

5 Grievance Mechanism

Myths

KUMI

**Safe
call**

A Law Debenture company

An effective grievance mechanism is a vital part of stakeholder engagement in supply chains.

And yet most businesses don't have one that is fit for purpose.

Here are 5 common myths about grievance mechanisms and tips for a better approach

A background image of a tea plantation with several workers in the field. The scene is captured in a soft, golden light, likely during sunrise or sunset. The workers are seen from behind, focused on their task of picking tea leaves. The tea bushes are lush and green, and the overall atmosphere is peaceful and industrious.

#1

**“Our corporate
whistleblowing
hotline is our
grievance
mechanism...”**

Reality #1

- Your whistleblowing line can be *part* of a grievance mechanism but is not *the* mechanism.
- A grievance mechanism is a formal system or process through which individuals or groups (such as employees, third parties, communities) can raise concerns, complaints, or allegations that a company's practices has impacted their rights.
- Grievances can range from minor complaints to severe human rights abuses. Your mechanism should be capable of handling this complexity, allow for multiple channels of engagement, allow constructive engagement between your company and rights holders, and provide for appropriate remedies.

A large-scale industrial mining operation, likely a coal mine, is shown from a high vantage point. The scene is filled with massive earthworks, conveyor belts, and various pieces of heavy machinery. In the foreground, two workers wearing hard hats and high-visibility safety gear are seen from behind, looking out over the vast mining site. The lighting is warm, suggesting either sunrise or sunset, creating a hazy atmosphere. An orange square in the top left corner contains the number "#2".

#2

“Everything must be fine because no one has raised a grievance...”

Reality #2

- No news is **not** good news! A common sign of an ineffective or poorly communicated grievance mechanism is low or no engagement.
- Effective mechanisms are those that are trusted by users and rights holders, and easy to access considering barriers like language, technology, and geography.
- The process of raising a grievance should be clearly communicated with a timeframe, and rights holders should have the information to engage in your grievance process on fair and equitable terms.

#3

“It’s only PR, it gives us stats for our sustainability report...”



Reality #3

- By reporting stats and promoting individual examples in sustainability reports, companies can claim they are responsive without having to make more significant, systemic changes that might be costly or challenging.
- Treating grievance mechanisms as PR tools often results in isolated actions that don't address root causes. This erodes trust with stakeholders, while also exposing companies to legal risks due to non-compliance with frameworks like the European CSDDD and the UNGPs.
- Leveraging grievance mechanisms solely for PR purposes also misses valuable opportunities for operational insights, stakeholder engagement, and continuous improvement.

#4

“One size fits all; it’s best to take the same approach everywhere...”



Reality #4

- Many companies apply a standard grievance mechanism across their supply chain because “we did the same with our anti-bribery and corruption line.”
- However, a one-size-fits-all approach is less effective at identifying and resolving grievances, which defeats the purpose of having a mechanism in the first place.
- Factors like local culture, the nature of the grievances, and the rights holder groups involved all play a role. Different sectors have different risk profiles and different groups may have different needs and preferences when it comes to reporting grievances.
- A mechanism that works well in one country might not be effective in another due to language barriers, technological limitations, or other accessibility issues.

A close-up photograph of a person's hand holding a heavily worn, blue mobile phone. The phone is covered in dirt and has a cracked screen. The person is wearing a light-colored, button-down shirt. The background is blurred, showing other people in a crowd.

#5

**“Technology can
take care of it for
us...”**

Reality #5

- Companies often invest in platforms that allow for online reporting and even automated responses. But while tech can be a helpful tool, it cannot meet the requirements of an effective mechanism on its own.
- Assessing the severity of a grievance or the appropriateness of a remedy needs human judgment, empathy, and ethical considerations.
- Not all stakeholders may have access to the technology required to raise a grievance. This is especially true in remote or impoverished areas where many extractive industries operate.
- But technology can make it easier for some rights holders to report grievances and is useful for transparency, tracking, data gathering, and trend analysis.

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