



Netherlands Enterprise Agency

Handbook Effective Grievance Mechanisms Fund for Responsible Business (FVO)

*Case studies, lessons learned and practical recommendations—
commissioned by FVO
December 2021*

Ergon

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1 Introduction

1.1 Background and purpose

The Fund for Responsible Business (Fonds Verantwoord Ondernemen, FVO) is operated by the Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland, RVO). FVO supports and provides subsidies to partnerships between companies and civil society organisations in order to identify and mitigate Responsible Business Conduct (RBC) risks or misconduct in international value chains in developing countries.

To better identify and mitigate such RBC risks, companies often seek to follow the [UN Guiding Principles for Business and Human Rights \(UNGPs\)](#), which provides a framework to embed human rights into day to day functioning of a business. The UNGPs do not create any legal liabilities for companies. However, whilst the UNGPs offers a useful framework, it is not always clear on how to implement its principles in practice.

One of these principles set by the UNGPs is that businesses and states provide 'access to remedy' for individuals and groups who may be adversely impacted by business activities. Operational-level grievance mechanisms operated by companies are identified by the UNGPs as playing an important role in providing access to remedy. Though many companies have long acknowledged the importance of grievance mechanisms, there remain significant deficits in developing and implementing these in a manner that effectively identifies and responds to harms suffered by workers and communities in global supply chains.

1.2 Audience and objectives

The Handbook aims to support buying companies, their suppliers, and civil society and trade union organisations in designing, implementing and/or engaging in grievance mechanism processes. A key part of the Handbook consists of a number of case studies on existing grievance mechanisms, the challenges they face with regards to effectiveness and what lessons can be learned from looking at how they address these challenges. Building on these case studies and lessons learned, the Handbook aims to provide practical support on how to develop, implement and improve effective grievance mechanisms in company supply chains in a manner consistent with the principles set out in the UNGPs.

1.3 Why are grievance mechanisms important?

Improving grievance mechanisms in global supply chains and improving access to effective remedy has real potential in improving business due diligence but more importantly in also improving outcomes for workers and communities. The below outlines some benefits of implementing effective grievance mechanisms.

Early identification and monitoring of human rights risks

Effective grievance procedures can help to identify and mitigate emerging human rights-related issues before they become a risk to the business. When correctly implemented this allows for ongoing monitoring, rather than just one off snapshots of conditions as typically gathered through social auditing.

Reducing potential case escalation	Receiving and addressing concerns at an early stage can help to avoid more significant consequences of leaving issues unresolved, such as increased absenteeism, as well as to avoid more formal, lengthy, and potentially costly procedures at a later stage.
Improving workforce relations	Having a procedure in place to listen to workers' concerns contributes to improved working conditions and promotes a dialogue between a business and its workers, thereby strengthening workforce relations.
Meeting external expectations	Establishing and implementing an effective GM may be necessary to meet stakeholder expectations from customers and civil society, as well as expectations set out in voluntary industry codes.

Use of this Handbook by small and medium-sized enterprises (SMEs)

Setting up and implementing effective grievance mechanisms in global supply chains is challenging for any buying company. These challenges are more pronounced for SMEs who may have limited capacity or resources available for implementing grievance mechanisms, or face challenges regarding their leverage at suppliers. However, there are still important steps that SMEs can take to contribute to the effective operations of grievance mechanisms in their supply chains.

This Handbook aims to provide clarity on these key steps that SMEs can take, including where to begin, as well as present key insights and recommendations on how these steps can be carried out. These key steps and accompanying recommendations can be found in section 5.

1.4 Structure of the Handbook

This Handbook consists of the following sections:

Key concepts	Case studies	Common challenges and lessons learned	Practical recommendations
Provides an explanation of key concepts related to GMs.	Provides examples of how human rights and environmental issues in supply chains may be identified and remedied through grievance mechanisms	Provides an overview of key and common challenges that stakeholders face in ensuring effectiveness of GMs and present key lessons learned on designing and implementing GMs.	Provides practical recommendations for business, civil society and multi-stakeholder initiatives on design and implementation of GMs within global supply chains.

2 Key concepts

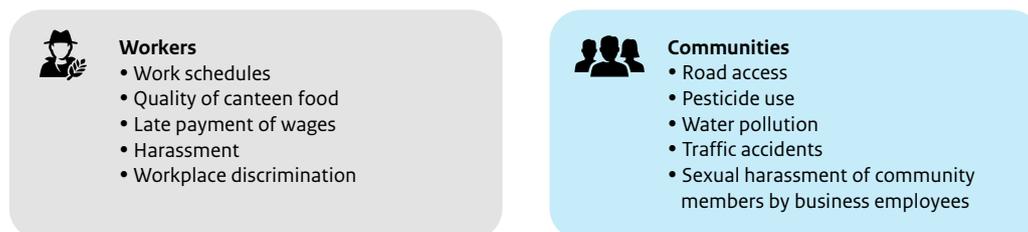
2.1 Grievances

A grievance broadly refers to an allegation, issue, or problem that a person (or group) has raised in relation to their treatment or experience, whether perceived or actual.

In the context of business operations, a grievance can relate to a wide range of issues affecting workers or communities, from violations of international labour and human rights standards through to more everyday concerns related to how a company operates, such as traffic caused by company vehicles.

Depending on the context, grievances may also be referred to as ‘complaints’, ‘concerns’ or ‘feedback’. Grievances may be raised with a company through different channels – see section 2.2. below.

Figure 1 Examples of grievances that may be raised by workers and communities



2.2 Grievance mechanisms

A grievance mechanism (GM) is a procedure through which a grievance can be raised, assessed, investigated and responded to. In this Handbook, we are focussing on GMs that are typically administered by a company, alone or in collaboration with others, including relevant stakeholders, or by collaborative initiatives such as Multi-Stakeholder Initiatives (MSIs).

GMs should provide affected people(s) with a way of raising concerns to the relevant business and this should lead to effective resolution of the complaint including provision of remedy where necessary. Depending on the design and structure of the company and its supply chain, affected people may include a company’s workers, supply chain workers and/or surrounding community members.

Box 1 Grievance mechanisms vs whistleblowing mechanisms

Many companies have Whistleblowing Policies and Procedures for stakeholders to be able to raise concerns often related to corporate governance and integrity in order to protect the company from further failures. Whilst these may also be used to raise concerns related to human rights or environmental issues, they are typically not designed to be accessible to vulnerable or affected groups or to have procedures that remedy the negative impacts experienced by those groups. Therefore, it is important that companies have in place separate grievance policies and procedures that can focus on and be relevant to these issues.

In the context of global supply chains, GMs can be:

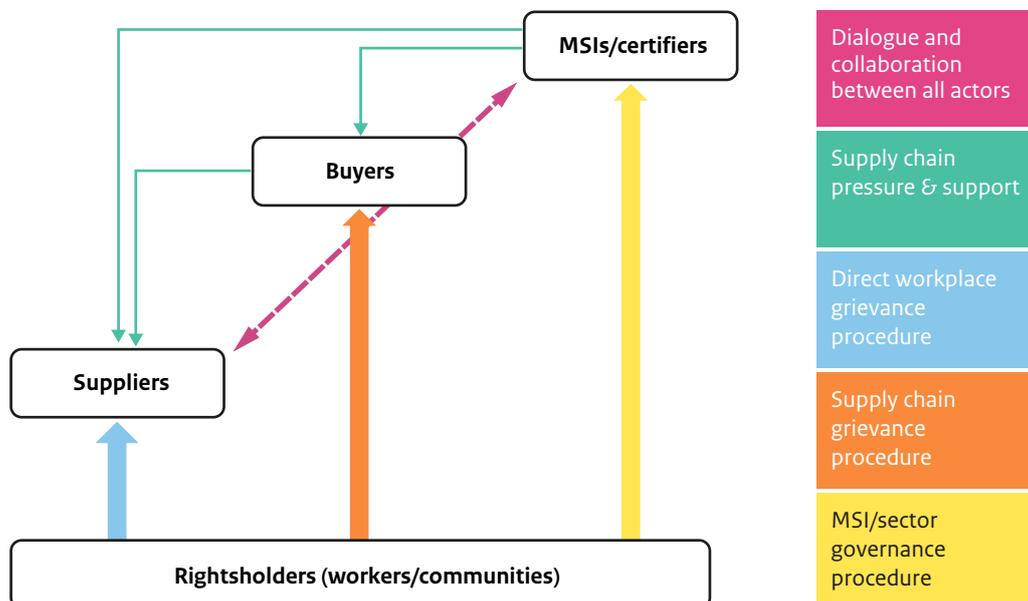
- **Company grievance mechanisms:** These are mechanisms established by a business. In the context of a supply chain, company grievance mechanisms can be broadly split between two types:
 - **Direct workplace mechanisms:** Grievance mechanisms that operate at a direct or workplace level, i.e. mechanisms operated by suppliers.
 - **Supply chain mechanisms:** Grievance mechanisms that are operated across a supply chain, which may cross international borders, i.e. mechanisms operated by buyers
- **Multi-stakeholder initiatives (MSIs):** Where they exist, MSIs and other collaborative initiatives often have grievance mechanisms. Such mechanisms can pick up on and have procedures to identify and deal with complaints related to a member's activities. Such mechanisms may also involve other non-business actors or be administered independently.

It's worth noting that state-based judicial grievances mechanisms (e.g. criminal courts, labour tribunals etc) and state-based non-judicial mechanisms (e.g. government operated complaints offices etc) may also be used by complainants to raise concerns about negative business impacts. However, these are not the focus of this study.

The UNGPs do not require buying companies to set up or participate in all three types of grievance mechanism. For a buying company it's important to require that suppliers have in place their own grievance mechanisms to identify and resolve issues locally. Where the company buys from a country / sector that has established an effective oversight mechanisms as part of an MSI, it may be sufficient for the buyer to join this initiative and leverage its resources and expertise in grievance handling. Where there are deficits in grievance handling locally in the supply chain, buyers can also consider how their own company mechanisms can play a role in grievance handling.

Gaining an understanding of the types of human rights and environmental impacts that are occurring in a supply chain, along with information on mechanisms that are already in place to resolve these issues is a good first step for any buying company that is thinking about setting up and implementing a GM. More information on these and subsequent steps, as well as practical recommendations for each step, can be found in section 5.

Figure 2 Different types of grievance mechanism in a supply chain setting



2.3 What do we mean by remedy?

Remedy counteracts or makes good any human rights harms that have occurred as a result of a business's activities. This may include apologies, restitution, rehabilitation, financial or non-financial compensation and punitive sanctions, as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition. In determining what remedy should be, it is particularly important to understand what those affected would view as effective remedy, in addition to the impacting organisation's own view.

Remedy in practice

Examples of remedy that could be provided in practice include:

- **Apologies:** an apology for the poor treatment of workers or communities by the company.
- **Restitution:** Cleaning up chemical waste from chemical spill and restoring land to previous condition, reinstating workers that have been unfairly dismissed
- **Rehabilitation:** Provision (or payment for) of care, therapy or support for affected workers or communities.
- **Financial compensation:** compensation for loss of earnings or reimbursing a community for damages suffered.
- **Punitive sanctions:** Fines for those responsible for causing the harm
- **Measures to prevent future harm:** Guarantees of non-repetition and new effective measures to prevent re-occurrence of the situation which has led to the negative impact

Access to remedy is a core component of the UNGPs. According to the UNGPs, companies have a different degree of responsibility for providing remedy, depending on the extent to which they are involved in an adverse human rights or environmental impact:

- Where a business enterprise has caused or *contributed* to an adverse human rights impact, it should be actively engaged in its remediation, by itself or in cooperation with others.
- Where adverse human rights impacts are *directly linked* to a business enterprise's activities, it is not required to provide remediation itself, though it may take a role in doing so such as applying leverage over a supplier to provide remedy.

More detail on the responsibilities for remediation that businesses have under the UNGPs, based on the degree of their involvement, can be found in Annex 1.

2.4 What is the role of grievance mechanisms in contributing to remedy?

GMs and remedy are often used interchangeably, though they are not the same thing. A GM should be understood to be a process: it is the way in which a business deals with complaints of any sort, including the way it enables those with complaints to seek remedy. Remedy, on the other hand, is one of the possible outcomes of an GM.

Where there is overlap is when there is discussion of effective remedy and effective GMs. This is because for an GM to deliver remedy that effectively counteracts or makes good any human rights harms, it should be designed and implemented in a manner consistent with a set of key 'effectiveness' criteria. These criteria are defined under the UNGPs, and are described in the table below.

The effectiveness criteria can appear theoretical and for many stakeholders it is unclear how to assess whether a mechanism meets the criteria. For that reason, the righthand column in the table provides a translation of the effectiveness criteria into questions that stakeholders can use to evaluate to what extent an existing or to be established GM meets the expectations of the UNGPs.

Table 1 Overview of UNGP effectiveness criteria

UNGP Criteria	Description	Questions to evaluate whether the effectiveness criteria are met
Legitimate	Intended users and stakeholder groups trust the mechanism. The entity implementing and managing the mechanism is accountable for the fair conduct of grievance processes.	<ul style="list-style-type: none"> • Is the procedure sufficiently independent and is there impartial oversight of its functions? • Do complainants have the right to be accompanied by an advisor or representative? • Are potential outcomes of the procedure clearly communicated to intended users in multiple ways?
Accessible	The mechanism is known to all intended users and stakeholder groups. Adequate assistance is provided to those who may face particular barriers to access, such as migrant workers.	<ul style="list-style-type: none"> • Is the mechanism accessible via multiple entry points (e.g. hotline, online, in person)? • Is the grievance channel promoted in multiple ways (e.g. posters, trainings, inductions, verbal notifications)? • Can complainants raise complaints in their native language?
Predictable	Users are given clear information on the procedure and likely timeframes for each stage in the process. Clarity is provided on the types of process and outcomes available and the process can be monitored.	<ul style="list-style-type: none"> • Are there defined steps to be followed, according to a written procedure, when handling complaints? • Are there defined timeframes for handling complaints? • Are these clearly communicated to the mechanism's audience?
Equitable	Users have reasonable access to the information, expertise and advice necessary to engage in a grievance process on fair, informed and respectful terms.	<ul style="list-style-type: none"> • Can complainants raise anonymous complaints? And is there a process in place for dealing with anonymous complaints? • Is the necessary support being provided so that intended users can actually use the mechanism (e.g. are procedures explained in terms understandable to intended user groups, including low-literacy populations? Are there partnerships with community-based or local organisations who can support or accompany potential complainants?) • Are resources available for complainants that face financial barriers in participating in the procedure, for instance for travel costs to a hearing?
Transparent	Users and stakeholders are informed about the grievance process and the mechanism's performance.	<ul style="list-style-type: none"> • Are complainants proactively informed of the progress of their case throughout the procedure or are they able to get updates on their case when needed? • Are outcomes and learnings from the mechanism being reviewed and communicated internally and externally?
Rights-compatible	Outcomes and remedies align with internationally recognized human rights.	<ul style="list-style-type: none"> • Are the investigation procedures designed in such a way to protect complainants from non-retaliation? • Are outcomes compatible with the rights enshrined in the International Bill of Rights? • Are solutions and corrective measures developed in line with the needs of the people affected?
A source of continuous learning	Individual complaints are analysed to identify lessons for improving the mechanism and preventing future grievances and harms.	<ul style="list-style-type: none"> • Does the mechanism keep a record of all logged complaints and the outcomes in a central database? • Are the experiences from operating the mechanism being used to improve its functioning over time and to adapt other relevant management processes?
Based on engagement and dialogue	The stakeholder groups for whose use the mechanism is intended are consulted on the mechanism's design and performance. Dialogue is also used to facilitate redress and access to remedy.	<ul style="list-style-type: none"> • Are outcomes systematically monitored and tracked to ensure that remedies are sustained? • Has the grievance mechanism been developed with inputs from (intended) user groups and their representatives? • Are complainants involved in the decision-making process to identify appropriate remedies for their grievances?



More useful questions for evaluating the effectiveness of an existing GM can be found in the [MOC-A Checklist Tool for effective grievance mechanisms](#), developed by CSR Europe.

The checklist translates the eight effectiveness criteria into 21 process requirements.

3 Case studies

3.1 Introduction

This section provides information on the key and common challenges that GMs face in meeting the effectiveness criteria set by the UNGPs, as well as insights into how these challenges can be overcome. As such, this section consists of five case studies that each provide practical examples of challenges that GMs face and key insights for designing and implementing effective GMs.

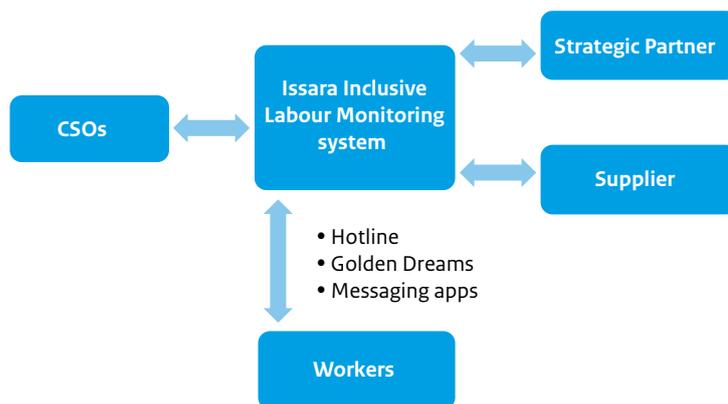
These five case studies represent different types of GMs, as set out in section 1 of this Handbook. Some case studies represent direct workplace and supply chain GMs operated by buying companies (Wilmar and NXP Semiconductors), others describe GMs operated by multi-stakeholder initiatives (FWF and Fairtrade International). A fifth case study – the Issara Institute’s ILM system – is an example of an independent third party facilitating a buying company’s grievance procedure. Further, as Wilmar and NXP Semiconductors require their suppliers to have site-specific or supplier grievance mechanisms in place, these two case studies also represent the interaction between a supply chain GM and an operational GM. Similarly, Fairtrade International requires some of its certified producers to establish site-specific grievance mechanisms. As such, the Fairtrade case study also provides an example of the interaction between an MSI-led GM and direct workplace mechanisms.

The five case studies that were selected are reflective of various ways that a GM can provide affected groups with access to effective remedy. Each case study presents a short description of the mechanism, followed by an overview of the procedure and, where available, the outcomes that the mechanism has provided to users. Further, each case study provides key insights into how the mechanisms meet the effectiveness criteria. It is important to note that none of the case studies included here represent a perfect implementation of the effectiveness criteria, nor do they provide a blueprint for effective GMs that work in any context. Rather, they represent concrete examples of how mechanisms can overcome common challenges to improve effective outcomes for affected groups. The key insights provided by each case study are meant to support buying companies in setting up, implementing and improving their own GMs. These insights are consolidated in the subsequent section on challenges and lessons learned.

3.2 Case study 1 – Issara Institute Inclusive Labor Monitoring system

Background

The [Issara Institute](#) is a U.S. and Southeast Asia-based non-profit organization focused on addressing forced labour and human trafficking in Asian supply chains. Issara works with global retailers and brands (its Strategic Partners) including Tesco, Nike, and Nestlé amongst others, to implement an [Inclusive Labor Monitoring \(ILM\) system](#) across the companies' extended supply chains, whilst also operating grievance mechanisms on their behalf. These grievance mechanisms are partly based on worker voice technology and are targeted to engage prospective and current Burmese, Cambodian, and Thai migrant workers in Thai and Malaysian workplaces. Industries that Issara operates in include fisheries, agriculture, poultry, garments, footwear, and electronics.



Procedure

Migrant workers experience a range of obstacles in raising complaints, having issues remedied, and avoiding retaliation. To address this, Issara's ILM provides multiple channels for workers to voice their concerns giving people options based on what is most appropriate for them. The options include a multilingual 24/7 confidential worker hotline; private social media messenger apps Line, Viber and Facebook, and; Issara's technology platform Golden Dreams - a Khmer- and Myanmar-language smartphone App for workers.

To raise awareness of Golden Dreams, Issara's partner civil society organisations in both origin and destination countries [identify ambassadors](#) or community members to act as points of contact with jobseekers, migrant workers, and families of migrant workers and who encourage (prospective) migrant workers to use the Golden Dreams app to learn their rights, research recruiters and employers, and find jobs without brokers.

Taking the multi-entry point approach and raising awareness of available mechanisms has resulted in [year-on-year increases in calls and messages](#) received by Issara's ILM channels, and they note that more workers are organising to file cases against exploitative recruiters and file grievances directly with employers. These cases are received and reviewed by a

Key insights

Accessibility is improved by having in place multiple avenues through which intended users can raise concerns.

Ensuring workers are able to raise complaints in their native language and dialect strengthens **access** and **legitimacy** of the mechanism by building trust.

An independent third-party-operated grievance increases the independence and impartiality of the mechanism, which enhances **legitimacy** and **equitability**.

Investing sufficient time, resources and capacity in outreach and engagement with intended users and groups in close contact with them increases **accessibility**.

Having strong relationships with trustworthy partner CSOs that can safeguard workers as well as engage with suppliers drives more effective engagement on remediation and builds trust among users, increasing **legitimacy, engagement and dialogue, accessibility** and **predictability**.

Basing the design of the Golden Dream app on **dialogue and engagement** from intended users increases rights-compatibility of the grievance mechanism.

Keeping in contact with complainants to obtain verification and validation on the implementation of the corrective plans enhances rights-compatibility and the dialogue and engagement-

multi-lingual team that are dedicated to ensuring all complaints are systematically documented and followed up on in a timely manner.

Issara's Outreach and Empowerment Officers work closely with a long-standing network of workers and ambassadors, across the region communities to cross-check and verify working conditions. These contacts are mostly workers and worker groups that Issara has helped to support in some way over a number of years, who are aligned with Issara's aim to help build worker power, worker voice, and collective action, which is especially needed for these foreign migrant workers whose freedom of association is restricted by national laws. If a grievance is considered to be outside the scope of remediation by an employer within a Strategic Partner's supply chain, Issara will refer the case to their CSO partners or government institutions.

Following verification, the grievance case is reported to the supplier and the relevant Strategic Partners to investigate and take steps to remedy. Issara [shares](#) anonymized findings of the case with relevant staff, typically with supplier management, human resources and (where available) worker union representatives. Issara's Business and Human Rights division supports the supplier with understanding the case, planning ethical remediation, and identifying and addressing root causes. In addition, the Business and Human Rights team [works](#) with employers and recruiters to ensure worker's safety from retribution after filing a complaint, and monitors remediation of complaints through worker validation, ensuring that actions reported by the supplier actually occurred and resulted in positive change for the worker.

Statistics on all grievances received are available to Issara's Strategic Partners via a private online platform. The platform directly connects brands and retailers to worker voice, tracking the progress of remediation of issues across their supply chain. Issara is currently working to enable suppliers to have access to this platform as well, for a more robust, multi-lingual grievance management system. Timely and appropriate management of grievances is the responsibility of the supplier, and it is hoped that Strategic Partners having visibility of how suppliers remediate labour issues, as validated by workers, provides meaningful insights toward building more ethical supply chains.

Outcomes

Issara [reports publicly](#) on grievances and outcomes at an aggregate level, and privately on an individual company level. Outcomes have included millions of dollars reimbursed to workers for exploitative recruitment fees, stolen wages, and benefits; [unconditional cash transfers](#) to affected workers (especially those adversely affected by COVID-related workforce reductions); and [policy and procedural changes](#) by suppliers to address identified risks and abuses.

The large amount of data Issara receives about the types of issues experienced by workers makes them well placed to help identify trends and potential root causes. This helps identify appropriate actions that can be taken to address systemic issues and ensure associated grievances do not occur again.

based character of the grievance mechanism.

More information

[Issara Institute - Top 5 labour abuses in 2019 – 2020](#)

[Updated Guide to Ethics and Human Rights in Anti-Trafficking: Ethical standards for working with migrant workers and trafficked persons in the digital age](#)

[Worker feedback technologies and combatting modern slavery in global supply chains](#)

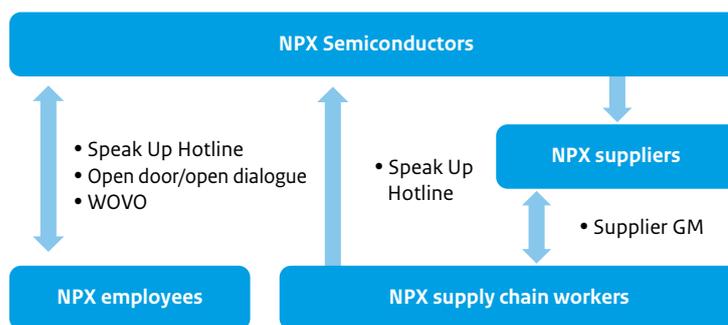
3.3 Case study 2 – NXP Semiconductors

Background

NXP Semiconductors (NXP) is a global semiconductor manufacturer headquartered in the Netherlands whose technologies are applied across the automotive, digital networking and secure identification industries. They work with over 100 suppliers [from around the world](#) and have their own [manufacturing sites](#) in Malaysia, Thailand, Singapore, China, Taiwan, USA and the Netherlands.

NXP has a number of routes through which affected workers in their facilities and supply chains can raise grievances and have them resolved. This includes a Speak UP Hotline, WOVO app, “open door policies” and suggestion boxes, and requirements on suppliers to also have their own grievance mechanisms.

Figure 3 Overview of grievance handling architecture at NXP



Speak Up Procedures

The ‘Speak Up’ hotline – operated by a third party - enables NXP employees and supply chain workers to report violations against the [NXP Code of Conduct](#), which includes forced labour, discrimination, and working hours. Direct and supply chain worker awareness of the hotline is raised during private audit interviews where workers also [receive](#) a business card that has the local grievance phone number and email address to be used if the worker has additional information, concerns, or needs to report retaliation. These business cards are translated into different languages to ensure accessibility to migrant workers. This continued to be possible during the pandemic with information shared with workers via remote video interviews with workers.

The hotline allows for anonymous reports to be submitted, which are dealt with by the legal team and channelled to respective NXP compliance managers to action. This provides assurance on independence and anonymity in cases where this may be important to workers.

WOVO Procedures

Observing that most workers in their facilities had smart phones at a facility in Malaysia, NXP has decided to also pilot a worker voice app (‘WOVO’) for use by direct workers at NXP manufacturing sites. The aim of the app is to provide workers with an additional route in raising complaints and providing to NXP.

Key insights

Accessibility improved by having multiple mechanisms through which direct and supply chain workers can raise concerns.

Options for direct and supply chain workers to raise anonymous grievances improves **access** for vulnerable groups and makes mechanisms more **legitimate**.

Awareness of mechanisms raised through inductions, trainings, posters, business cards increases **access, equity and transparency** of the mechanisms.

Quick acknowledgment of the receipt of grievances and notification of the approximate turnaround time to complainants helps build **predictability, transparency** and trust.

Clear lines of responsibility for escalation and handling of complaints helps avoid potential conflicts of interest and builds **predictability**.

Review of data from multiple sources gauges effectiveness of the mechanisms and helps **continual learning**.

Engagement and dialogue with suppliers and factories helps strengthen their mechanisms, investigations and remedy outcomes for future use.

Engaging workers on rights and receiving feedback on functioning of mechanisms builds awareness and **trust** whilst **continually learning** to make improvements.

References

[NXP Code of Conduct](#)

After a worker has submitted a workplace grievance to the WOVO app, NXP [ensures](#) the complaint is acknowledged within 24 hours. The complaint is assigned to one of the committees representing operational functions within the factory. The manufacturing site from which the grievance was raised will receive support from NXP management and site functional representatives to review and improve the issue being reported, and the operational committee decides who in the organisation is best placed to address the complaint. Afterwards, the complainant is given an estimate of how long it might take to resolve their concern. This typically takes longer for more complex issues.

[NXP 2020 Modern Slavery Statement](#)

[UNGC Australia Case Study Report](#)

NXP reports that the WOVO app had, until March 2021, [captured 47 complaints](#) at the pilot manufacturing site that needed additional investigation. NXP [plans](#) to make the WOVO app available to direct workers at its other manufacturing sites globally, as well as [expanding](#) it to supply chain workers.

Open door policies and employee management dialogue procedures

All NXP facilities practice an [open door policy](#) that has defined steps of escalation to resolve a raised issue. Though these have been found to be ineffective in identifying serious worker concerns, they may be useful in addressing issues before they escalate, in the same manner that other open dialogue forums and talks practiced at NXP sites do. To raise awareness of these and other mechanisms, NXP [provides information](#) on available grievance mechanisms to workers in its own facilities during the recruitment process and through onboarding of new workers. Posters [are also used](#) to inform workers of the grievance mechanisms available.

Supplier grievance mechanisms

Beyond its own mechanisms, NXP [requires](#) suppliers to implement an effective grievance mechanism capable of collecting feedback on or violations against the Supplier Code. These must be in line with Supplier Code requirements and NXP's Auditable Standards, and must allow for anonymous complaints to be raised. Additionally, NXP [requires](#) suppliers to publicize and enforce a non-retaliation policy that permits workers to express their concerns about workplace conditions directly to management or to NXP without fear of retaliation. It is important to note that supply chain workers also have access to the 'Speak Up' hotlines – see section above.

Outcomes

Grievances are reviewed by NXP's Ethics Committee to discuss received reports and progress of investigations. NXP unfortunately [does not report](#) publicly on the grievances it receives or how they're addressed, but note that where substantiated, they take appropriate follow-up actions which include education, organizational changes, counselling, reprimands, suspension, and/or termination, depending on the nature and severity of the finding and the party's willingness and ability to rectify the issue and addressed. In one example, [they note](#) a recent escalation in concerns related to the impact of COVID-19, in particular from stranded migrant workers who are unable to return home due to border closures and lockdowns.

Further, NXP also reports that it tracks these complaints closely and collaborates with internal teams and local CSOs to provide support and remediation. For instance, when a grievance related to migrant workers in NXP's supply chain being dismissed and stranded, it [triggered](#) NXP to work with a local CSO in Malaysia to provide food and support to a group of foreign migrant workers. Subsequently, the NXP Malaysia team [conducted](#) an internal investigation with the cafeteria service provider to verify that they comply with NXP requirements for managing foreign migrant workers and ensure worker well-being during the pandemic.

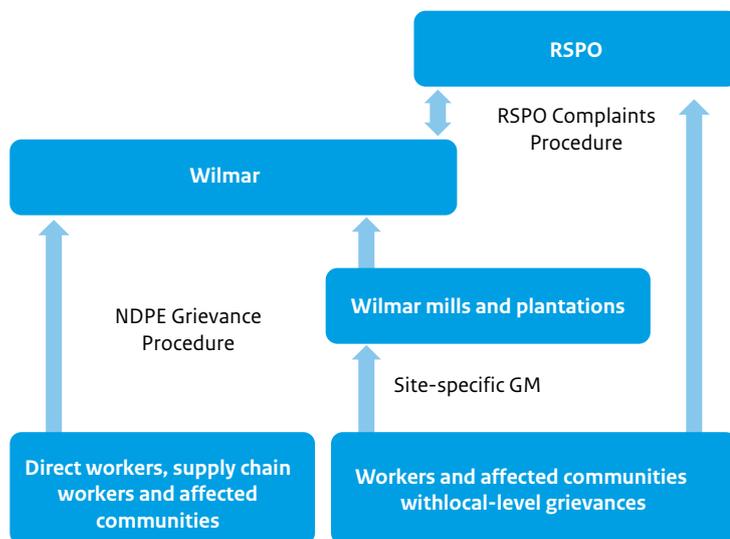
To improve process and outcomes, NXP takes a proactive approach to gauge the effectiveness of its mechanisms. It [gathers feedback and data](#) from several sources, including through workers interviews during audits and data analytics on the number of grievances received by the Speak Up hotline and the WOVO app. This information [is available](#) to factory management, operations committee members and the Director, as well as the NXP Corporate Social Responsibility team.

3.4 Case study 3 – Wilmar International

Background

[Wilmar International](#) is Asia’s leading agribusiness group, manufacturing and trading in commodities including palm oil, oilseeds and grains and sugar as well as in biodiesel, oleochemicals and fertiliser. Wilmar’s customers include large global companies such as Unilever and its palm oil is used in a range of products through global company supply chains. Wilmar has over [500 manufacturing plants](#) and an extensive distribution network covering China, India, Indonesia and some 50 other countries and regions.

Wilmar’s [No Deforestation, No Peat, No Exploitation \(NDPE\) policy](#) sets out the company’s environmental, social and labour standards which apply to all of Wilmar’s operations, subsidiaries as well as suppliers. To assist the implementation of this policy, Wilmar has established an [NPDE Grievance Procedure](#) to improve identification and management of labour and land and deforestation issues in the company’s supply chain. In addition to this, Wilmar requires their palm oil plantation and mill operational units to have site-specific complaints procedures in place, in line with Wilmar’s commitment to the [RSPO Principles and Criteria](#). Communities, workers and other parties affected by Wilmar’s palm oil operations, as well as Wilmar itself, also have access to the [RSPO Complaints System](#).



NDPE grievance procedure

Wilmar’s NDPE grievance procedure is managed by a dedicated Grievance Unit. The procedure enables any stakeholder – for instance, affected individuals and communities, government organisations, and NGOs – to directly raise concerns about non-compliance with the NDPE Policy in Wilmar’s supply chain or in its own operations. The procedure allows for anonymous complaints.

However, the initiation of a grievance investigation does not rely solely on someone raising a direct complaint. For example, Wilmar’s [Supplier Group Compliance verification programme](#) – an NDPE policy compliance monitoring system for suppliers of palm oil – may also raise issues to the Grievance Unit to initiate an investigation.

Key insights

Providing multiple forms of assistance to complainant throughout the grievance procedure helps overcome barriers to a fair and informed process and strengthens **equitability and legitimacy**.

Options for direct and supply chain workers to raise anonymous grievances improves access for vulnerable groups and makes mechanisms more legitimate. Keeping complainants informed throughout the complaints process builds **equitability** and **transparency** and helps improve the **engagement-based** nature of the mechanism.

Providing complainants with access to Wilmar staff throughout the process helps build trust in the system and handling of cases, increasing **legitimacy** and **equitability**.

Clear lines of responsibility for handling of complaints and developing remediation actions **helps avoid potential conflicts of interest and builds predictability**.

Communication on timelines and any changes to turn-around times to complainants helps build trust and increases **predictability** and **transparency**.

Publishing a full list of grievances submitted and their status enhances the mechanism’s **transparency**.

Direct engagement with affected communities on remediation strengthens the **rights-compatibility** of the mechanism.

Likewise, the Grievance Unit may also start a grievance investigation if the company identifies information in media reports or NGO investigations about negative human rights or environmental impacts related to Wilmar or their suppliers, or when customers and other stakeholders pick up grievances that relate to Wilmar activities or supply chains. Wilmar's public grievances list demonstrates that this happens regularly. Examples of investigations that were started based on Wilmar's media monitoring or stakeholder reports include a case on deforestation at [Artha Prigel](#) in March 2020 and an investigation that was initiated after NGO Global Witness [sent a letter](#) to Wilmar's customers from the NGO alleging environmental and social non-compliance incidents.

Wilmar seeks to identify the barriers that complainants face to participating on equitable and informed terms in the grievance procedure and may provide assistance where necessary. Such assistance may include the providing resources to complainants who do not understand the grievance process, have language barriers, are illiterate or cannot afford to travel to meetings.

Complainants are also given the right to engage outside experts independent of Wilmar to provide technical support, which can also include mediation and other conciliation experts. Additionally, where decisions have an impact on an entire community, the grievance procedure allows the community to appoint a representative decision-making body, and Wilmar will respect the decisions of that body where they are made on behalf of the relevant community.

For consistency, the NDPE grievance procedure sets out the actions to be taken at different stages of the complaint handling process along with allocated responsibilities and clear timelines. The Grievance Unit is responsible for responding to grievances by engaging with the complainant and recording, classifying, and reporting this information to the Verification team. In turn, this team verifies and, if necessary, investigates the complaint by collecting additional data. In case of a grievance within the supply chain, the Grievance Unit will develop a time-bound action plan for resolution of the grievance by the supplier, which is to be jointly agreed with the supplier. During implementation of the action plan, the Grievance Unit regularly reviews and monitors the plan to ensure progress has been made.

Should timelines for handling the complaint change, when new developments in a case arise or when progress is being made, then these are communicated to the complainants. If complainants want updates or more information they are also provided with access to Wilmar staff.

Site-specific grievance mechanisms

Beyond its own mechanism, Wilmar's NPDE procedure also requires each of its plantations and mill operational units to implement grievance procedures accessible to workers, local communities and other stakeholders to raise local-level grievances. These mechanisms must be in line with the expectations of the [RSPO Principles and Criteria](#), allowing complainants to voice their concerns without risk of reprisal or intimidation and in line with the RSPO Policy on respect for human rights defenders. RSPO-certified sites are also expected to ensure that the grievance system is understood by all affected parties, including illiterate stakeholders. If a

Outcomes of the procedure become a **source of continuous learning** with a periodic review of lessons learned from case studies to improve the mechanism.

References

[Wilmar Grievance Procedure and Grievance List](#)

[Wilmar No Deforestation, No Peat, No Exploitation \(NDPE\) Policy](#)

[Wilmar Sustainability Report 2020](#)

[Corporate Human Rights Benchmark 2020 Company Scoresheet – Wilmar](#)

[Food and Beverage Benchmark Company Scorecard 2020 – Wilmar](#)

Example

In November 2016, Wilmar became aware of labour rights issues at three suppliers', including SPMN in Indonesia, through a [report](#) by Amnesty International (see full Wilmar disclosure by searching SPMN on their [complaints list](#)). Issues identified included child labour on plantations, workers not receiving a daily minimum wage if they did not meet targets set by the company, and the use of herbicides that Wilmar had required suppliers to stop using by the end of 2015. Following this, Wilmar and their partner The Forest Trust (TFT), which supports the company on supply chain responsibility, met with the supplier to discuss the allegations. Both Wilmar and the supplier were RSPO certified and the Amnesty report criticized the effectiveness of the certification.

As such, from early 2017, the supplier was engaged within various RSPO due diligence processes including a [RSPO](#)

resolution is not found mutually, complaints can be escalated to the [RSPO Complaints Procedure](#) for investigation and resolution. If the outcome of this process is not compliant with Wilmar's NDPE policy, then Wilmar will review the case internally and the Grievance Unit may make a separate recommendation on suspension of the supplier. Additionally, although Wilmar generally does not conduct a parallel investigation if a grievance is already under investigation by the RSPO Complaints Procedure, they may decide to conduct a separate investigation into the case if the complaint has not been solved by RSPO to the satisfaction of the complainant.

Outcomes

Wilmar discloses a [full list of grievances \(see bottom of the page\)](#) that go through their NDPE Grievance Procedure, including information on the supplier/site, the issue being addressed, and key steps taken in the investigation and remediation process, all whilst making sure to maintain the confidentiality of the complainant. Information on the number and topic ('labour rights', 'deforestation') of grievances received at both Wilmar's own operations and its supply chain is also included in its annual [sustainability report](#) along with the actions the company has taken follow-up actions. Internally, [a review is conducted](#) periodically to allow lessons learned from case studies in the grievance procedure to be used to improve the grievance mechanism.

The types of outcomes and actions taken are varied and depend on the issue being address, but range from examples including [engagement with the affected community on the ground to understand their concerns](#), [support for PPE trainings](#), and [ensuring benefits and subsidies](#) paid to women workers.

In addition to the NPDE, Wilmar has a [No Exploitation-Protocol for Third Party Suppliers](#) which identifies additional issues, such as forced or child labour, that warrant further action and oversight beyond what is already described in the NPDE process. After verification of such a situation, the supplier is required to develop a time-bound action plan in consultation with affected parties and other stakeholders. The plan must include corrective actions to be carried out by the supplier, as well as measures to make systemic changes to address the root causes of the identified impact, such as implementing a policy and procedure for ethical recruitment and hiring to address forced labour and establishing a training programme for staff on risks associated with hiring minors and children. Wilmar monitor the situation by requiring the supplier to provide credible evidence that there are systems, procedures and/or processes being implemented at Group level that address the root causes of the non-compliance and mitigate the likelihood of recurrence.

Regardless of the case, failure of suppliers to demonstrate willingness to take remedial or mitigating actions can lead to their suspension. Additionally, suppliers involved in verified cases of deforestation and/or new development on peatland face immediate suspension at group-level, which is then followed by post-suspension engagement to assist suppliers to bring their operations in compliance with Wilmar's policies.

[certification surveillance audit](#) with a special focus on labour issues, with several meetings and discussions with RSPO on progress on labour issues, and a RSPO labour issues assessment conducted by an external service provider.

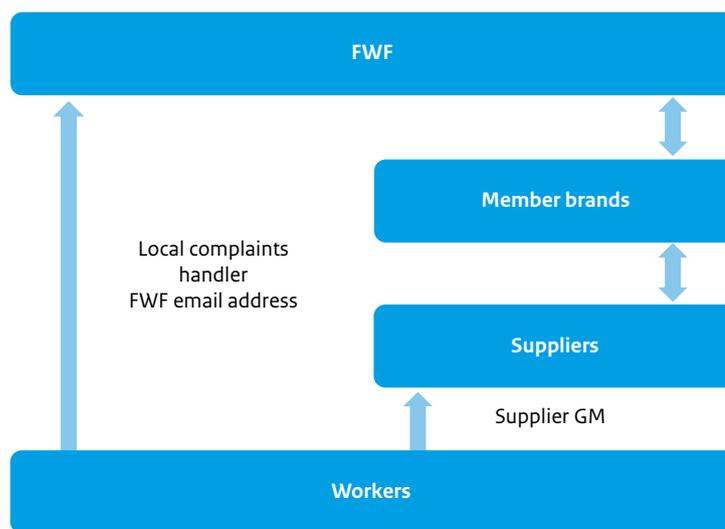
Additionally, the supplier has had several progress update meetings with Wilmar and shared information and evidence on the actions and improvements that had been carried out since December 2016. Actions taken by the supplier included the establishment of signboards on site to reinforce the supplier's No child labour policy and counter checking of census data of the children on-site with school enrolment; the introduction of a system of payment of "top-up" wages to ensure workers who have not met their KPI targets based on the piece rate system are paid at least the minimum wage; and the reduction of paraquat use, with total elimination of use to be achieved by 31 December 2017. The supplier is reported to remain in continued processes and contact with the RSPO regarding the issues from 2016.

3.5 Case study 4 – Fair Wear Foundation

Background

The Fair Wear Foundation (FWF) is a multistakeholder organisation dedicated to improving labour conditions in the garment industry. It has over 130 corporate members that have committed to upholding the [FWF Code of Labour Practices](#) within their supplier factories. The majority of FWF’s work focuses on [eleven priority countries](#) in Europe, Asia and Africa, which are host to the majority FWF-members’ suppliers. FWF’s activities are [funded by donors and grants](#), including partnerships with the Dutch Ministry of Foreign Affairs, ASN Bank, RVO, and GIZ.

Steps taken by FWF and their corporate members to improve workers’ rights within their supplier facilities include performance checks, factory audits against the FWF Code of Labour Practices, factory training sessions, and implementing the FWF complaints procedure. Implementation of this complaints procedure is a requirement of FWF membership. The procedure is led by the FWF, working together with their member brands to address the grievances that are raised.



Procedure

The [FWF Complaints Procedure](#) enables workers, trade unions, employers organisations, NGOs, and other stakeholders to raise complaints regarding violations of the FWF Code of Labour Practices at factories supplying FWF members.

FWF members are required to raise workers’ awareness of the mechanism through ‘worker-focused promotional materials and trainings’ created by FWF and which members distribute at their suppliers’ factories.

FWF also trained local complaint handlers – who speak the local language – in each of the countries where it is active. Grievances can be submitted to the complaints handlers in multiple formats, including calls and emails and, where possible, social media or messaging apps. Grievances may be submitted anonymously, in which case the complainant’s identity will not be shared with the factory in question and the brand.

Key insights

Awareness of mechanism raised through promotional materials at supplier factories increases accessibility of the mechanism.

The use of trained local complaints handlers who are able to deal with complaints on the spot increases **predictability and accessibility of the mechanism.**

Options for complainants to raise anonymous grievances improves access for vulnerable groups and makes mechanism more legitimate.

A clear and detailed description of the different steps in the process is provided in the procedure, building predictability for complainants.

Clear communication of potential outcomes and limitations of the mechanism to the complainant at the outset builds **legitimacy, transparency and predictability.**

Clear communication about the timeline of the grievance handling process at the outset increases **predictability.**

Involvement of the complainant in identifying retaliation risks and drafting a mitigation plan where applicable contributes to the **rights-compatibility and engagement and dialogue-based character** of the mechanism.

Consulting complainants on the remediation plan and asking for their feedback on the remedy provided builds **rights-compatibility and equitability** and contributes to the **engagement and dialogue-based** character of the grievance procedure.

When receiving a complaint, the local handler should inform complainants about the possibilities and limitations of the FWF grievance mechanism process, along with information on other local options to seek a remedy. The handler always asks explicitly whether the complainant (or involved workers when the complaint comes from a third party) wishes to begin a formal complaint procedure. If so, then the handler explains the procedure and timelines. Additionally, the local handler will work with the complainant to identify any potential retaliation and safeguarding concerns and where this is the case, the handler will draft a retaliation plan prior to the investigation, which clearly sets out the role of the member brand and FWF itself.

A complaint is deemed to be within scope of the FWF mechanism if it relates to a violation of the FWF Code of Labour Practices and it occurred at a FWF member's existing supplier site or at a former supplier location where the member still had production less than 180 days ago. Complaints are also in scope if they are deemed to be related to the purchasing practices of the member brand. [In one such example](#), a factory manager submitted a complaint about a brand's purchasing practices and related potential negative impacts on workers.

After the handler has found the case to be admissible, FWF will draft an investigation plan and consult on this with the member brand and the complainant. It will then select a team or organisation to conduct the investigation based on their expertise and relevance. In countries where FWF does not have up-to-date and comprehensive knowledge of relevant consultants and stakeholders, the member brand will be asked to propose a team to carry out the investigation, involving the relevant local trade union or IndustriAll Global Union where possible. FWF covers the initial costs incurred during investigation of the complaint.

When a complaint concerns a general issue that affects more workers, FWF will, in consultation with the complainant, notify the worker representative(s) or trade union, if present and functional, about the issue. Where an investigation identifies wrongdoing, FWF will formulate a remediation plan that clearly delineates the role and responsibilities of the FWF member and the suppliers in remediating the issue. The procedure specifies that complainants should be involved in the development of the remediation plan and when relevant and with the complainant's agreement, FWF will also consult the relevant trade unions and business associations. In addition to measures needed to remedy the violation in question, a corrective action plan should also include steps to improve the functioning of the internal grievance procedure of the factory. The costs of the implementation of the corrective action plan are to be paid for by the member and/or the factory. Other buyers that source from the factory will also be asked to pay for the implementation, depending on the agreement reached and the contents of the remediation plan.

Relation to supplier GMs

The FWF complaints system is not meant to replace a factory's own grievance mechanism, but [rather acts](#) as a safety net when all other options fail or are not trusted by workers. FWF considers a worker or trade union's decision to use the FWF complaints system as a clear signal that the relevant factory's internal mechanisms are not functioning properly.

Covering the cost of the complaint investigation and providing a translation of the outcome to the complainant, where needed, increases **equitability**.

The [procedural assurance](#) that learnings from the grievance system will be shared with local institutions and international grievance mechanisms, business associations and trade unions contributes to the mechanism as a **source of continuous learning**.

References

[FWF Complaints Procedure](#)

[FWF Code of Labour Practices](#)

[FWF Complaints tracker](#)

[FWF Annual report 2020](#)

[MSI Integrity report - 'Not Fit-for-Purpose'](#)

Example

Workers at a factory in Bangladesh that supplied Dutch workwear company Schijvens Confectiefabriek Hilvarenbeek [raised a complaint to the FWF](#).

This complaint was raised because after arriving at work on day, management notified them that the factory would shut down from that day onward.

The workers contacted the FWF complaints handler, alleging that management had given no prior notice and that they were uncertain of what would be included in their final payment. The workers asked for an appropriate explanation of the reasons why this happened. Also, workers wanted to receive their legal dues and asked FWF to verify, in a timely matter, that they would receive everything they were entitled to.

Any remediation plan should therefore include steps to improve the factory's internal grievance mechanism and compliance with FWF's Code regarding Freedom of Association.

If a complaint concerns an employment relationship, the complaints handler will check whether the complainant has considered or tried to solve the problem through the factory's internal complaints procedure, when one is present, or through existing local legal mechanisms. The presence and use of other channels, for example cases brought to court, does not influence the admissibility of the complaint, but can influence the remediation procedure. For instance, in some cases the best outcome for the worker may be to allow a court case to conclude; in other situations, factories may be willing to negotiate a solution acceptable to the worker on the condition that court proceedings are dropped. [FWF's Complaints Procedure](#) provides that FWF also regularly shares information on the FWF complaints mechanism with key local organisations such as trade unions to support capacity building of local grievance mechanisms.

If a complaint concerns an issue at a factory that has already been identified through a recent audit and is already part of a corrective action plan written within the 90 days preceding the complaint, FWF will require the member brand in question to prioritise the issue in the remediation process and to report to FWF on the progress. No new investigation will be done. FWF will respect the time frame for remediation agreed between the member brand and factory before further steps are taken.

Outcomes

FWF [reports publicly](#) on the grievances received through its Complaints Procedure, and includes updates on what has happened and outcomes. Member brands' names involved in the complaint and the production country are published, but FWF never includes information about workers that could lead to them being identified. Resolved complaints frequently cover issues relating to contracts and wage issues, as well as working hours and safe and healthy working conditions. Reported remedies highlighted in the public reports include payment of outstanding invoices and wages, trainings conducted by FWF, amongst others.

During the implementation of the corrective action plan, FWF maintains contact with the complainant and, where applicable, the trade union or worker representation in the factory to assess whether, from the complainant's perspective, the remediation steps that have been agreed upon are being implemented. If a factory or a brand has not remediated a complaint to satisfaction, FWF [can leverage](#) its position to make sure brands and suppliers take action, for instance by requiring a brand to end their business relationship with the factory or publishing information on non-remediation in their public reporting on the complaint. Where applicable, FWF will also inform worker representation about the non-remediation, as well as relevant stakeholders involved earlier in the process, such as local CSOs.

As a first step in the investigation, FWF contacted the member brands sourcing from the factory. The buyers expressed surprise and indicated that they were not aware of the plans of the factory to shut down. They reached out to the factory and requested a response from the factory management.

In response, factory management stated that they would shut down this location for indefinite period of time due to an uncertain order flow & lack of customer commitment resulting from the coronavirus pandemic. Factory management expressed that they could not run the factory without receiving any orders and payments every month. The factory indicated that it would move all their production to another factory and that they had informed the workers of this on the day the workers showed up to the site. Soon after this, a meeting between the workers and factory management took place, after which the supplier agreed to settle all lawful payment to all workers by a specific date.

Through regular contact with the complainants, FWF verified that workers received the compensation they were legally entitled to, including all due wages and overtime, bonuses, and service benefits.

After the payment, the complainants stated that they were satisfied with the received compensation and the case was closed.

3.6 Case study 5 – Fair Trade International

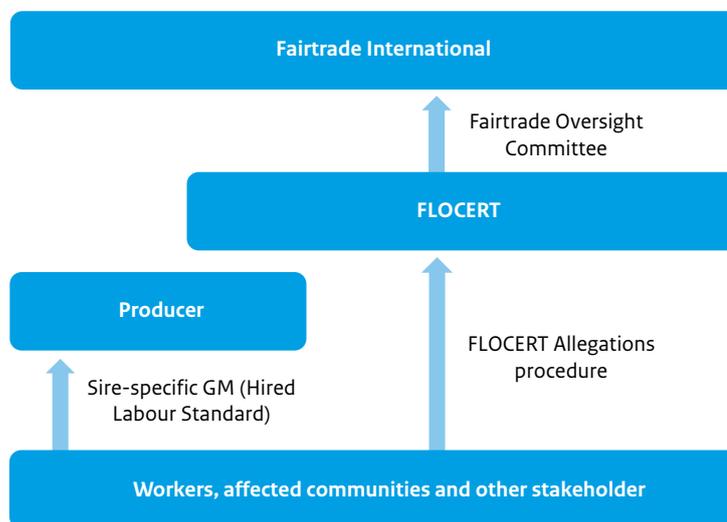
Background

Fairtrade International (FI) is an international certification scheme initiated by a multi-stakeholder group. FI works to promote fairer trading conditions for disadvantaged producers in developing countries and ensure the payment of a living income for both small producers and agricultural workers.

FI works with farmers and workers of more than 300 commodities across a [wide range](#) of countries in Africa, Asia, and Latin America. To this end, FI has established a number of Fairtrade Standards on working conditions and the environment which set the criteria that farmers, workers, traders and other stakeholders must meet to be able to participate in the FI system.

As part of its [Standard on Hired Labour](#), FI requires all FI certified Hired Labour Operators (HLOs) to have in place a grievance procedure. The two other main standards – for [Small-Scale Producer Organisations](#) and for [Contract Production](#) – do not require the establishment of a grievance mechanism.

Workers on FI certified farms can also use the [Allegation Procedure](#) operated by FLOCERT, FI’s independent certifier. If no resolution is achieved through FLOCERT, the complainant can use the [Fairtrade International Oversight Procedure](#), which is overseen by FI directly.



Procedures for Hired Labour Organisations

All certified Hired Labour Organisations are required to have a grievance procedure in place that allows for complaints to be received directly from workers or via a third party (allowing for anonymous complaints), ensuring that complaints are dealt with in a timely manner, that complainants are protected from retaliation, and that complainants are reported to and are permitted to appeal decisions. All grievances should be recorded. The procedure also calls for any workers representatives and trade unions to be trained in the procedure.

Key insights

Requiring employers (HLOs) in the supply chain to implement their own grievance mechanisms improves **accessibility**. Permitting anonymous complaints allows HLOs to build **legitimacy** in their mechanisms.

Having separate handling procedures for cases of sexual harassment improves **access, legitimacy and equitability**. The commissioning of research on the effectiveness of company-level GMs demonstrates that GMs are a **source of continuous learning**.

FLOCERT’s inclusion of **Whatsapp** as a means to raise allegations is a positive step in improving accessibility.

Written procedures for HLOs and FLOCERT procedures improve **legitimacy**.

The possibility to involve independent experts to ensure corrective measures and outcomes are in line with international human rights law enhances the **rights-compatibility** of the Allegations Procedure.

Allowing an independent review of effectiveness of mechanisms based on feedback from the WRAC demonstrates FI and FLOCERT’s willingness to **learn lessons** and base design on **engagement with affected groups**.

Developing a communications plan in collaboration with Producer Networks to promote awareness of the new GM among farmers, workers and other stakeholders demonstrates a focus on **accessibility**.

It also requires that grievances related to sexual harassment to be assigned to specially appointed women or women's committees, linked to a senior female manager. This process should be clearly communicated to the workforce.

FLOCERT Allegations Procedure

FLOCERT's procedure allows for an allegation to be filed by anybody – worker, union, NGO, FI customer, member of the public, or even FLOCERT auditors. The process is designed to maintain the confidentiality of those raising allegations by ensuring that follow up investigations do not disclose information that could lead to the complainant being identified.

To raise an allegation, FLOCERT can be contacted by an online form or dedicated emails, phone numbers, Skype, or on Whatsapp. The [Whatsapp number](#) is multi-lingual and was introduced in response to the Covid-19 pandemic to improve worker access to raising concerns. Once an allegation is raised, a Credibility Assurance Unit will conduct an initial evaluation and respond within 7 days to confirm whether the allegation is admissible and on next steps. Part of the admissibility assessment includes whether a Hired Labour Organisation's mechanism has been used and has failed to address the issue.

If within scope, FLOCERT will investigate and if the allegation is substantiated the concerned customer (Hired Labour Organisation, Small-Holder, Contract Producer) will be required to implement a corrective measure or risk having certification cancelled. If a case is especially complex, FLOCERT may engage independent experts to ensure that outcomes and remedies are in line with international human rights law.

Should an affected group feel that FLOCERT's procedure has not handled their allegation sufficiently, they may raise a complaint or allegation to Fairtrade International's Oversight Procedure. This is overseen by an Assurance Manager that will take steps to investigate.

FI's grievance mechanisms are not the only channel for the initiative to learn about human rights breaches at certified sites. Fairtrade's presence on the ground [means](#) it often finds out about human rights issues via discussion and observation rather than through formal grievance mechanisms; for instance, conversations with farmers may cover issues relating to working conditions. This shows how grievance mechanisms can be complemented with other approaches for identifying human rights breaches and affected people. Fairtrade's direct relationships with the communities in which they operate – due to engagement on how the Fairtrade premium is invested – [is considered](#) to be key for workers' awareness of the initiative-level grievance mechanism.

Development and reforms

Acknowledging the growing importance of the human rights due diligence agenda and the need to provide the best possible support to workers and producers, FI has recently committed to a number of significant changes to improve the effectiveness of grievance handling by FI. These reforms intend to lead to the development of a new global-level grievance mechanism, building on FLOCERT's current Allegations Procedure and in consultation with FI's Workers' Rights Advisory Committee. FLOCERT has

and **engagement and dialogue**.

Creating the opportunity for complainants to provide input on suitable corrective and remediation actions in their case enhances **rights-compatibility** and provides a base of **engagement and dialogue** to the mechanism.

The commitment of the board and WRAC to review the new GM after the first year of implementation indicates how FI will use the mechanism as a **source of continuous learning**.

References

[FLOCERT Standard Operating Procedure](#)

[How does Fairtrade mitigate human rights violations in global supply chains?](#)

[MSI Integrity report](#)

acknowledged that the current Allegations Procedure was not intended to be a complaints mechanism and hence the new mechanism is intended to be more aligned with human rights principles and to promote trust and respect through increased dialogue between rightsholders, companies and related stakeholders, such as trade unions.

The new mechanism is also expected to offer greater opportunities for including the voice of rightsholders by enabling wider stakeholder engagement to take place during investigations (including with workers' organisations), allowing complainants to themselves propose corrective and remediation measures they deem suitable and satisfactory. Further, the new procedure will permit an appeals process that involves a full review of the case by individuals that are independent of the earlier decision. Independent experts will also be engaged to seek advice in complex matters such as on local labour law. To increase intended users' awareness of the mechanism, a communications plan is currently being developed with Fairtrade Producer Networks to promote awareness about the Grievance Mechanism among farmers, workers and other stakeholders.

The new mechanism will also offer complainants the opportunity to request a mediation process, where a resolution is sought via dialogue. This mediation process is currently being developed with Producer Networks and is meant to foster dialogue between the complainant and the company involved in the case. The mediation process will be coordinated by Fairtrade International. This A new Grievance Coordinator will be appointed at FI, who will be responsible for managing the mediation system and the relationship between the mediation process and the reformed FLOCERT Allegations Procedure.

To ensure the new mechanism achieves the set objectives, the Board of FI and the WRAC will, after the first year of implementing the new mechanism, review the progress made and challenges encountered and will be able to recommend changes to the mechanism.

4 Common challenges and lessons learned

This section provides a summary of some of the key challenges companies face in dealing with grievances in their supply chains, along with some lessons learned in how to respond to them. In many cases, these challenges and lessons learned are directly related to specific effectiveness criteria, and this is highlighted in italics.

The lessons learned in this section are based on the five selected case studies included in this Handbook and other examples of good practice. Further, key insights into common challenges and lessons learned were provided by stakeholders during interviews conducted for the development of this Handbook.

Challenges	Lessons learned
<p>Reaching out to and improving accessibility among affected groups: A key dilemma facing all companies with global supply chains is how to ensure that potentially affected workers and communities can raise concerns and have those effectively responded to if they feel they may be affected by the activities of a supplier. This includes vulnerable groups.</p> <p><i>This is linked to the accessibility of a GM.</i></p>	<p>Through their outreach activities, NXP Semiconductors and Issara Institute proactively build awareness among supply chain workers of their rights and of mechanisms available to raise concerns. FWF requires their members to raise workers' awareness of the FWF complaints mechanism by distributing promotional materials and trainings at their suppliers' factories.</p> <p>Wilmar International scans media and civil society reports to identify reports of issues in their supply chains and inputs these into the company's grievance procedure.</p> <p>FI's presence on the ground enables it to often learn about human rights issues via discussion and observation rather than through formal grievance mechanisms. FI's direct relationships with the communities in which they operate helps raise workers' awareness of FLOCERT's Allegations Procedure.</p> <p>Wilmar, NXP, FWF, FI and Issara all offer multiple channels, routes and means through which complaints may be raised. Issara's mechanisms include a focus on worker voice technologies, whilst NXP is also piloting such an approach. FI enables complainants to raise complaints to FLOCERT via WhatsApp.</p> <p>A grievance mechanism that aims to be accessible to vulnerable groups should be designed with the needs of potential users in mind. Factors to take into consideration include levels of literacy, languages spoken, and access to technology and internet when considering tech-based solutions.</p>

Challenges

Building trust in the grievance mechanism: Even in cases where workers know about a mechanism, they may not trust it to appropriately deal with their issues or prevent reprisals from occurring.

This is linked to issues of accessibility, transparency, legitimacy and rights-compatibility

Lessons learned

Wilmar, NXP, FI, Issara and FWF all allow for anonymous complaints to be raised, with defined procedures in place to investigate these appropriately.

Engagement with trusted unions and civil society groups in investigation and monitoring of complaints is central to Issara's model of building trust, and Wilmar allow for workers and communities to choose and assign their own representatives to act on their behalf during grievance meetings. FI's new proposed global mechanism is expected to provide complainants with the opportunity to identify worker organisations to be consulted during the investigation phase.

Wilmar and FWF publish all admissible complaints received by their GMs online, including details of the supplier site, steps taken and outcomes. This contributes to the transparency of the GMs, as well as providing potential users with evidence that remedy is provided to complainants through the GMs, which builds trust in the mechanisms.

NXP, Wilmar, Issara and FWF all have specific grievance handling committees or handlers that take responsibility for coordinating investigations and ensuring actions are taken. FI also requires its HLOs to have specific separate committees or responsibilities for handling complaints related to sexual harassment. Having in place dedicated grievance committees that are independent from the case, and trained on the grievance procedures contributes to effective handling and resolving of grievances, adds to the trust users have in the system.

To address risks of reprisals, FWF's local grievance handlers work with the complainant to identify any potential retaliation and safeguarding concerns. Where this is the case, the handler will draft a retaliation plan prior to the investigation, which clearly sets out the role of the member brand and FWF itself. This builds trust with users that risks of reprisals are taken seriously and action is taken to prevent retaliation from occurring.

FWF consults complainants on the remediation plan and asks for their feedback on the remedy. This contributes to the rights-compatibility of the GM and demonstrates to potential users that their perspectives are taken seriously, which builds trust in the GM. Similarly, FI's new mechanism will enable complainants to have a say in the development of the corrective measures, adding to the trust in the mechanism.

Effective grievance management is underpinned by due diligence in supply chains: Addressing human rights and environmental issues in a supply chain poses significant problems for global buyers. Grievances related to situations at supplier-sites mean it may be more difficult for global buyers to understand the issues and the underlying causes. Additionally, it may be difficult to know what action to take to remedy a supplier-level grievance.

This is linked to the equitability of the mechanism.

NXP Semiconductors require suppliers to have their own effective grievance mechanisms in place as a condition of working with NXP. FWF expects the same of its members' suppliers, and some employers within the Fairtrade system are also expected to have their own grievance procedures.

Vetting supplier grievance mechanisms at the outset of a business relationship can help inform buyer decisions about which suppliers to work with. Equivalent monitoring of a supplier's grievance handling during a business relationship can also provide opportunities to strengthen mechanisms. Examples of specific questions that companies can ask to vet or evaluate suppliers' grievance handling practices can be found in Annex 2.

Challenges

Collaborating with suppliers in the supply chain: Suppliers in international supply chains often do not trust buyers to collaborate and work with them to resolve issue, fearing a hard compliance approach will be taken if issues are identified.

This is linked to issues of accessibility, equitability, and basing mechanisms on dialogue and engagement.

Maintaining relevance and adapting to emerging challenges and issues: A lack of complaints being raised to a grievance mechanism may be interpreted as evidence of no issues arising. Likewise, environmental and human rights issues can emerge which may create a need to redefine or change how grievance mechanisms are designed and implemented.

This is linked to a GM being a source of continuous learning and being based on dialogue and engagement

Lessons learned

The Issara Institute works closely with international brands to engage with their suppliers to resolve issues collaboratively, and with the involvement with civil society groups.

NXP and FWF collaborate with suppliers to strengthen their own grievances mechanisms, and during their own investigations and decision-making processes.

Where suppliers do not take remedial measures needed, Wilmar can suspend their business relationship, but continues to assist suppliers to bring them into compliance with Wilmar's policies, giving the future opportunities to work together whilst addressing worker/community concerns.

FWF formulates a remediation plan that clearly delineates the role and responsibilities of the brand and the suppliers in remediating the issue. Depending on the agreement in the plan, the costs for the implementation are to be paid for by the member and/or the supplier, as well as possibly other buyers that source from the factory.

According to CSO stakeholders, building trust and building relationships with suppliers is of key importance, even though suppliers may be very reluctant to collaboration and openness on grievances received and handled. It is important to realise and communicate that receiving complaints is not a bad thing in itself and can help a company improve its practices – as explained in section 1.3.

NXP analyses data on grievances across its supply chain from multiple sources to identify trends and to gauge the effectiveness of existing approaches. This includes worker feedback on the functioning of the GM.

Wilmar undertakes periodic reviews to allow for lessons to be captured and learned and to improve future use of their mechanism.

Issara and NXP have oriented their mechanisms to technology platforms, acknowledging that this is a technology that's widely used with opportunities for harnessing.

Outcomes of FWF's complaints procedure are shared with local and international institutions, business associations and trade unions, contributing to an overall advance in expertise and lessons learned.

FI is developing a new global-level grievance mechanism to address identified gaps in its approach to grievance handling, after receiving feedback on potential limitations of their current system. The FI Board and WRAC will review the new GM after the first year of implementation to understand any challenges and make recommendations any changes considered necessary. FI is also undertaking research into the effectiveness of the company-level grievance mechanisms in their system.

Challenges

Ensuring negative impacts on affected groups are remedied:

A major challenge to remedying issues in global supply chains is a buyer's capacity to influence outcomes which aren't under their direct control, for instance at supplier locations.

This is linked to a mechanism's legitimacy, rights-compatibility, and dialogue and engagement

Getting internal buy-in:

Effectively managing grievances in supply chains often requires additional resources, both financial and in terms of expertise, which may be challenging to secure.

Lessons learned

Issara, NXP, Wilmar, FWF and FI all promote the use of effective grievance mechanisms at supplier/site levels to identify and respond to issues close to source. This contributes to a quick response and remediation of local grievances. CSO stakeholders state that adequate handling of grievances at the local level is key, as most grievances can and should be addressed and remediated at the local level.

Issara supports buyers and suppliers in developing appropriate remedial actions, and monitors the implementation of such measures by keeping in contact with affected groups through remote communication technologies. Where brands have insufficient influence over the supplier, Issara brings multiple relevant buyers together to increase leverage. FWF also takes this approach to make sure remedial measures are implemented and appropriate for those complainants.

NXP also works closely with local CSOs to help track implementation of remedial measures, whilst also following up with their own monitoring.

For serious cases, Wilmar monitor the implementation of measures by requiring the supplier to provide credible evidence systems, procedures and/or processes are being implemented to address the root causes of the identified issue. Failure to do so can result in suspension of contracts.

FWF considers a worker or trade union's decision to use the FWF complaints system as a clear signal that the relevant factory's internal mechanisms are not functioning properly. Any remediation plan should therefore include steps to improve the factory's internal grievance mechanism.

The costs of operating and maintaining a social audit programme can be expensive for buyers. Where possible in the supply chain, joining multi-stakeholder initiatives and propping up the use of effective existing mechanisms can save buyers time and money, and ultimately provides a better outcome for affected workers and communities. Wilmar leverages the RSPO grievance mechanism for palm producers whilst brands work closely with Issara and Fair Wear Foundation to leverage those existing routes.

4.1 Other examples

In addition to the five case studies included in this Handbook, other GMs can also provide useful insights on effectiveness. Examples of such mechanisms include:

- **The [Adidas Third Party Complaints Procedure](#):** A supply chain mechanism which partners with stakeholders – including local labour NGOs – to provide channels for workers to raise human rights issues, and in some countries the hotline system is managed by labour rights NGOs. Additionally, the NGOs offer counselling services to workers and ensure they are aware of their rights under national law. This is comparable to the work carried out by the Issara Institute. The Adidas mechanism also works on increasing its accessibility through engagement with an all-woman NGO in Bangladesh to interact directly with workers to enable them to raise issues where otherwise they may not feel comfortable doing so. This approach is particularly relevant given the fact that gender-based discrimination, including sexual harassment, are issues that are common in apparel and footwear companies in the country, but often underreported due to a lack of trusted grievance channel.
- **The [Third Party Complaint Procedure of the Fair Labor Association](#):** A MSI-operated mechanism that checks implementation of remediation actions through active engagement with FLA member companies, including requesting updates from factories on how it is realising the corrective actions that are needed. This is similar to the approach taken by Wilmar in monitoring their suppliers on implementing the corrective action plans that result from grievance procedures. A notable feature of the FLA mechanism is the assistance provided to potential complainants with raising a concern. In circumstances where a complainant's report does not contain the required threshold of information for an acceptable claim, FLA staff will support that person (where possible) to meet these threshold requirements. This feature enhances the equitability and accessibility of the GM.
- **Heineken's [Speak Up grievance procedure](#):** A supply chain mechanism which provides complainants the opportunity to submit complaints anonymously – similar to the procedure at NXP Semiconductors. The Heineken procedure enhances its equitability and predictability by ensuring a complainant can keep informed on progress of their case by providing them – after filing their complaint – with a unique code called a 'report key' which can be used to access the Speak Up website to check progress on their report – including seeing whether the person dealing with their complaint has feedback for the complainant or further questions. Through this website, the complainant can also provide additional information.
- **The [grievance procedure of the Responsible Business Alliance](#):** A MSI-led mechanism that – similar to Wilmar's GM – can initiate an investigation not just based on complaints from workers but also based on RBA's proactive monitoring of news articles, social media posts and videos for allegations regarding RBA members or their suppliers. The RBA also has a non-retaliation helpline that it promotes with workers via a business card handed to them after a worker interview. When a worker reports retaliation, an investigation is opened, and the issue is addressed. This feature strengthens the rights-compatibility and accessibility of the mechanism.

Further information on good practices and guidance on grievance mechanisms can also be found in Annex 3.

5 Practical recommendations

Every project partner should consider an approach to developing, implementing and maintaining effective grievance mechanisms that is suitable to the size, location, and nature of their organisation. The most important consideration is to ensure that the arrangement prioritises the interests and wellbeing of affected groups.

This section provides a number of key practical recommendations to support project partner companies in setting up and implementing an effective GM. The structure of the section follows six identified key steps to improving a GM, set out in figure 4 below. These six steps are considered to be suitable for both SMEs and larger buying companies. The recommendations that follow the six steps aim to provide practical guidance on how a step can be carried out effectively. The recommendations are based on lessons learned from the case studies covered in section 4, other GMs and interviews with stakeholders.

Figure 4 Key steps for setting up, implementing and improving a GM



Table 5 Recommendations

#	Step	Practical recommendations
1	Strengthen due diligence	<p>Map the company's key supply chains, and proactively identify the likely types of impacts on workers, communities or the environment that may arise from supplier business activities.</p> <p>In key sourcing countries or sectors undertake a review of existing multi-stakeholder, sectoral or national mechanisms that are open to handling complaints. Where they exist, review the extent to which they are considered to be effective and understand how best the business may participate and engage with the MSI.</p> <p>Increase company transparency by publishing supplier data. This will support workers, CSOs and trade unions – both in sourcing countries and internationally - in submitting well-founded complaints. In turn, these can enable broader engagement with suppliers on underlying and structural issues.</p>
2	Review GM policies	<p>Adopt a grievance policy that allows for complaints to be raised from workers and communities affected in company supply chains. Where a company has existing policies, review and amend these existing procedures to include worker and community complaints within scope.</p> <p>Ensure that measures to enhance a mechanism's effectiveness are explicitly incorporated into the policy, e.g. procedures to be followed on communicating updates and outcomes of a grievance procedure to complainants, how outcomes will be monitored, and timelines for the various phases in the procedure.</p>
3	Define grievance handling responsibilities	<p>Define individual roles and responsibilities for managing and handling complaints at all levels. Where possible, a dedicated grievance committee that is independent from the case is recommended. Also ensure that there is clarity on any escalation routes, including those involving external grievance mechanisms.</p> <p>Decisions on serious or complex issues should be escalated to and involve senior management input.</p> <p>Ensure staff responsible for grievance handling receives adequate training on policies and procedures.</p>

#	Step	Practical recommendations
4	Engage with suppliers on grievance handling	<p>Require that all suppliers adopt and implement effective grievance handling procedures as a condition of business. Where companies lack leverage to make these demands, seek to collaborate with other buyers to improve leverage.</p> <p>As part of supplier due diligence – prior to and during a business relationship - undertake a thorough review of supplier approach to receiving and handling complaints. Useful questions to ask during such a review can be found in Annex 2.</p> <p>Be clear with suppliers on the benefits of implementing effective grievance mechanism and reinforce the message that effective grievance mechanisms are a crucial to improving operational efficiency and sustainability.</p> <p>Where possible, build supplier capacity on handling grievances. This may include engagement on good practices and lessons learned, regular check-ins on challenges and opportunities for improvement, and training.</p>
5	Collaborate with other stakeholders	<p>Undertake review of stakeholders in buying and sourcing countries that may support in management of grievances. To ensure potential stakeholders are representative and independent, conducting a background check is recommended.</p> <p>Domestic trade unions and CSOs, as well as local ILO or government offices may also be able to help identifying relevant and representative local organisations and provide information on freedom of association and civil space in key sourcing countries. Useful guidance on how to best engage with stakeholders can be found here.</p> <p>Engage with trade unions – both international and local, where they exist – at an early stage of due diligence. They often have ‘eyes on the ground’ and can provide valuable input, both during the investigative stage and in developing remediation plans.</p> <p>Explore options for collaboration, both with other SMEs and companies as well as by joining relevant MSIs with effective grievance mechanisms. Collaborating with other companies and within MSIs can provide a more feasible way of ensuring access to remedy is provided and remediation is meaningful.</p> <p>Explore options for supporting and collaborating with local CSOs – as well as with suppliers - in key sourcing countries to build awareness among workers of their rights and available grievance procedures.</p>
6	Evaluate progress	<p>Establish a regular review process to evaluate the effectiveness of the grievance mechanism and identify challenges and opportunities for improvement.</p> <p>Ensure a system is in place to solicit feedback from complainants on the outcomes of the handling of their complaint. It is helpful to integrate this feedback into the broader evaluation of the mechanism. Additionally, consulting (intended) users and other stakeholders on the functioning of the mechanism will provide valuable insights on key areas for improvement.</p>

6 Annexes

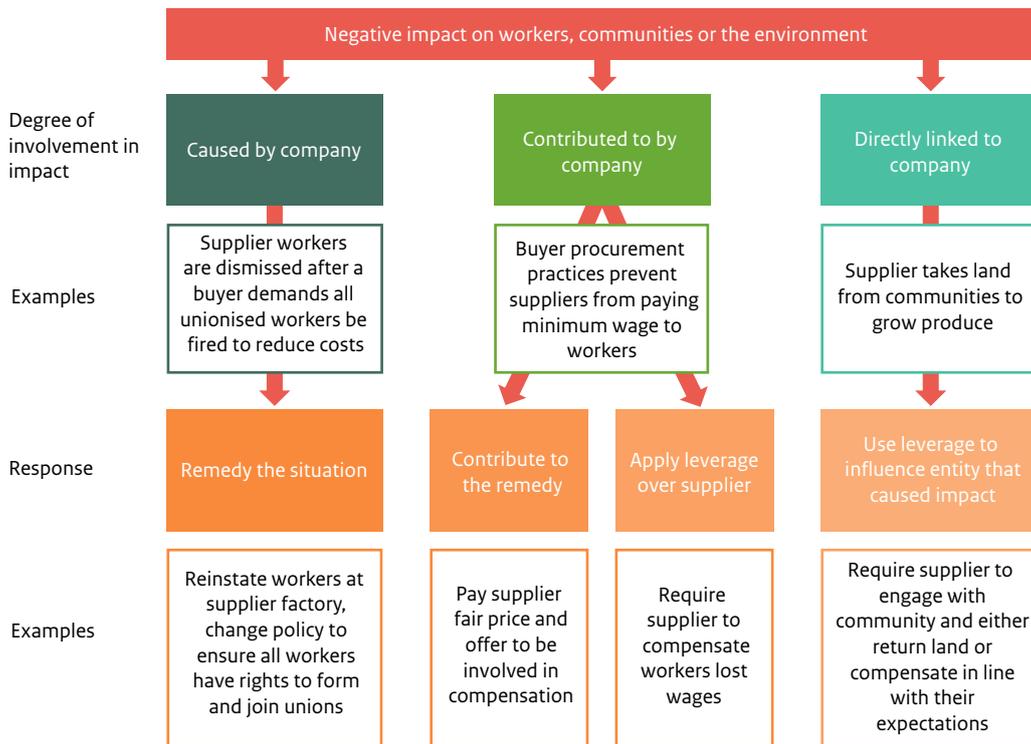
6.1 Annex 1: UNGP expectations on companies' degrees of responsibility for remediation

According to the UNGPs, companies have a different degree of responsibility for remediation, depending on how a company is related to an adverse impact:

- Where a business enterprise has caused or contributed to an adverse human rights impact, it should be actively engaged in its remediation, by itself or in cooperation with others.
- Where adverse human rights impacts are directly linked to a business enterprise's activities, it is not required to provide remediation itself, though it may take a role in doing so.

The graphic below provides more detail on the responsibilities for remediation that businesses have under the UNGPs, based on the degree of their involvement in a human rights impact.

Figure 6 Cause, contribute to, and directly linked – Responsibilities and examples



6.2 Annex 2: Example questions for supplier evaluation on grievance handling practices

Vetting supplier grievance mechanisms at the outset of a business relationship can help inform buyer decisions about which suppliers to work with. Equivalent monitoring and evaluating of a supplier's grievance handling during a business relationship can also provide opportunities to strengthen mechanisms.

The table below provides a number of example questions for evaluating supplier grievance handling practices, as well as, where applicable, suggested follow-up questions or actions.

Example question	Suggested follow-up
1 Does your company have a grievance policy and process?	If yes, review to what extent the mechanism(s) meet the UNGPs effectiveness criteria. Reviewing written policy/process for safeguards, timeliness of investigations, etc also provides useful information.
2 What steps do you take to encourage workers to use the grievance mechanisms?	If they say they have posters or handouts noting focal points, contact info, etc., it would be useful to see what those look like, where/how these are disseminated, and what languages they are in. In many factories these documents or posters are posted on a canteen bulletin board, for example.
3 How does your company manage grievance mechanisms for foreign and domestic workers?	Which staff are the main responsible focal points, and what training, capacity building, and reference standards are they provided? How are complainants informed on the process of the grievance procedure? Are they given updates and if so, at which points in the procedure?
4 How many grievances were filed in the past 12 months by domestic workers? What about foreign workers?	Is the supplier satisfied with this? Do these numbers signal to management a sufficiently well-functioning grievance mechanism?
5 What were the outcomes of the grievances that were filed in the past 12 months?	How are complainants informed on the outcomes of their grievance procedures? Are affected groups satisfied with these outcomes?
6 What steps do you take to prevent reprisals against workers filing complaints? What about ensuring anonymity and confidentiality?	Confidentiality, discretion, and non-retribution, as well as the ability to lodge grievances anonymously, are particularly important to ensuring that users of the GM trust it and use it. Are there clear procedures and channels for the worker to file grievances anonymously should they wish to? Does the supplier have procedures in place to respond to and follow up on anonymous grievances? Where practical difficulties arise from anonymous complaints, can they be resolved by offering more than one contact point for lodging grievances, or engaging a trusted third party, which ensures confidentiality but enables a channel for communication with the complainant?
7 Are workers able to raise concerns in their native language?	Are there interpreters available to support foreign workers in submitting a complaint and run through the grievance procedure? If yes, how many interpreters does the site have for each nationality/language? How does that compare to the number of workers for each nationality/language? What certifications, criteria, or trainings are required of or offered to the interpreters that support the grievance procedure?
8 Does your company collaborate with any NGO or other third party partners to supplement your own internal grievance mechanism with an independent channel?	If yes, please describe. If no, please explain why not.

6.3 Annex 3: Further reading

Guidance

- Global Perspectives Project, [Doing business with respect for human rights guidance – Remediation and grievance mechanisms](#)
- Global Compact Network Australia, [Implementing effective modern slavery grievance mechanisms: A guidance note for business](#)
- Global Compact Network Australia, [Effective modern slavery grievance mechanisms: A case study publication for business](#)
- Accountability Framework, [Operational Guidance on Remediation and Access to Remedy](#)
- Shift, [Remediation, Grievance Mechanisms and the Corporate Responsibility to Respect Human Rights](#)
- International Code of Code Association, [Interpretative Guidance: Developing and operating fair and accessible company grievance mechanisms that offer effective remedies](#)
- International RBC, [Access to remedy](#)
- Global Compact Network Germany, [Worth listening: Understanding and implementing human rights grievance management](#)
- Fair Labor Association and IRBC Agreements, [Recommendations for stakeholder and civil society organisation engagement](#)

Tools

- IFC Compliance Advisor Ombudsman, [Tools and resources on grievance mechanisms](#)
- Verité, [Establishing effective grievance mechanisms & protection for whistleblowers](#)
- SME Compass, [Setting up grievance mechanisms](#)

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