

## SUMMARY REPORT

# Insights from GBI's roundtable discussion for business practitioners on the role of grievance mechanisms in effective value chain due diligence

6 September 2024, Delhi, India

As companies prepare for the changing regulatory environment on business and human rights, many companies are taking stock of their existing human rights due diligence to ensure that it is fit for purpose. Companies have identified: 1) building supplier capacity; 2) meaningfully engaging with stakeholders; and 3) the effectiveness of their grievance mechanisms and provision of remedy as areas where they may need to improve their existing processes.

In this roundtable discussion, business practitioners focussed on the role of grievance mechanisms in effective value chain due diligence by sharing some of their own challenges with grievance mechanisms and working through a case study to help to reflect in depth on the effectiveness of grievance mechanisms.



**While governments globally are increasing their expectations for companies on business and human rights, governments can also help to support company action on business and human rights.**

Governments can support the ecosystem for companies to respect human rights by ensuring policy cohesion across international, national and regional or local legal frameworks on business and human rights. This was particularly important as companies identified that small suppliers were often more aware of local law than international frameworks, such as the UN Guiding Principles on Business and Human Rights (UNGPs).

Companies also recognised that governments are undertaking various initiatives in different communities to address systemic human rights issues. However, practitioners believed that greater awareness about these initiatives would help companies to align their efforts to address or mitigate the same human rights issues.

**Business practitioners raised a series of challenges related to grievance mechanisms, which often recalled the effectiveness criteria under the UNGPs.**

The UNGPs expect companies to provide or to participate in remedy when they have caused or contributed to human rights harms. Companies should address adverse human rights impacts that they are involved in, which requires taking adequate measures, including remediation.

To make it possible for grievances to be addressed early and remediated directly, companies should establish an operation-level grievance mechanism. To ensure their effectiveness, non-

judicial grievance mechanisms should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on engagement and dialogue.<sup>1</sup>

Foremost among the challenges raised were issues around accessibility, including lack of awareness amongst affected stakeholders of the grievance mechanism, fear of retaliation, and gaps in implementing grievance mechanisms. Some companies identified that some issues were not going to be reported regardless of the accessibility of the grievance mechanism. This might be because of particular sensitivities or a cultural unwillingness to speak about certain issues.

Practitioners also raised the need to ensure psychological safety for vulnerable users. Practitioners recognised that they might need to tailor their approach to their grievance mechanism to fill in the gaps, including looking elsewhere to collect information.

Companies were also concerned about transparency and tracking the effectiveness of their grievance mechanism. Practitioners discussed linking key performance indicators (KPIs) around grievance mechanisms to effective and satisfactory outcomes rather than the number of cases received and closed. Practitioners discussed a perception shift to view the number of cases received being high as a good KPI rather than negative for the grievance mechanism, even if the cases it highlighted reflected concerns and the need for action.



Business practitioners acknowledged that it can be difficult to ensure accountability in their grievance mechanism processes. An escalation matrix was suggested as a practical way to ensure matters are addressed and prioritised and that there is a transparent and fair process. They also suggested ensuring the hierarchy in the company is aware and buys into the grievance mechanism and

understands why it is necessary and helpful as an early warning system to ensure more effective processes.

Ultimately the effectiveness criteria laid out in the UNGPs can help companies to understand whether company grievance mechanisms are fit for purpose and can help companies construct new grievance mechanisms.

*GBI would like to thank the Swiss Embassy for their generous support in hosting the discussion in New Delhi. GBI's external engagement programme seeks to convene business practitioners in India to engage in peer learning to advance the corporate respect for human rights. Business practitioners who are interested in participating in future GBI discussions should contact [sophia.arias@gbihr.org](mailto:sophia.arias@gbihr.org).*

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<sup>1</sup> More insights about remedy and grievance mechanisms, can be found on the [GBI Practice Portal](#).