



GUIDANCE DOCUMENT COMPLAINT MANAGEMENT/ GRIEVANCE MECHANISM

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Foundation FSSC

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Website: www.fssc.com

TRANSLATIONS

Please be aware that in the case of translations of the FSSC 24000 Scheme or Guidance documents, the English version is the official and binding version.

DISCLAIMER

The information in these guidance documents is intended to assist with the interpretation, implementation, and auditing of the requirements contained in the PAS 24000. While this information addresses and is consistent with these requirements, it is not intended to add to, subtract from, or in any way modify them.

The requirements in the PAS 24000 need to be viewed from a systems perspective and should not be considered in isolation, i.e., there can be an interrelationship between the requirements in one clause with the requirements in other clauses.

COMPLAINT MANAGEMENT / GRIEVANCE MECHANISM GUIDANCE ON THE FUNDAMENTAL APPROACH AND INTERPRETATION

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1 INTRODUCTION

The purpose of this guidance is to outline a general approach and procedure that relates specifically to how the organization deals with and manages complaints or grievances received from its workers or other stakeholders. In the context of this document, complaints and grievances are used interchangeably.

The **Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy** by the International Labour Organization (ILO), states that workers should have access to remedy and examination of their grievances⁽¹⁾ and, in particular, the **UN Guiding Principles (UNGPs)** states that to make it possible for grievances to be addressed early and remediated directly, business enterprises should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted.⁽²⁾

Therefore, the UNGPs require organizations to take measures to respect workers' rights, notably through policies, risk mitigation, and human rights due diligence.

2 DEFINITION

"UNGP remedy mechanisms" references the following three types of mechanisms to provide access to effective remedy in business-related human rights abuses:

- | |
|---|
| 1. State-based judicial mechanisms |
| 2. State-based non-judicial grievance mechanisms |
| 3. Non-state-based grievance mechanisms |

The term grievance mechanism is used to indicate any routinized, State-based or non-State-based, judicial or non-judicial process through which grievances concerning business-related human rights abuse can be raised and remedy can be sought.⁽³⁾

In the context of social audits, non-state-based grievance mechanisms are particularly relevant as these are managed by an organization alone or jointly with associated stakeholders, an industry association, or a multi-stakeholder group. However, in certain cases, organizations may be bound by an obligation to engage with state-based judicial grievance mechanisms or be subject to criminal prosecution.⁽⁴⁾ In any instance, the state's primary obligation is to ensure access to remedy if violations against fundamental human rights occur.

OPERATIONAL GRIEVANCE MECHANISM (OGM)

An OGM is a system or set of processes managed by organizations to address and resolve grievances or concerns raised by workers, stakeholders, or communities related to the organization's operation. It should ensure that all interested parties can raise concerns about violations of their human rights (not just rights in national law).

Properly setting grievance mechanisms, like a whistleblower line, requires more than software or an internal line for complaints; it requires an entirely new process and strong governance that guarantees the complainers' total anonymity. Also, proper and documented follow-up of the complaints until the last consequences is essential. This should ensure and fully guarantee no retaliation against companies in any direct or indirect way.

Not doing so will be immediately identified by the employees, the credibility of the mechanism will drop, and users will stop using the lines.

Establishing an OGM is crucial for addressing grievances, fostering stakeholder trust, and ensuring business operations adhere to social and ethical standards. In summary, it may support organizations by enhancing their ability to identify potential human rights risks and address and remediate grievances more effectively.

“Industry, multi-stakeholder and other collaborative initiatives that are based on respect for human rights-related standards should ensure that effective grievance mechanisms are available.”

— UNGP 30 - Non-State-Based Grievance Mechanisms

Organizations have a duty to provide operational-level grievance mechanisms and, as part of due diligence, encourage and support all business partners to do the same.

Grievance mechanisms are not a substitute for freedom of association, collective bargaining, and industrial relations. Instead, effective grievance mechanisms should build on these rights and principles and engage workers, particularly their representatives.

2.1 GENERAL GUIDANCE

A grievance mechanism should be accessible to all stakeholders, easy to use, understandable, and quick to execute. The operation of a robust grievance mechanism requires adherence to defined procedures and sequences of steps that ultimately manage the receipt, assessment, and investigation of grievances and how decisions on remediation are made.

These objectives require a risk-based approach that must consider all operational levels and stakeholders of an organization. In developing its procedure/s, the organization shall comply with all legal requirements, including providing for anonymous reporting channels, as applicable. Beyond that, to properly deploy grievance mechanisms and ensure they are known and used, it will be required to establish an internal communication plan with the customer, train the people operating the lines, and create reporting mechanisms (which may be included in the services of the external provider but will need customization). Additionally, and perhaps most challenging, the organization should ensure the correct implementation of an internal process for responding to and investigating all complaints reported.

FSSC 24000 incorporates a clear set of requirements that a grievance mechanism must meet and is based on the ISO requirements, the UNGPs, and the OECD Due Diligence Guidance for Responsible Business Conduct.



The process cycle as depicted in the graphic above can be applied when setting up a grievance mechanism, and the following aspects, which are also specified as standard requirements in FSSC 24000, require consideration:

(1) Define Responsibilities:

As part of the planning phase, the organization needs to identify who the grievance mechanism needs to be accessible to, how they will access it, the stages of the process, and the timescale for each. The organization shall develop appropriate procedure/s that define relevant roles, responsibilities, and authorities. It should also be determined who handles the grievances received and whether worker or trade union representatives are also involved in the process. Setting up an internal, multi-disciplinary team to investigate social complaints might be required. In all cases, it must be ensured that the complaints are appropriately evaluated (e.g., not covering up wrongdoing, not protecting key personnel or managers) and that measures are taken to solve the reported issues.

(2) Identify & assess adverse impacts:

The organization should identify its high-level risks, both actual and potential, of adverse impacts related to its operational activities and its supply chain. In addition to the initial research, organizations should involve workers or worker representatives as a source of input to help identify other relevant factors or adverse impacts. Additional information, for instance, could be gathered from government reports and consultation with local government representatives, international organizations, civil society organizations, Trade Unions, NGOs, industry associations, and the media in general.

Implement and cooperate: These procedures shall be communicated to the entire workforce and all relevant stakeholders, and the grievance mechanism shall be implemented as planned.

(3) Cease, prevent, or mitigate:

Based on the risk assessment's outcome, the organization should prioritize and take appropriate action to prevent or mitigate potential adverse impacts. It should update its policies accordingly or apply immediate changes in the workplace to mitigate negative impacts.

The organization can apply different tools and methods to support the prevention or mitigation process. One good practice would be engaging in a meaningful dialogue with the rightsholders or engaging in stakeholder consultation. It is essential to determine whether the risks are identified at the workplace level or throughout the supply chain and, for example, provide focused preventative training and capacity building to help eliminate adverse impacts.

(4) Monitor the progress:

The implementation of a grievance mechanism and associated measures requires continuous monitoring of effectiveness, both internally and externally, if applicable. This can be achieved, for example, through various mechanisms, such as internal audits, periodic surveys, second—or third-party audits, etc. During this stage, monitor and assess who grievances have been received from, what they are about, whether the process was adhered to, and if appropriate corrective action was taken to improve the grievance mechanism.

(5) Communicate & Report:

Processes, any significant changes, and the results of the measures taken should be proactively and effectively communicated, both internally and externally, and in an understandable manner. The information should be accessible to all stakeholders and specifically shared with potentially affected individuals or groups. The progress made should also be included in the organization's annual management review to track progress or to determine whether further adjustments are needed to improve the organization's grievance management.

3 RELATED CLAUSES IN THE SCHEME

ANNEX A (NORMATIVE) REQUIREMENTS RELATED TO SOCIAL PERFORMANCE

A.1 HUMAN RIGHTS POLICY

The SMS shall ensure that the requirements in Table A.1 are satisfied.

Table A.1 – Requirements for a human rights policy

1	A risk inventory is made of human right issues.
2	No adverse human rights impacts are caused by the organization's activities. Any such impacts that occur are addressed.
3	No adverse human rights impacts are contributed to by the organization's activities. Any such impacts that occur are addressed.
4	<p>A human rights due diligence process is established, implemented and maintained, to identify, prevent, mitigate and account for how the organization addresses its impacts (including the impacts of its providers) on human rights, and on processes enabling the remediation of any adverse human rights impacts caused by the organization or to which it contributes.</p> <p>This due diligence process aims to avoid adverse human rights impacts directly linked to the organization's operations, products or services and prevents or mitigates any adverse human rights impacts in its business relationships, even if the organization has not contributed to those impacts.</p>

A.4 FREEDOM OF ASSOCIATION

The SMS shall ensure that the requirements in Table A.4 are satisfied.

Table A.4 – Requirements for freedom of association

1	A written procedure to address complaints or concerns is established. The grievance mechanism is accessible to all workers and external parties.
2	The confidentiality of any complaint raised is provided and information is revealed only as necessary to investigate and handle the complaint.
3	Duly elected worker representatives of trade unions and other worker organizations have access to the workplace to carry out their representative functions in accordance with applicable national legal requirements.
4	Where there are no legal protections for the right to collective bargaining or freedom of association the organization engages workers through alternative lawful mechanisms of engagement, where possible, to allow worker representatives to enter into a dialogue about workplace issues.

A.10 GRIEVANCE MECHANISM

The SMS shall ensure that the requirements in Table A.10 are satisfied.

Table A.10 – Requirements for grievance mechanism

1	A risk inventory is made of human right issues.
2	No adverse human rights impacts are caused by the organization's activities. Any such impacts that occur are addressed.
3	No worker or external party that lodges a complaint in good faith is retaliated against.

When developing and effectively implementing a grievance mechanism, other higher-level processes and requirements within the SMS that are anchored in the Scheme must be considered and observed. Complaint management and grievance mechanisms also link back to the following clauses in the PAS 24000:

- 5.3 Roles, responsibilities, and authorities
- 5.4 Consultation and participation of workers
- 7.4 Communication
- 9.1.2 Analysis and evaluation
- 9.2 Internal audit
- 10.1 Continual improvement
- 10.2 Incident, complaint, nonconformity

Follow-up action is a critical component of developing an effective grievance mechanism. It ensures that workers can engage in meaningful social dialogue and voice their concerns.

10.2 INCIDENT, COMPLAINT, NONCONFORMITY

The organization shall establish, implement, and maintain a process(es), including reporting, investigating, and taking action to determine and manage incidents, complaints, and nonconformities.

When an incident, a complaint, or a nonconformity occurs, the organization shall:

- a) React in a timely manner and with the appropriate level of urgency to the incident, complaint, or nonconformity, and, as applicable:
 - 1) Take action to control and correct it; and
 - 2) Deal with the consequences.
- b) Evaluate, with the participation of workers (see 5.4) and the involvement of other relevant interested parties, the need for action to eliminate the cause(s) of the incident or nonconformity, so that it does not recur or occur elsewhere, by:
 - 1) Investigating the incident or reviewing the nonconformity;
 - 2) Determining the cause(s) of the incident or nonconformity; and

- 3) Determining if similar incidents have occurred, if nonconformities exist, or if they could potentially occur;
- c) Review existing assessments of social performance risks and other risks, as appropriate (see 6.1);
- d) Determine and implement any action needed, including corrective action;
- e) Review the effectiveness of any corrective action taken; and
- f) Make changes to the SMS, if necessary.
- g) Corrective actions shall be appropriate to the effects or potential effects of the incidents or nonconformities encountered.

Documented information shall be available as evidence of:

- 1) The nature of the incidents or nonconformities and any subsequent actions taken; and
- 2) The results of any corrective action, including their effectiveness.
- 3) The organization shall communicate this documented information to relevant workers and, where they exist, workers' representatives and other relevant interested parties.

4 GUIDANCE FOR ORGANIZATIONS

When implementing a non-judicial grievance mechanism, both State-based and non-State-based, the organization should understand the effectiveness criteria listed under the UNGP as follows:

1. Legitimate

Enabling trust from the stakeholder groups for whose use they are intended and being accountable for the fair conduct of grievance processes.

The grievance mechanism should be pre-established in consultation with workers and viewed as unbiased.

2. Accessible

Being known to all stakeholder groups for whose use they are intended and providing adequate assistance for those who may face particular barriers to access.

Accessibility can be ensured by using different methods and tools, but attention should be paid to different aspects to make the processes understandable for the workers. Therefore, when drafting procedures and policies for grievance mechanisms, linguistic elements should be considered so that they are understood by all workers in their language and that the processes are straightforward, confidential, and treated non-retaliatorily.

3. Predictable

Provide a procedure that is clear and understandable with defined timeframes for each processing stage of the grievance mechanism, including deadlines for analyzing, responding to, or updating the grievance received, up to a maximum processing time that can ensure an outcome or remedy for the complainant, as well as means to monitor implementation.

Organizations should also explain how the mechanism works and what it can and cannot offer to all interested parties.

Organizations should proactively disseminate information to rights holders about policies on ethical matters (e.g., conflicts of interest) and safeguard against retaliation.

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.

Relevant information should be cascaded internally and externally in a way that all stakeholders can easily understand.

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 meet any public interest at stake.

FSSC 24000 requires that organizations continuously improve their social management system, including transparent reporting on the outcome of resolved or pending cases, and cascade it to all relevant stakeholders. Record-keeping requirements also include the maintenance of a grievance register that should be made available to interested parties such as the works council, trade unions, and worker representatives.

6. Rights-compatible

Ensure that outcomes and remedies are in accordance with internationally recognized human rights and national laws. The victim has the right to appeal the decision.

7. A source of continuous learning

Drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms

Organizations should enable proactive awareness-raising about the existence of the mechanism and the rights within the scope of the OGM and how the grievance mechanism can help enforce those rights.

Operational-level mechanisms should also be:

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.

Methods of outreach could include face-to-face engagement (e.g., discussion groups), entering into a meaningful dialogue, educational sessions (ideally delivered by relatable people – peers, union representatives, or community members), social media posts, or prominently displayed notices.

5 ACCESS TO REMEDY

Despite having committed to remediation, organizations continue to face challenges in determining the most effective and sustainable approaches for addressing human rights issues. Many organizations avoid taking remedial action unless forced by legal action. This reluctance can be attributed to various factors: a reluctance to admit wrongdoing, a belief that the human rights due diligence process is not yet 'perfect', and concerns about reputational damage and financial consequences.

Three basic parameters can be used to ensure balance in the design of grievance procedures:⁽⁵⁾

1	2	3
Procedures within the organization should offer a real possibility of arriving at a settlement at every stage. Grievance procedures should be more than just a series of administrative steps that need to be taken within an organization before arriving at some external arbitration or conciliation process.	If an acceptable solution cannot be found between workers and their first- or second-line supervisors, it should be possible to escalate the grievance to a more senior level of management.	If workers remain unsatisfied after internal procedures have been exhausted, there should be the possibility of resolving unsettled grievances via conciliation, arbitration, recourse to court or other judicial authority, or another procedure agreed by the relevant workers' and employers' organizations, including through collective agreement.

Therefore, organizations could apply the following principles:

COOPERATE

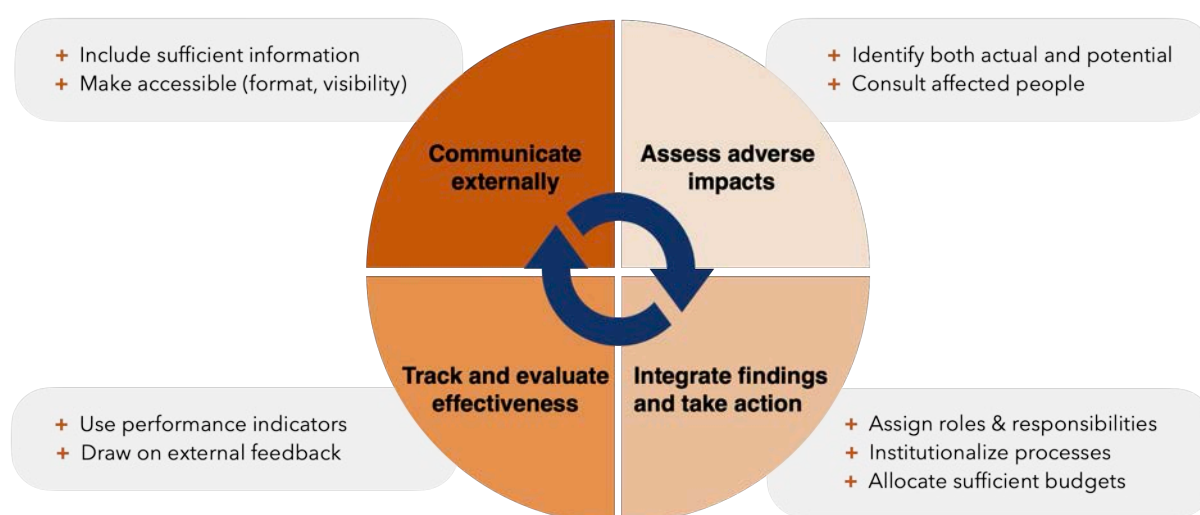
If the organization has been found or reported to have caused or contributed to an adverse impact, the organization must, at a minimum, comply with local laws and provide access to appropriate and measurable remediation.

In instances where adverse impacts have occurred that the organization has not caused or contributed to (indirect impact), but are directly linked to operational activities, products, or services, the responsibility to respect human rights does not require the organization itself to remedy the situation. However, it may have a role to play. Cooperation with judicial mechanisms is typically required in certain situations, especially when crimes are alleged.

The organization may contact the victim or consult other stakeholders or non-judicial systems to determine whether remedies are appropriate or legitimate.

ROLE OF REMEDY IN THE DUE DILIGENCE PROCESS REGARDING BUSINESS PARTNERS

Organizations are accountable for ensuring that both they and their linked business partners have robust grievance mechanisms in place to address grievances and provide appropriate remediation to those affected. The PDCA approach is also utilized in the example below and is intended to facilitate the definition of structured processes.



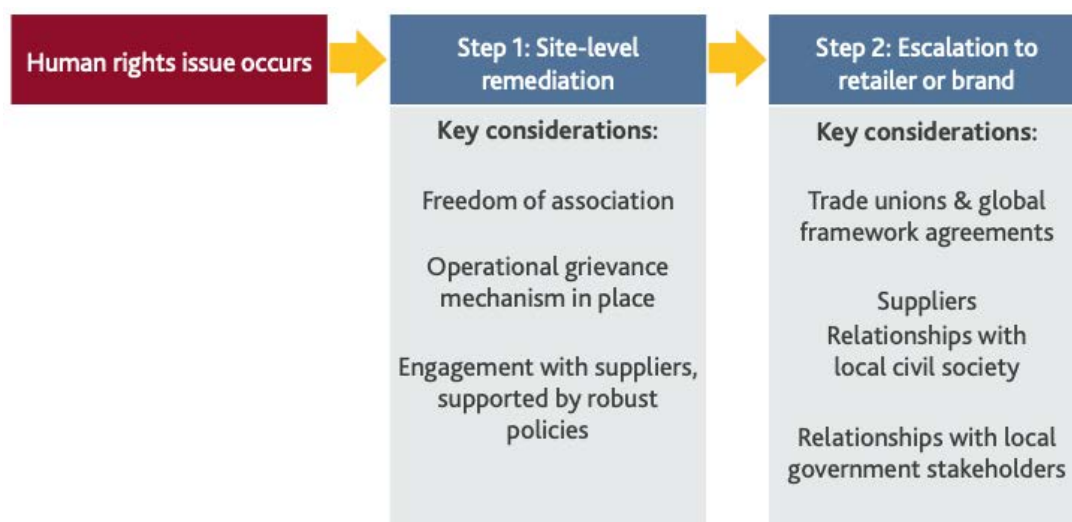
ROLES AND RESPONSIBILITIES FOR REMEDY IN THE VALUE CHAIN ⁽⁶⁾

When impacts occur within a company's value chain, businesses often find themselves in a 'linkage' situation: that is, the company has not caused or contributed to the impact, but the effect is directly linked to the company's operations, products, or services.

In such circumstances, businesses should first confirm that it is indeed a situation of linkage and not contribution. For instance, in the supply chain context, organizations can, in some instances, contribute to impacts that occur at the supplier level through their purchasing practices or payment terms.

If it is indeed a situation of linkage, organizations have a forward-looking responsibility to use their leverage in an effort to prevent the impact from continuing or recurring. However, they do not have a responsibility to provide for or participate in the provision of a remedy. Instead, this is the responsibility of those who caused or contributed to the harm.

In practice, even in the 'linkage' situation, organizations choose to contribute to remedying particularly grave cases as a humanitarian measure (for example, through a compensation fund).



Source: Structure and scope of different approaches to effective site-level remedy, with escalation if required.
 Access to remedy: Practical guidance for companies, ETI, 2019

Examples of possible remedies:

- Apology (e.g., to restore the dignity of the victim)
- Reinstatement/Rehabilitation of a dismissed worker
- Recognition of workers' organization for collective bargaining
- Financial or non-financial compensation (funds, material, educational programs)
- Dismissal of staff responsible for wrongdoing.

6 AUDITING TECHNIQUES

FSSC 24000 requires auditors to verify the existence of a functioning and effective grievance mechanism.

Various methods can be used in the auditing process to demonstrate the effectiveness of existing policies or procedures, or whether the implemented measures or actions taken by the organization can be assessed as legitimate and adequate.

The following aspects may be considered by the auditor (or audit team) during an FSSC 24000 audit:

- i. Is there a basic procedure for a grievance mechanism established and maintained by the organization, and have the roles and responsibilities been defined?
- ii. Does the procedure define deadlines and clear communication channels to ensure grievances are addressed and resolved within the specified timeframe?
- iii. Are additional grievance channels in place, such as a whistleblower system?
- iv. Has the organization established a clear, written declaration of commitment that ensures confidential treatment of the grievances submitted and non-retaliation?
- v. Have the policies and processes been written in a way that is clearly understood by all employees and in a form that is comprehensible to all stakeholders?

- vi. Is the grievance mechanism structured to reflect the actual risks and corporate structure? How are all processes communicated to supply chains or other relevant stakeholders, and are these categorized as direct or indirect impacts?
- vii. Review whether and how these policies and procedures are communicated to all stakeholders and whether specific groups (union members, business partners, workers, or worker representatives) are involved in the review processes. One method of demonstrating effective communication could be providing training to rights holders, which the organization should document.
- viii. The reporting process should be reviewed, updated where needed, and publicly available in a specific timeframe so that all relevant stakeholders can access the information.
- ix. Is an internal complaints/grievance register kept, and do the entries match up with potential grievance cases obtained? This could, for example, be verified through worker interviews. The auditor can also obtain information through other means, including investigative efforts such as consultation with NGOs, associations, trade unions, or public reports in the media.

In most cases, the effectiveness of complaint/grievance management can be determined by a combination of the following:

- Preliminary research: Available information on human rights violations, labor disputes, strikes, trade union reports, watchdog or other NGOs reports, etc.
- Interview with management / responsible functions: roles and responsibilities, awareness of procedure requirements, implementation
- Interviews with workers/ worker representatives/ trade union: preliminary overview of the actual condition of an organization's grievance mechanism, training and awareness, use of the mechanism, remediation, and communication
- Direct observation/site tour: complaint suggestion boxes positioning, publication of grievance channels (e.g. QR codes, instructions), other alternative methods (e.g. open-door policy)

Review of documents and records: policies, procedures, complaint register(s), sample cases of received grievances, including analysis/investigation, remediation, and communication

In most cases, the effectiveness of complaint management can be determined by interviewing workers or worker representatives, who could provide a preliminary overview of an organization's grievance mechanism's actual condition.

Note: A complaint register with no entries does not indicate that a grievance mechanism is effective. Other reasons, such as workers' fear of retaliation and fear of job loss or other repressive or cultural reasons, could be considered indicative.

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