ITUC legal guide for setting up an operational-level grievance mechanism for the world of work in the context of business and human rights
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Introduction

The ITUC’s 2021 Global Rights Index (GRI) shows that 65% of workers had no access or only restricted access to justice. This means that violations or breaches of labour rights may have gone unaddressed in 65 out of 100 incidents around the world. This includes 87% of countries violating the right to strike, 79% violating the right to collective bargaining and 74% violating the right to form or join unions.

For many hidden and precarious workers in global supply chains, these violations go unremedied at the national and international level. This reflects the absence of effective grievance and dispute-settlement mechanisms that contribute to addressing the violations and to holding business enterprises accountable.

In line with the United Nations Guiding Principles on Business and Human Rights (UNGPs), business enterprises, regardless of size, structure or ownership, have a responsibility to respect human rights. Respecting human rights requires that businesses avoid causing or contributing to adverse human-rights impacts in their own activities and seek to prevent or mitigate such adverse human-rights impacts directly linked to their activities by virtue of their business relationships. Businesses must adopt legitimate processes by themselves and in cooperation with other actors with whom they have business relationships in order to identify, stop and remedy actual or potential adverse human-rights impacts they cause or contribute to. Where they have not caused or contributed to adverse human-rights impacts but are linked through business relations to such adverse human-rights impacts, businesses must use their leverage to address the situation.

Labour rights, as expressed in the International Bill of Human Rights and in ILO conventions, including the Declaration on Fundamental Principles and Rights at Work, are internationally recognized human rights.

At the workplace, establishing a non-state-based operational-level grievance mechanism is essential for realizing the corporate responsibility to respect human rights, including respect for the fundamental conventions of the International Labour Organization (ILO) as captured by the fundamental principles and rights at work (FPRW) and the right of all workers to have access to justice and remedy.

The corporate responsibility to respect human rights at the workplace includes the responsibility to create a climate that fosters respect for labour rights and avoids taking steps that undermine or chill the exercise and take-up of these rights by workers.

The ITUC guidelines for an effective mandatory human-rights due-diligence legislation makes the following clear: “Business enterprises should be required to establish or participate in effective operational-level grievance mechanisms with a view to identifying and remediating adverse human rights impacts.”

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1 See articles 11-13 of the UN Guiding Principles on Business and Human Rights (UNGPs).
2 See articles 17-24 of the UN Guiding Principles on Business and Human Rights (UNGPs). See also para 65 on the ILO MNE Declaration (as amended).
3 The term “labour rights” in this text is used interchangeably with the term “workers’ rights”.
4 These guidelines were adopted in June 2020 and contain the eight components for an effective human- rights due-diligence legislation.
Purpose

The purpose of this legal guide is to provide an overview of the principles and measures to be considered by businesses and workers’ organizations when setting up a non-state-based operational-level grievance mechanism to provide access to justice and remedy for workers, including workers in supply chains.

According to the ITUC guidelines on effective human-rights due-diligence legislation:

“Effective operational-level grievance mechanisms are critical to conducting human rights due diligence. They support the identification of adverse human rights impacts as a part of an enterprise’s ongoing human rights due diligence by providing a channel for those directly impacted by the enterprise’s operations to raise concerns when they believe they are being or will be adversely impacted. Moreover, these mechanisms can make it possible for grievances, once identified, to be addressed and for adverse impacts to be remediated early and directly by the business enterprise, thereby preventing harm from compounding and grievances from escalating . . . .”

Internationally recognized human-rights laws and principles

This guide is based on internationally recognized human rights and principles, with particular reference to those contained in the following:

- The International Bill of Human Rights;5
- The Fundamental Conventions of the ILO;
- ILO Declaration on Fundamental Principles and Rights at Work;
- The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) as amended in 2017;
- The ILO Declaration on Social Justice for a Fair Globalization;
- The ILO Centenary Declaration for the Future of Work, 2019;
- OECD Guidelines for Multinational Enterprises;
- OECD Due Diligence Guidelines for Responsible Business Conduct;
- The United Nations Guiding Principles on Business and Human Rights (UNGPs); and
- OHCHR Accountability and Remedy Project III: Enhancing effectiveness of non-state-based grievance mechanisms in cases of business-related human-rights abuse.

This guide, being primarily aimed at providing guidance for setting up a non-state-based operational-level grievance mechanism for workers, including workers in supply chains, highlights the role of the ILO as the constitutionally mandated international organization and the competent body to set and deal with international labour standards.6

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6 ILO 1998 Declaration on Fundamental Principles and Rights at Work.
Criteria for ensuring an effective non-state-based operational-level grievance mechanism

The UNGPs, with particular reference to Article 31, set out the following criteria for an effective non-judicial grievance mechanism, namely that the grievance mechanism be:

(1) **legitimate**: enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes, including respect for due process and the right to representation;

(2) **accessible**: being known to workers and all other stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access;

(3) **predictable**: providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation;

(4) **equitable**: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;

(5) **transparent**: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism’s performance to build confidence in its effectiveness and to meet any public interest at stake;

(6) **rights-compatible**: ensuring that outcomes and remedies accord with internationally recognized human rights;

(7) **a source of continuous learning**: drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms;

(8) **based on engagement and dialogue**: consulting the stakeholder groups for whose use they are intended on their design and performance and focusing on dialogue as the means to address and resolve grievances.
Establishing an operational-level non-state-based grievance mechanism

For the avoidance of doubt, “businesses” include business in both domestic and global supply chains” and “workers’ representatives” include trade unions and global union federations.

Business enterprises, their activities and relationships

1. All business enterprises should establish internally (and where appropriate, participate externally in) effective and meaningful operational-level grievance mechanisms with a view to identifying and effectively remedying adverse human rights impacts. The grievance mechanism must be established to appropriately address potential and actual adverse human and labour-rights impacts affecting workers in supply chains of an entity’s own business activities or linked to their business relationships.

2. The grievance mechanism must serve as a key component of the business enterprise’s human-rights due-diligence mechanisms.

3. In order to avoid, prevent or mitigate the incidence and impact of workplace grievances, business enterprises must regularly engage actively and in good faith with workers, including workers at risk of abuse in their supply chains, and they must take into account risks arising from working conditions, work arrangements and/or organizational form. Business enterprises must create an atmosphere at the workplace that fosters respect for workers’ rights and encourages workers to take-up, defend and promote their rights.

4. Business enterprises must respect the fundamental principles and rights at work of the ILO. In this regard, businesses must create a climate of respect for labour rights and must refrain from acting in any manner that would discourage or chill the exercise of these rights, including the enabling rights to form or join a trade union and the right to collective bargaining.

5. In order to ensure the operational-level grievance mechanism is rights compatible, business enterprises must carefully take into account the human-rights record of the countries in which they operate or have business relationships and take steps to respect internationally recognized human rights especially where the domestic laws are inconsistent with internationally recognized human rights, including the fundamental principles and rights at work.

7 And for the avoidance of doubt, in line with articles 3 and 5 of ILO Convention 135, where both trade unions and workers’ representatives exist in the workplace, recognition shall be given to trade unions in respect of functions which are the exclusive prerogative of trade unions, such as collective bargaining and grievance handling.

8 A grievance process may include a fact-finding investigation. Any such fact-finding investigation process must comply with the principles of due process and be conduct within the context of the grievance mechanism.
6. Trade unions and workers’ representatives must be effectively and meaningfully consulted in designing the grievance mechanism. In this light, all effort must be made to engage and meaningfully consult trade unions or global trade union federations organizing within the context of the affected business activity or relationship. Where there is a collective agreement, the design, establishment and implementation of the grievance mechanism must be negotiated with the relevant trade union in the context of the collective bargaining agreement and its rules.

7. Trade unions and workers’ representatives, in the context of the workplace, constitute both “potentially affected groups” and “relevant stakeholders” for purposes of identifying and addressing adverse human-rights risks. Therefore, in accordance with ILO Convention 87 on Freedom of Association and Protection of the Right to Organise and Convention 98 on the Right to Organise and Collective Bargaining, workers and their trade unions or representatives must enjoy full equality, protection and ownership of the grievance mechanism by enshrining the grievance mechanism in collective agreements, workplace policies and global framework agreements.

8. The scope of any such grievance mechanism must cover all complaints of breaches or violations of rights at work, including safety and health, discrimination and violence at work.

9. In line with ILO Convention 154 on Collective Bargaining, the operational level grievance mechanism should promote collective bargaining by trade unions.

10. Trade unions or workers’ representatives must not be controlled or influenced by the employer or business enterprise. The independence and autonomy of trade union organizations must be respected, including their effectively participating in the governance or operation of the grievance process on behalf of their members, as the surest way to secure their effective representation of workers. Operational-level grievance mechanisms should never be used to undermine the role of legitimate trade unions in addressing labour-related disputes. To be successful, the grievance mechanism must retain an independence acceptable to the workers and arising from its genuine joint ownership, on an equal footing, with the workers whom it is to primarily serve and benefit.

11. Trade unions who are involved in a collective dispute or who represent their member(s) in the grievance mechanism must not be retaliated against or suffer any prejudice either from the state or business as a result their participation.

12. The scope or grounds covered by the grievance mechanism must be construed broadly to include matters arising from the business activity or linked to the business relationship that potentially or actually result in adverse human- and labour-rights impacts on the workers concerned. Therefore, whether company-, industry- or multi-stakeholder-based, including, for example, an initiative of development finance institutions, any worker who, acting individually or jointly with other workers, considers that they have grounds for a grievance should have the right to submit such grievance without suffering any prejudice or retaliation whatsoever as a result and to have such grievance effectively remedied.
Elements of a non-state operational level grievance mechanism

Elements of a non-state operational-level grievance mechanism must include the following:

**Legitimate**

1. To engender trust, the workers’ groups for whom the grievance mechanism is intended must enjoy legal protection in line with ILO© Convention 87 and 98 and the related conventions and recommendations of the ILO as well as its Declaration on Fundamental Principles and Rights at Work.

2. Trust of the workers intended to be covered by the grievance mechanism would be secured where they are jointly accountable for the fair conduct of the grievance mechanism. Such joint accountability could be achieved through including the grievance mechanism in a collective agreement, a global framework agreement or where the rules for the grievance mechanism are jointly agreed to by the business enterprise and trade union(s) or workers’ representatives.

3. The grievance mechanism must have equal representation of workers and the business enterprise; the latter must be represented by suitably qualified management personnel.

4. As part of the grievance process, any relevant or related due-diligence and/or risk assessment reports, including steps taken to avoid, prevent or mitigate the occurrence of the grievance, must be disclosed.

**Accessible**

1. The operational-level grievance mechanism must operate so as to receive grievances from workers, a group of workers or trade unions suffering adverse business-related human- and labour-rights impacts either as arising from the employment relationship or arrangement by the company or linked by business relationships, including in the company’s supply chains. This will, for example, cover adverse labour-rights risks and impacts in the operations of suppliers.

2. The workers’ representatives, must ensure that the process is safe, fair and effective. Any worker who accesses the grievance process must be entitled to choose their own representative. Workers who decide to access the grievance mechanism should also be entitled to do so through a representative where the representative, with the consent of the grievant, acts on their behalf. Neither the worker nor their representative should suffer retaliation for accessing the grievance procedure.

3. Where provision is made for arbitration as part of the grievance mechanism, workers must be free to select arbitrators from a certified list of labour experts (on matters related to the application of international labour standards or labour rights, an ILO list of qualified facilitators would be relevant) on the advice of their lawyer or workers’ representative.

4. Where a complaint is determined to establish a prima facie case against the business

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This includes ILO Convention 190 on Violence and Harassment in the world of work and ILO Conventions 155 and 187 on Occupational Safety and Health.
enterprise, the enterprise shall bear the cost of the grievance process.

5. As part of the process, provision must be made for interim measures, including those aimed at preserving relevant information or stopping the continuation of harm (interim injunction). Interim measures must also include measures to ensure that, where appropriate, provision is made for equivalent and easily accessible remedy, including compensation payments.10

Predictable

1. The grievance process must respect and comply with requirements of due process.

2. The enterprise shall take all complaints seriously and commence an investigation and/or the grievance process immediately.

3. Where investigations are required as part of the grievance process, a representative of the worker shall be part of the process or where an external investigator(s) is used, the investigation must comply with due-process requirements. Workers representatives must be meaningfully consulted on the selection of an investigator(s). The investigation should be concluded within a reasonable timeframe (30 days) unless the parties agree that more time is required to complete the investigation due to its scope or complexity.

4. During any investigations or throughout the grievance handling process, the grievant must be protected against harassment, victimization and/or retaliation.

5. The operational-level grievance mechanism, including any investigation process arising, shall operate on the principle of good faith.

6. The formulation and application of the grievance procedures should not be complicated but should be aimed at ensuring the real possibility of achieving a settlement, within appropriate time limits, that will be freely accepted by the aggrieved parties.

Equitable

1. Prior to the commencement of an investigation and/or determination of a grievance, the parties shall exchange information relating to the complaint with the aim of ensuring a fair, informed, respectful and speedy process.

2. Where the grievance mechanisms of a business enterprise fail to resolve a workplace dispute, an affected worker should be able to submit a complaint with the parent company or brand (manufacturer) or development finance institution/other entity or the business with the leverage.

3. The existence of the mechanism shall be communicated to the workforce in the business enterprise and/or linked business relationship on a regular basis, including publication in a conspicuous place. The communication shall be in the language(s) spoken by the workforce and in a manner to be easily understood.

4. The business enterprise shall ensure that the grievance mechanism shall be easily accessible, including to young workers, women and other-at-risk groups.

10 Such an interim measure will ensure that the grievant can readily access their remedies or restitutions.
5. Where opted for, workers should have access to the grievance process in their own language.

6. There shall be a designated person in the enterprise responsible for effectively providing the needed advice and information on the process. Access to such advice and information should be accessible by email(s), hotline(s), posters and education and training sessions. Dissemination of information and relevant literature should be in the relevant languages.

Rights-compatible

1. The grievance mechanism shall not serve as an obstacle to resort to state-based mechanisms for settling disputes, especially where due process or good faith is undermined or the grievant loses confidence in the process or the prospect for success is narrow or non-existent after a pre-settlement information exchange process. An aggrieved individual may choose not to use the grievance mechanism, or, after having done so, still resort to judicial mechanisms if the individual feels that the mechanism did not adequately remedy the adverse impact.

2. The worker concerned should have the right to participate directly in the grievance procedure and to be assisted or represented during the examinations of the grievance by a representative of a workers’ organisation, by a representative of the workers in the undertaking, or by any other person of the worker’s own choosing, in conformity with national law or practice.

3. Any person employed in the same undertaking who assists or represents the worker during the examination of the grievance should enjoy the same protection as that enjoyed by the grievant.

4. The worker concerned, or their representative if the latter is employed in the same undertaking, should be allowed sufficient time to participate in the procedure for the examination of the grievance and should not suffer any loss of remuneration because of absence from work as a result of such participation. Account must be taken of any rules and practices, including safeguards against abuses, provided for by legislation, collective agreements or other appropriate means.

5. The personal data of the worker(s) participating in the process must be protected.

6. The remedies provided through the grievance mechanism shall be consistent with internationally recognized human rights, including the ILO Declaration on Fundamental Principles and Rights at Work, the ILO MNE Declaration and the OECD guidelines. In some countries, the local labour law will conform to these rights in whole or in part. While domestic law shall serve as an important reference, the grievance mechanism will not be compatible with internationally recognized human rights if it does not deliver a human-rights-consistent outcome. Thus, the international bill of human rights, ILO conventions and accompanying protocols and recommendations related to conditions of service and labour rights, including payment of wages, hours of work, termination of employment, occupational health and safety, and relevant sector-specific conventions, shall be the ultimate reference for the grievance mechanism where they are superior to national legislation. Where a violation is established, the remedy shall include, as appropriate, compensation,
reinstatement, apology and others. Remedy must not lead to further harm. The enterprise shall also commit to not repeating the violation and put policies and procedures in place to prevent such repetition.

**Transparent**

1. During any investigation or at any stage of the grievance process, the grievant shall at all times be kept informed as to process and shall be entitled to provide and receive information.

2. The grievant shall have a right to receive relevant information from the enterprise in order to support his or her grievance, at no cost to the grievant. Further, if the grievant requires external advice or expertise in order to engage meaningfully in the grievance process, the enterprise shall also cover the costs of the persons(s) designated by the grievant.

3. Minutes of the proceedings should be drawn up in mutual agreement and be available to the parties.
   a. The worker should be allowed the time off necessary to take part in the proceedings.
   b. Recourse by the worker to the grievance process should not involve for him any loss of remuneration.

4. The results of the investigation shall be communicated to the grievant in writing. If the enterprise determines that the grievance is sustained by the facts (a prima facie case exists), it should immediately enter into dialogue with the grievant in order to arrive at a human-rights-consistent outcome. If the enterprise determines that the grievance is not sustained by the facts, it shall inform the grievant that he or she remains free to pursue judicial remedies. The parties may also agree to invite a neutral third party to review the facts, including conducting its own investigation. The results of such review will be communicated to both parties with the offer of mediation in order to reach a human-rights-consistent outcome in case a breach is determined.

**Continuous learning**

Finally, the enterprise and the workers’ representatives shall meet to review the functioning of the grievance mechanism, and based on lessons learned from its functioning, implement mutually agreed modifications to the mechanism which ensure that it functions in a way consistent with the UN Guiding Principles, the ILO MNE Declaration and the OECD guidelines.
Matters to be included to specifically address the grievances arising from business activities in global supply chains

For the business\(^\text{11}\) whose activities across borders result in adverse human- and labour-rights impacts or are linked by business relationship where adverse human-rights impacts are occurring (supplier, subcontractor, project, tiers in supply chains), an effective mechanism must include:

1. The possibility to directly receive a complaint from a worker working in the supply chain.

2. The possibility for conciliation or mediation facilities based on the Annex II (Operational Rules 2) of the ILO MNE Declaration (as amended in 2017), including:
   - requesting to use the facilities of the ILO as venue for resolution of disputes (based on the consent of the parties);
   - requesting the ILO to provide a list of international labour experts as facilitators, conciliators or mediators to resolve the grievance for selection by the parties;
   - requesting the ILO (as ILO) to provide technical or expert advice or guidance in line with international labour standards to support the process;
   - putting into writing any agreement reached by the parties as legally binding and determinative of the grievance;

3. Where the business enterprise is domiciled or operates in an OECD MNE-guidelines-adhering-state, the grievance may be submitted to the OECD under Chapter IV and/or V of the MNE guidelines (as well as other possible relevant chapters). Note is taken that in applying the guidelines relating to industrial relations, the ILO MNE Declaration, to the extent that it is of a greater degree of elaboration, will be deployed in understanding the guidelines.

\(^{11}\) Such as a lead firm.
4. Where due to the nature of the grievance, including the absence of trust in national-level arbitration mechanisms, the grievant elects for the grievance to be resolved by means of international arbitration:

- resort could be had to the Permanent Court of Arbitration (PCA) based on the Business and Human Rights arbitration rules (The Hague Rules) with the clear prospects of enforcement under the 1958 New York Convention as an international award;
- whether arbitration is resorted to by means of an arbitration clause in the supplier or subcontracting or project agreements and the like or the parties submit an arbitration agreement under the auspices of the PCA or an arrangement by the parties:
  - the selection of arbitrators could be based on a roster of experts on international labour standards, preferably on the list of experts of the ILO under the MNE declaration;
  - the affected worker or their representative must be permitted to consult the relevant global union federation and, where relevant, the International Trade Union Confederation (ITUC) in the selection of a panel of arbitrators.
  - the president of the panel of arbitrators, in the case of the PCA, shall be determined by the secretary-general of the PCA and in any other case, by the good offices of the director-general of the ILO or a designated representative guided by the MNE declaration and in consultation with the workers’ and employer’s secretariats.

- The law chosen to be applicable to the dispute must be consistent with international labour standards.
- The seat of the arbitration should favour the affected worker(s), taking into account safety, security and contact with and support from family and the social support system.

5. As part of the facilitation, conciliation, mediation or arbitration, provision must be made for interim measures, including those aimed at preserving relevant information or stopping the continuation of harm (interim injunction). Interim measures must also include measures to ensure that, where appropriate, provision is made for equivalent and easily accessible remedy.

6. For the avoidance of doubt, an arbitration clause or agreement or any legally binding settlement agreement shall not include a waiver of the right of the affected worker(s) to collaborate with relevant authorities regarding criminal prosecutions or the initiation of criminal prosecutions. In terms of confidentiality, the affected party shall have the right to speak about their experience regarding the grievance and the settlement process.

7. Where during the grievance process there are findings which could potentially establish criminal charges (for example, child labour, trafficking, modern slavery, forced labour, etc.), such findings would be directed to the state authorities for further investigation.
Annex

Annex 1

ILO conventions and recommendations relevant for purposes of industrial relations and grievance handling

- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- Collective Bargaining Convention (No. 154) and Recommendation (No. 163), 1981
- Workers’ Representatives Convention, 1971 (No. 135)
- Co-operation at the Level of the Undertaking Recommendation, 1952 (No. 94)
- Communications within the Undertaking Recommendation, 1967 (No. 129)
- Examination of Grievances Recommendation, 1967 (No. 130)
- Employment Relationship Recommendation, 2006 (No. 198)
- Indigenous and Tribal Peoples Convention, 1989 (No. 169)
- Maritime Labour Convention, 2006 and other sectoral conventions and recommendations of the ILO
- Violence and Harassment Convention, 2019 (No. 190)
- Occupational Safety and Health Convention, 1981 (No. 155)
- Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)

Annex 2

Good examples of non-state operational-level grievance mechanisms

- The Bangladesh Accord and the new International Accord