeholder groups in Germany can also turn to an external, neutral mediator. The mediator is an independent lawyer appointed by the company who is obliged to maintain confidentiality. As a result, there are several ways for those affected to submit their reports of rule violations in connection with the Daimler Group.

More information is available [here](#).

### Questions: 'Legitimacy'

- ✓ Do you describe the grievances procedure clearly and understandably for all stakeholders?
- ✓ Do you disclose the responsibilities for handling incoming grievances?
- ✓ Are the responsible employees adequately trained?
- ✓ Is the anonymity/confidentiality of the grievance procedure guaranteed?
- ✓ Do the various grievance channels (external neutral intermediary, anonymous online platform, etc.) promote the trust of the stakeholder groups in the grievance procedure?

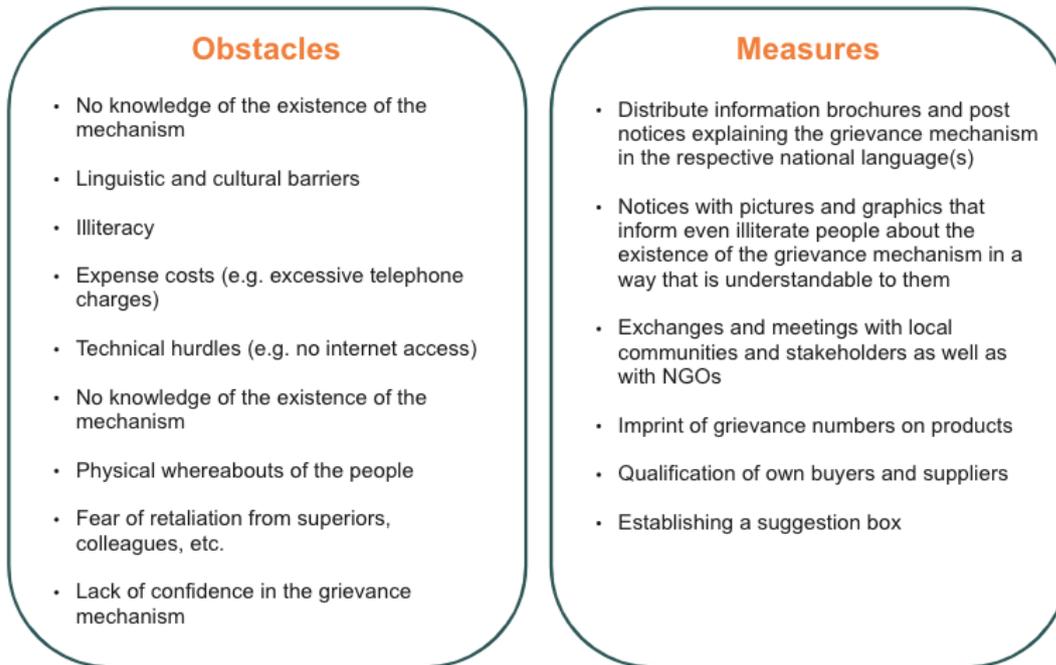
## 3) Accessibility

### Brief description

The grievance mechanism should be available to all stakeholders. To do this, it must be known to the stakeholders and offer appropriate support to those who are faced with particular access barriers. Barriers can arise if grievances cannot be submitted in the national language(s) or if certain technical requirements are necessary (e.g. internet access, necessary registration, complicated input masks, etc.).

In principle, make sure that the grievance mechanism suits the different stakeholders. This means that you can set up different channels. Local grievances offices are usually more easily accessible for those affected.

Figure: Obstacles and measures for better accessibility



Source: adelphi illustration based on:

Guide | Global Compact Network Germany | 2018 | Worth listening – Understanding and implementing human rights grievance management. A business guide | [Click here](#).

### Practical example: VAUDE

The mountain sports outfitter VAUDE cooperates with the Fair Wear Foundation as part of its grievance mechanism. Workers in production facilities along the value chain have the opportunity to direct their grievances to neutral bodies run by local employees of the foundation (Fair Wear Foundation grievance offices). This neutral contact point is offered in addition to internal grievance procedures and are be used if the internal procedure does not lead to a solution. The contact persons of the Fair Wear Foundation speak the same language as the workers, come from the same cultural area and are in the same time zone. Cooperation is also an example of how to increase the legitimacy of a grievance mechanism.

More information is available here [here](#).

#### Questions: 'Accessibility'

- ✓ Are all stakeholders informed about the existence of the grievance mechanism?
- ✓ Do all stakeholders have sufficient knowledge to use the grievance mechanism?
- ✓ Are there any technical barriers that could prevent the use of the grievance mechanism?
- ✓ Is the grievance mechanism available in all relevant languages?

## 4) Predictability

### Brief description

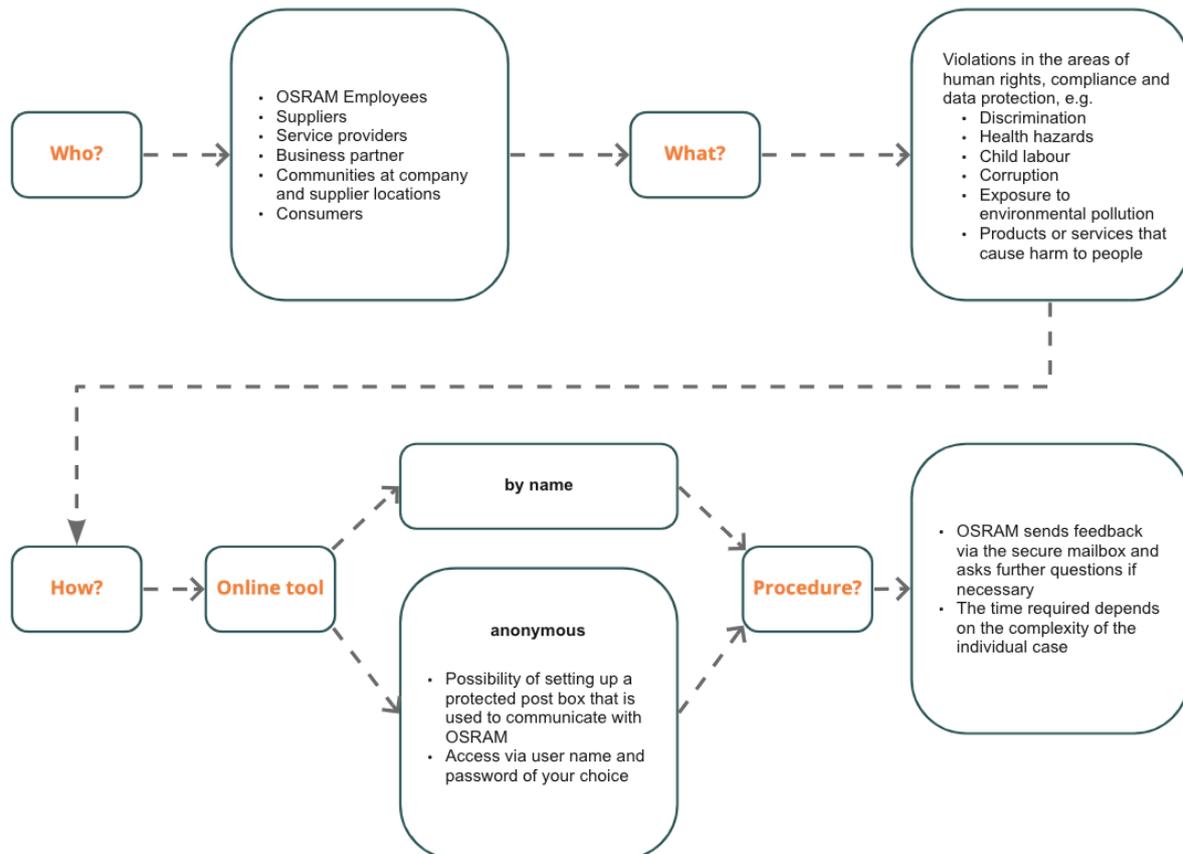
The grievance mechanism should follow a clearly defined procedure that is clearly communicated to the stakeholders. Information should be provided about which steps are taken after a grievance has been received and how long the individual steps take.

### Practical example: OSRAM

The lighting manufacturer OSRAM has set up a grievance mechanism called ‘Tell OSRAM’ to provide all employees and external parties with a protected channel for violations. Information on the process and duration of the notification procedure can be found on the website. Communication with those affected takes place via a protected mailbox, into which they can also log in anonymously using a user name and password (see figure ‘Tell OSRAM online grievance tool process’).

More information is available [here](#).

Figure: ‘Tell OSRAM’ online grievance tool process



Source: adelphi illustration based on:

Website | OSRAM | 2020 | Human rights reporting channel | [Click here](#).

**Questions: 'Predictability'**

- ✓ Do you disclose the process of the grievance procedure (including the individual steps, responsibilities and employees involved, deadlines, etc.)?
- ✓ Do you specifically inform those affected about the grievance procedure after receiving the grievance?
- ✓ Do you inform stakeholders about changes in the grievance process?

## 5) Equity

### Brief description

The grievance mechanism should ensure that all parties involved have sufficient resources to participate in the grievance process in a fair, informed manner. Those affected should be given reasonable access to advice and expertise in order to strengthen procedural justice and arrive at lasting solutions.

**Figure: Requirements for a balanced grievance procedure**



Source: adelphi illustration

### Practical example: VAUDE

The mountain sports outfitter VAUDE offers regular training on grievance procedures at the production sites in the supply chain. In these training courses, the workers and the management of the respective production facility learn about the grievance mechanism and obtain the required contact information.

More information is available here [here](#).

**Questions: 'Equity'**

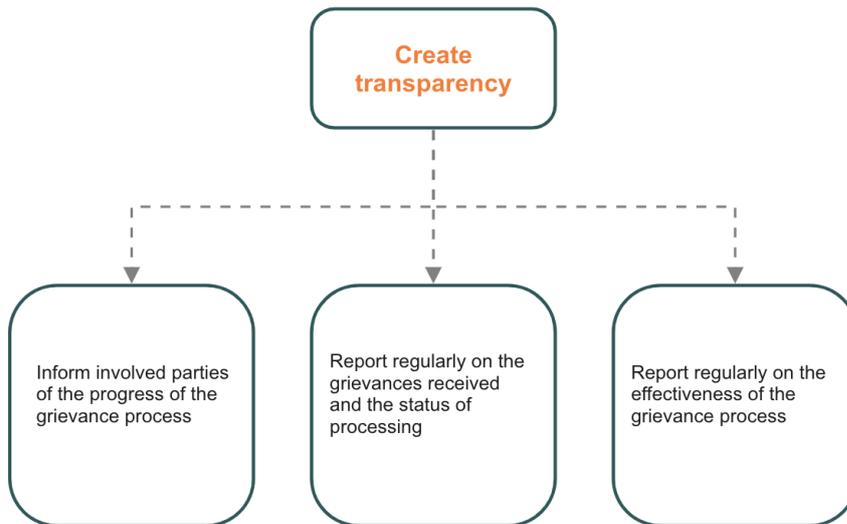
- ✓ Do you check that all stakeholders have the necessary support to use the grievance mechanism?
- ✓ Do you support all stakeholders in filing grievances (e.g. through training)?

## 6) Transparency

### Brief description

The grievance mechanism should keep the involved parties informed of the progress of the grievance process and provide information on how well grievances are being recorded and handled. This creates trust in its effectiveness.

**Figure: Transparency measures**



Source: adelphi illustration

**Practical example: DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH**

DEG provides extensive information about its independent grievance system on its website. The public can access guidelines on grievance management, guidelines for DEG customers, the processing status of submitted procedures, and reports on procedures from previous years.

More information is available here [here](#).

#### Questions: 'Transparency'

- ✓ Do you inform those affected about the progress of the grievance procedure at regular intervals or when necessary?
- ✓ Do you report at regular intervals about the grievances received and how they are dealt with (topics, status, etc.)?
- ✓ Do you provide transparent information about the course of the grievance procedure and the responsibilities?

## 7) Rights-compatibility

### Brief description

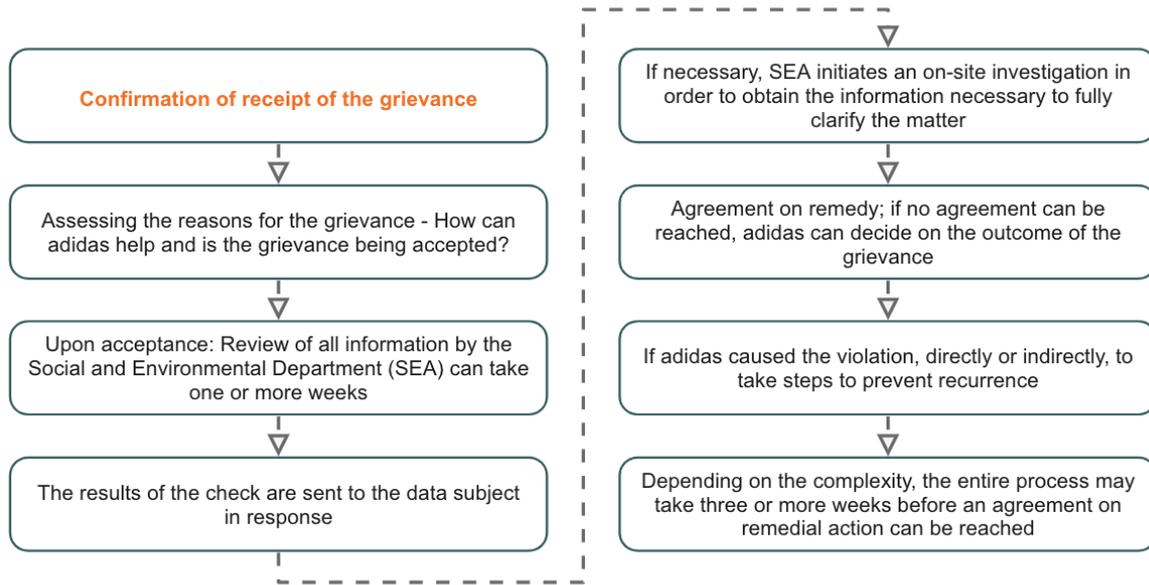
It must be ensured that the results of the grievance procedure are compatible with national laws and internationally recognized human rights (including the Universal Declaration of Human Rights of the United Nations and the ILO Core Labour Standards). In this context, it can be helpful to list relevant human rights as well as environmental issues so that stakeholders understand which issues the grievance mechanism covers and which it does not.

### Practical example: adidas

adidas is committed to numerous social and human rights standards such as the UN Guiding Principles on Business and Human Rights, the ILO Core Labour Standards and the United Nations Universal Declaration of Human Rights. The company is also a member of initiatives such as the Fair Labour Association and the Better Cotton Initiative. Adidas' extensive grievance mechanisms build on these frameworks and initiatives, which help ensure compliance with human rights.

More information is available here [here](#).

Figure: Grievance process at adidas



Source: adelphi illustration based on:

Guide | adidas | Summary of Third Party Complaint Process | [Click here](#).

### Questions: 'Rights-compatibility'

- ✓ Are you making sure that the basic rights of those affected are guaranteed and that there are no negative consequences for filing a grievance?
- ✓ Is the anonymity/confidentiality of those affected guaranteed? Does the procedure comply with national/international laws and standards?
- ✓ Have you established a process to identify particularly serious grievances? Are these grievances prioritised?
- ✓ Does the grievance procedure include the development of solutions and remedial measures in line with the needs of those affected?
- ✓ Is the grievance mechanism in line with national and international law?

## 8) Source of continuous learning

### Brief description

Experience and knowledge from the practical application of the grievance mechanism should continuously flow into the optimisation of its procedures. In this sense, the grievance mechanism is an important tool in your ongoing improvement process. With the help of the experience and knowledge you can, for example, deepen your risk analysis or further develop your measures to design a more sustainable value chain.

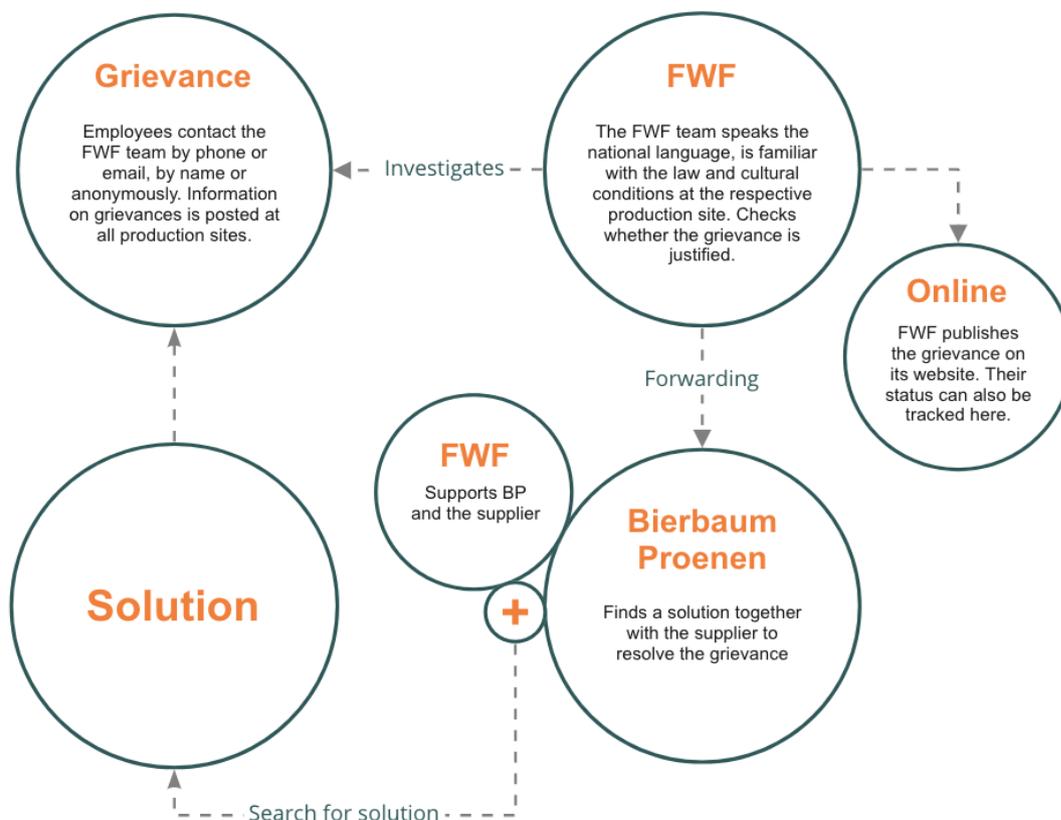
**Practical example: Bierbaum Proenen**

Bierbaum Proenen is a manufacturer of workwear with suppliers in Bangladesh, China, Turkey, Tunisia, Vietnam, and other locations. In cooperation with the Fair Wear Foundation (FWF), the company has introduced comprehensive grievances management at all production sites.

Bierbaum Proenen uses the experience from this as the foundation for a continuous improvement process to identify further risk areas and review the effectiveness of measures. It has been shown that recurring training courses, audits and a continuous exchange between the employees of the production facilities, their management and Bierbaum Proenen have very successfully contributed to increasing the employees’ awareness of their own rights.

More information is available here [here](#).

**Figure: Sequence of a grievance process at Bierbaum Proenen**



Source: adelphi illustration based on:

Sustainability Report | Bierbaum Proenen GmbH & Co. KG | 2019 | Sustainability Report 2019 | p. 51 | [Click here](#).

**Questions: ‘Source of continuous learning’**

- ✓ Do you evaluate the grievances at regular intervals?
- ✓ Do you consider the results of this evaluation for the development and optimisation of measures?
- ✓ Are you checking the effectiveness of the grievance mechanism?