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# Business & Human Rights Group 2024:

3/4

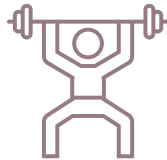
**Ensuring effective grievance mechanisms  
and remedy**

# What is your remedy to morning tiredness?

COFFEEEE!



SnooZZZZZe...



Nothing beats a workout



Meditation

Before jumping into our today's topic,  
let's refresh our memory and shortly  
revert back to what we did last time.

# The last session in May was all about **diving into your organisation** to embed human rights in action.


- + Structuring your **internal focus** on your salient human rights issues.
- + Building and exercising your company's **leadership** for human rights.
- + Building internal **relationships** and **teamwork** to develop a **culture** of human rights throughout the entire organization - from sales and HR to procurement and acquisitions.

Building and maintaining  
**internal buy-in**  
for Human Rights issues.



# Agenda of the day

**9.00** Opening and warm-up, FIBS & Enact

Group discussion 

**ENACT KEY NOTE** – What does remedy mean in practice?

**Sandra Adler**, Enact


Group discussion 

**10.20 COFFEE BREAK**

**10.30 ENACT KEYNOTE** – Effective grievance mechanisms,

**Sandra Adler**, Enact

**CASE EXAMPLE** – **Tobias Kvarnung**, Stora Enso

Reflection & discussion 

**EXPERT PRESENTATION** - How to change the story of your whistleblowing channel? **Sanna Kalliokoski**, Code of Conduct Company

**11.55** Wrap-up

## The focus:

This session focuses on how to establish effective remedy process and grievance mechanisms according to UNGPs and CSDDD, and how to develop the accessibility for those affected.

1. Let's keep the session interactive  
– ASK & DISCUSS
2. Use this session to INTERACT AND LEARN from your peers.

# **Time to discuss!**

## **Group discussion**



## Case exercise A: Remediating labour rights violations in supply chain

**Background:** An international industrial company Roartex sources its products from various suppliers across the globe. Recently, it came to the company's knowledge that one of its key suppliers, based in India, has been involved in severe labor rights violations. These violations include child labor in one of its supplier's facility, forced labour in the form of recruitment fees and retaliation of identity documents in its factory, as well as excessive overtime hours without proper compensation. The violations were brought up by an international watchdog organization in a report it made public and received significant media attention.

### Questions:

1. What immediate actions should the Roartex take following the publication of the report?
2. Does Roartex have remedy obligations? How should the supplier remediate the violations?
3. What factors should the supplier consider in developing its remediation approaches?

## Case exercise B: Remedying labour rights violations in supply chain

**Background:** Your company Stone sources gravel stone and crushed stone mainly from the United Arab Emirates. The gravel consists of a mix between basalt, limestone and sandstone. In the crushing and grinding, a lot of health and safety concerns have been raised by workers and local communities in UAE. Most of the workers are migrants from India and Bangladesh.

Recently there was a major protest against the lacking efforts to protect the workers from the health and safety impacts such as broken PPE and dusty air causing coughing attacks amongst workers and local community members, and furthermore dangerous transportation. The police and local security firm was deployed during the protest. They shot a few of the protestors with rubber bullets, with two workers being taken to hospital for minor injuries. This scared the rest of the workers to go back to their work.

Complaining about the government policy for working conditions is additionally an offence under local law. One of the Indian labor activists was sentenced to 12 years imprisonment for violating the labor laws of UAE, and attempting to incite workers to organize in an unlawful manner.

### Questions

1. What type of remedy might be appropriate for the different harms (health and safety, workers shot, scared protestors, union activist)?
2. What type of grievance mechanism should be available for a) workers, b) communities, c) unions?
3. How is it possible to advance grievance and remedy in a context where local law is partially in conflict with international standards on human rights?



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# **Ensuring effective remedy**

***Sandra Adler, Director of Human Rights Practice, Enact***

# Standard of expected business conduct

**A company should *know* and *show* that it respects human rights.**

- **Know** – have systems in place to find issues and address the impacts
- **Show** – be transparent to stakeholders



Policy



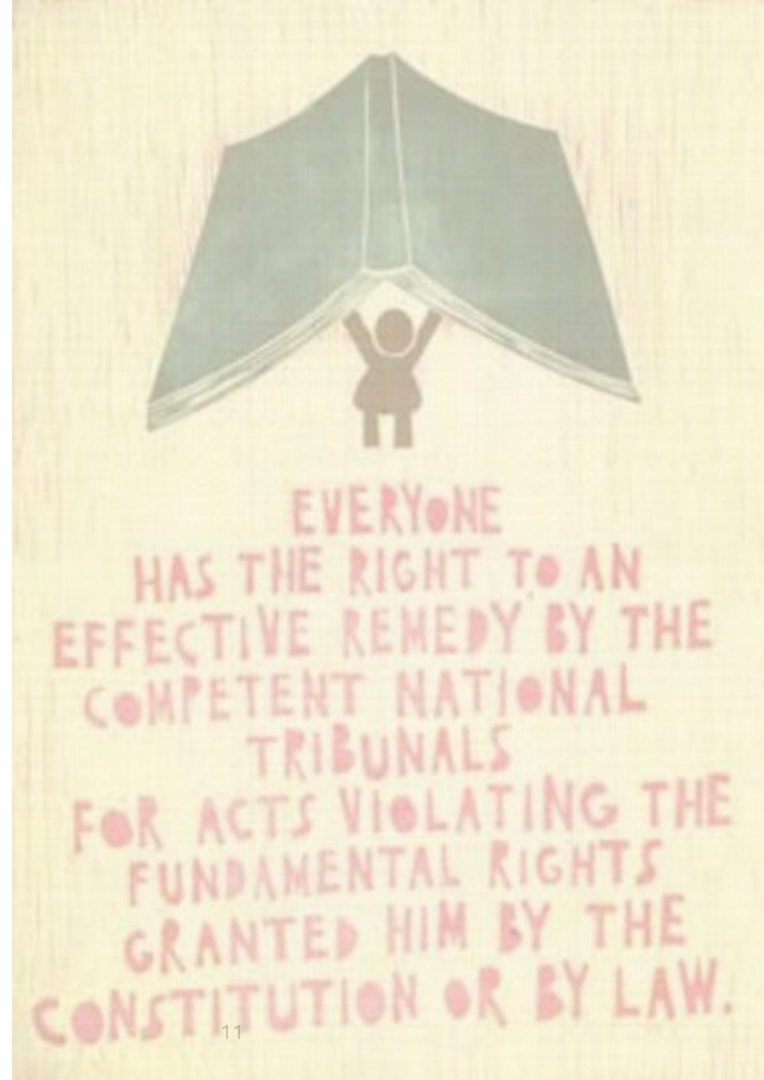
Grievance and Remediation



Human Rights Due Diligence

# What does remedy mean in practice?

*The right to an effective remedy is the right of a person whose human rights have been violated to legal remedy. Such a remedy must be accessible, binding, capable of bringing perpetrators to justice, provide appropriate reparations, and prevent further violations of the person's rights.*



## UNGP 22

### When harm, provide remedy

**Where business enterprises identify that they have **caused or contributed** to adverse impacts, they should **provide for or cooperate** in their remediation through legitimate processes.**

#### Commentary

- Even with the best policies and practices, a business enterprise may cause or contribute to an adverse human rights impact that it has not foreseen or been able to prevent. Where a business enterprise identifies such a situation, whether through its human rights due diligence process or other means, its responsibility to respect human rights requires active engagement in remediation, by itself or in cooperation with other actors.
- Operational-level grievance mechanisms for those potentially impacted by the business enterprise's activities can be one effective means of enabling remediation when they meet certain core criteria, as set out in Principle 31.
- Where adverse impacts have occurred that the business enterprise has not caused or contributed to, but which are directly linked to its operations, products or services by a business relationship, the responsibility to respect human rights does not require that the enterprise itself provide for remediation, though it may take a role in doing so.
- Some situations, in particular where crimes are alleged, typically will require cooperation with judicial mechanisms.
- Further guidance on mechanisms through which remediation may be sought, including where allegations of adverse human rights impacts are contested, is included in chapter III on access to remedy.

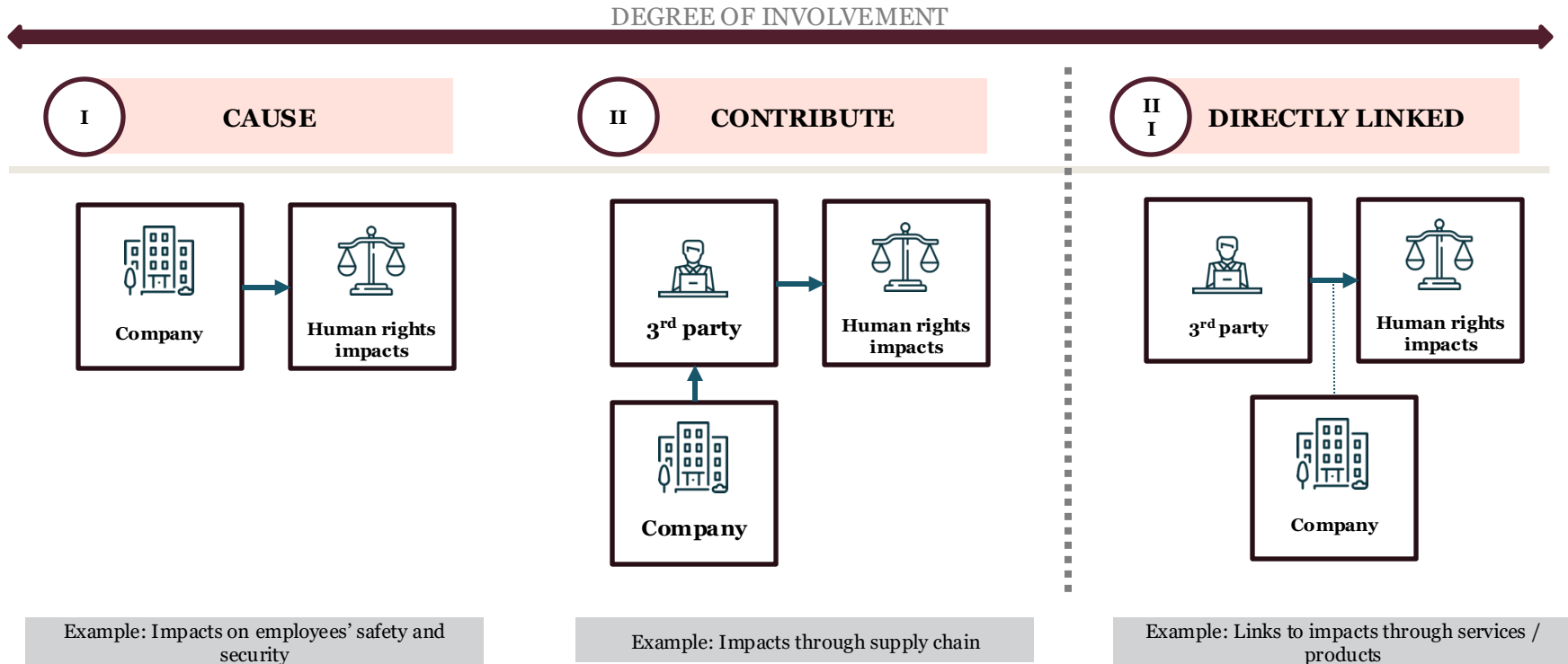
# CSDDD

## The DD obligation

*Member States shall ensure that companies conduct **risk-based** human rights and environmental due diligence as laid down in Articles 5 to 11 ('due diligence') by carrying out the following actions:*

- 1) **integrating due diligence** into their policies and risk management systems in accordance with Article 5;
- 2) **identifying and assessing** actual or potential adverse impacts in accordance with Article 6 and, where necessary, **prioritising** potential and actual adverse impacts in accordance with Article 6a;
- 3) **preventing and mitigating** potential adverse impacts, and bringing actual adverse impacts to an end and minimising their extent in accordance with Articles 7 and 8;
- 4) providing **remediation to actual adverse impacts in accordance with Article 8c**;
- 5) carrying out **meaningful engagement** with stakeholders in accordance with Article 8d;
- 6) establishing and maintaining a **notification mechanism and complaints procedure** in accordance with Article 9;
- 7) **monitoring** the effectiveness of their due diligence policy and measures in accordance with Article 10;
- 8) publicly **communicating** on due diligence in accordance with Article 11.

# Different degrees of involvement in human rights impacts



# Extent of responsibility

	Prevent / Avoid	Cease	Mitigate	Remediate	Use Leverage
Cause	x	x	x	x	
Contribute	x	x	x	x	x
Linked to	x		x		x

**“True peace is not  
merely the absence of  
war, it is the presence  
of justice,”**

**- Jane Addams, the second woman to win the Nobel Peace Prize, 1931.**



# Interpretative Guide on the UNGPs

Remediation/remedy is;

The **process** of providing remedy for a negative human rights impact

The **substantive outcomes** that can counteract, or make good, the negative impact.

Such as:

- apologies,
- restitution,
- rehabilitation,
- financial or non-financial compensation and punitive sanctions (whether criminal or administrative, such as fines), as well as the
- prevention of harm through, for example, injunctions or guarantees of non-repetition.

*The view of the affected stakeholder*

Interpretative Guide, OHCHR

[https://www.ohchr.org/sites/default/files/Documents/publications/hr.puB.12.2\\_en.pdf](https://www.ohchr.org/sites/default/files/Documents/publications/hr.puB.12.2_en.pdf)

## In practice – what can it be?

Short, medium, long term

- Restitution to situation before harm
- Apology
- Provisions to ensure that the harm cannot recur
- Financial compensation
- Work compensation (new job)
- Other compensation
- Support for livelihood, housing, basic needs
- Ending a harmful activity
- Ending a business relationship
- Other forms of remedy agreed by the parties

*The view of the affected stakeholder*

# CHRB – examples of indicator C.7 - remedy

[https://assets.worldbenchmarkalliance.org/app/uploads/2021/12/CHRB-Methodology\\_291121\\_Apparel\\_FINAL.pdf](https://assets.worldbenchmarkalliance.org/app/uploads/2021/12/CHRB-Methodology_291121_Apparel_FINAL.pdf)

Measurement theme C: Remedies and grievance mechanisms (20%)

## C.7 Remedying adverse impacts

The company provides for or cooperates in remediation to victims where it has identified that it has caused or contributed to adverse human rights impacts (or others have brought such information to the company's attention, such as through its grievance mechanism(s)). It also incorporates changes to systems, processes (e.g., human rights due diligence processes) and practices to prevent similar adverse impacts in the future.

### Score 1

For adverse human rights impacts which it has caused or to which it has contributed, the company describes the approach it took to provide or enable a timely remedy for victims OR if no adverse impacts have been identified then the company describes the approach it would take to provide or enable timely remedy for victims.

### Score 2

For adverse human rights impacts which it has caused or to which it has contributed, the company also describes changes to systems, processes and practices to prevent similar adverse impacts in the future AND the company describes its approach to monitoring implementation of the agreed remedy OR if no adverse impacts have been identified then the company describes the approach it would take to review and change systems, processes or practices to prevent similar adverse impacts in the future.

# Let's take a look

Example:

Adidas

Process

[https://www.adidas-group.com/media/filer\\_public/49/b3/49b3e456-5a3d-4439-a3cb-c37fe4c9e2fo/summary\\_of\\_third\\_party\\_complaint\\_process\\_adidasgroup\\_march\\_2017.pdf](https://www.adidas-group.com/media/filer_public/49/b3/49b3e456-5a3d-4439-a3cb-c37fe4c9e2fo/summary_of_third_party_complaint_process_adidasgroup_march_2017.pdf)

Cases and resolution

[https://www.adidas-group.com/media/filer\\_public/a1/db/a1db897b-4a50-4b6f-8b1d-e37a78a6a9b8/summary\\_of\\_human\\_rights\\_complaints\\_handled\\_by\\_adidas\\_group\\_in\\_2016.pdf](https://www.adidas-group.com/media/filer_public/a1/db/a1db897b-4a50-4b6f-8b1d-e37a78a6a9b8/summary_of_human_rights_complaints_handled_by_adidas_group_in_2016.pdf)

# What next?

## 6 questions for you to ponder to consider how you may advance your work

1. How can stakeholders lodge a complaint, today?
2. Do we have a grievance mechanism with the union?
3. Where do we receive incident reports or information that might be “hiding” a grievance (e.g. stakeholders do not have a voice to file one)?
4. Who might want to lodge a grievance about our business, and how do they access information? How might we reach out to them to understand more?
5. What concerns might they want to raise (include extended supply chain)? And how do that relate to our salient issues / high human rights risks?
6. Is there something we can do to improve access to lodge grievances on short notice (what or who may complain to our whistleblowing / hotline)?

## Types of remedies

- Apologies
- Restitution
- Rehabilitation
- Financial compensation
- Punitive sanctions, whether criminal or administrative, such as fines
- Prevention of harm through, f.ex. guarantees of non-repetition

**Time to discuss!**  
**Back to group discussion**



## Case exercise

Go back to your initial responses and see whether you can re-think some of the remedy approaches and responses that you discussed at the beginning of the session.



# Coffee break

10 min



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# **Grievance mechanisms**

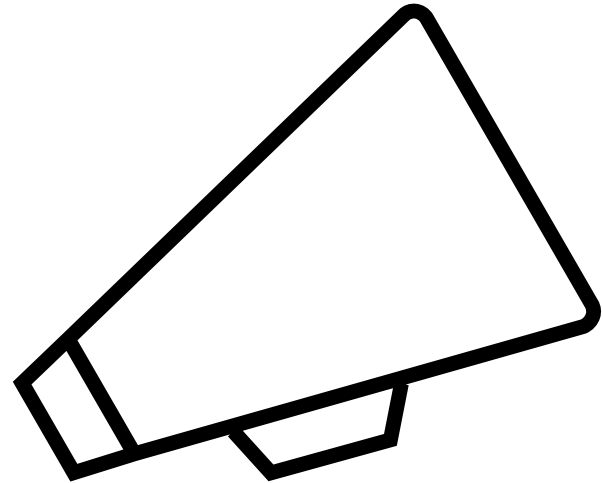
***Sandra Adler, Director of Human Rights Practice, Enact***

**“Nothing is settled  
permanently that is not  
settled right.”**

– Anonymous proverb

# What is a grievance?

*A grievance is understood to be a perceived injustice evoking an individual's or a group's sense of entitlement, which may be based on law, contract, explicit or implicit promises, customary practice, or general notions of fairness of aggrieved communities.*





## UNGP 29 and 30

### Grievance mechanism

29. 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.

30. **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.

## Grievance mechanism

### Grievance mechanism effectiveness criteria

**Legitimate:** The grievance mechanism enables the trust of the users for whom they are intended and are accountable for the fair conduct of grievance processes.

**Accessible:** The grievance mechanism is known and accessible to all potential users and offer adequate support to those who may face barriers to access.

**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.

**Equitable:** Users have reasonable access to information, advice and expertise. They can participate in a grievance process in a fair, informed and respectful way.

**Transparent:** The grievance mechanism keeps the parties to a grievance informed about progress and provide sufficient information about the performance of the grievance mechanism.

# UNGP 31

## Grievance mechanism

### Grievance mechanism effectiveness criteria continues

**Rights-compatible:** The grievance mechanism ensures that the outcomes and remedies comply with internationally recognised human rights.

**Based on continuous learning:** Relevant measures are in place to identify lessons for improving the mechanism and preventing future grievances and harms.

**Based on dialogue:** Individuals or groups for whom the grievance mechanism is intended are involved in the development and performance of the grievance mechanism. Dialogue is used as the means to address and resolve grievances.



# CSRD/ESRS

- ESRS sets some **disclosure requirements for remediation and grievance procedures** and channels to raise concerns
- ESRS is referring to the guidance by the content of the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct focused on remediation and grievance mechanisms.
- Companies shall **describe the processes** they have in place to **provide for or cooperate in the remediation of negative impacts** on their own workforce, value chain workers, affected communities and as well as consumers and/or end-users
- Companies shall describe the **channels available** of these stakeholders to raise concerns and have them addressed. Channels for raising concerns or needs include grievance mechanisms, hotlines, trade unions (where people in the workforce are unionised), works councils, dialogue processes or other means through which the undertaking's own workforce or workers' representatives can raise concerns about impacts or explain needs that they would like the undertaking to address.
- There are also some specific additional disclosure requirements **on incidents, complaints and severe human rights impacts related to companies' own workforce** (s1).

# CSDDD

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- 7) **monitoring** the effectiveness of their due diligence policy and measures in accordance with Article 10;
- 8) publicly **communicating** on due diligence in accordance with Article 11.

# CSDDD, Article 9

## Complaints procedure

Complaints may be submitted by:

- (a) persons who are affected or have reasonable grounds to believe that they might be affected by an adverse impact,
- (b) trade unions and other workers' representatives representing individuals working in the **value chain** concerned,
- (c) civil society organisations active in the areas related to the value chain concerned.

Companies to establish **a procedure for dealing with complaints**:

- if unfounded – inform the relevant workers and trade unions of those procedures;
- if well-founded – adverse impact is identified within meaning of Article 6

# CSDDD, Article 9

## Complaints procedure

Complainants have the right:

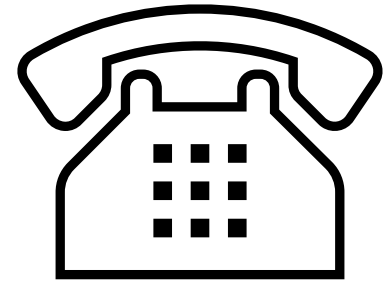
(a) to request **appropriate follow-up** on the complaint from the company with which they have filed a complaint pursuant to paragraph 1, and

(b) to meet with the company's representatives at an appropriate level to **discuss potential or actual severe adverse impacts** that are the subject matter of the complaint.

**NB: no remedy mentioned** (only as a result of civil liability)

Only general references to prevention, mitigation, bringing to an end and minimisation

**We have a hotline /  
whistleblowing  
system, that is  
pretty much the  
same as a grievance  
mechanism. Right?**



# Types of grievance mechanisms



Operational / company-based: hotlines, escalation procedures



Unions



Collective Business-led Grievance Mechanisms  
(typically available only to members)



Governmental quasi-judicial: OECD National Contact Points



Governmental administrative/judicial: Labour Inspectorates/ Courts

# Examples of company channels for receiving complaints

Whistle-blower /  
ethics hotlines

Employee  
ombudsman /  
human resources  
complaints  
processes

Open Door / Speak  
up policies

Trade Unions /  
Industrial Relations  
processes

Consumer  
complaints  
mechanisms

Community facing  
grievance  
mechanisms

B2B contract  
clauses with dispute  
resolution  
provisions

Code of Conduct  
requirements for  
supplier  
mechanisms

Audit processes  
(and worker  
interviews)

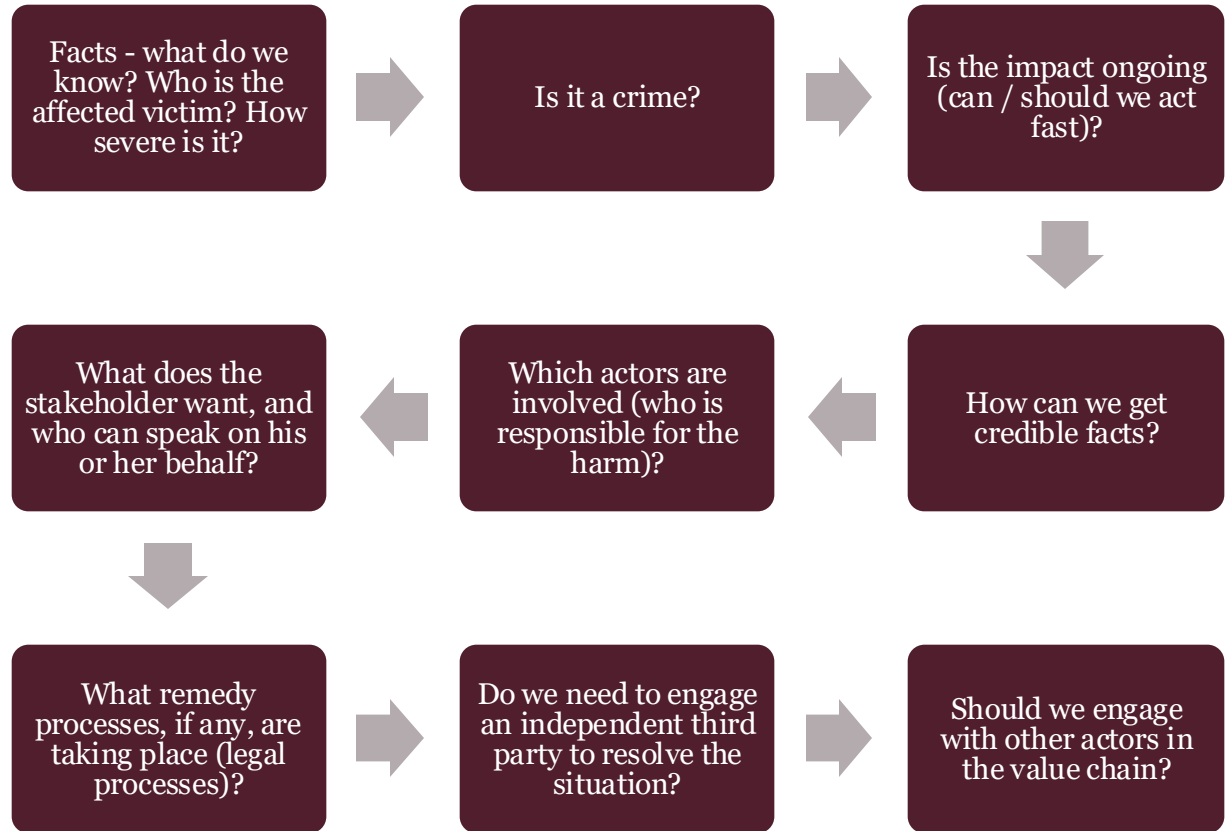
Human rights  
impact assessments  
(with workers &  
community  
interviews)

Supply chain  
hotlines

Stakeholder  
engagement (at the  
site level and the  
policy level)

# Applying a human rights lens to resolving a complaint or grievance

A complaint might actually be a grievance





# Some good practice for grievance mechanisms

## **Should we allow anonymous complaints? How to investigate anonymous complaints?**

Anonymous complaints should be allowed: investigating anonymous complaints one by one is difficult. However, trends in anonymous complaints can prove useful and should be taken into account.

## **Consider mediation if needed**

While most complaints will trigger a fact-finding investigation, in some cases where it is impossible to establish facts, mediation is a better alternative.

## **Be transparent about the process**

Describe the process clearly. Do you confirm receiving the complaint? How do you review the complaints? What is the time line for the process? How do you investigate the complaints? What actions do you possibly take?

## **Measure the effectiveness of the grievance channel**

By measuring the effectiveness ensure that the mechanism can achieve the benefits for which it is intended, and can help to reduce barriers to remedy for business-related human rights harms.

# CASE STORA ENSO

*Tobias Kvarnung, Compliance Investigation  
Manager, and Group Security Coordinator*



StoraEnso

## Stora Enso company-wide

Stora Enso is one of the largest private forest owners in the world, and a leading provider of renewable products in packaging, biomaterials and wooden construction.

Stora Enso shares are listed on NASDAQ OMX Helsinki and Stockholm and traded in the USA as ADRs and Ordinary Shares.

Sales  
**€9.4 billion**  
in 2023



Operational EBIT  
**€342 million**  
in 2023



**~20,000**  
employees



**Market cap: ~€10 billion**

## Tobias Kvarnung Compliance Investigation Manager and Group Security Coordinator

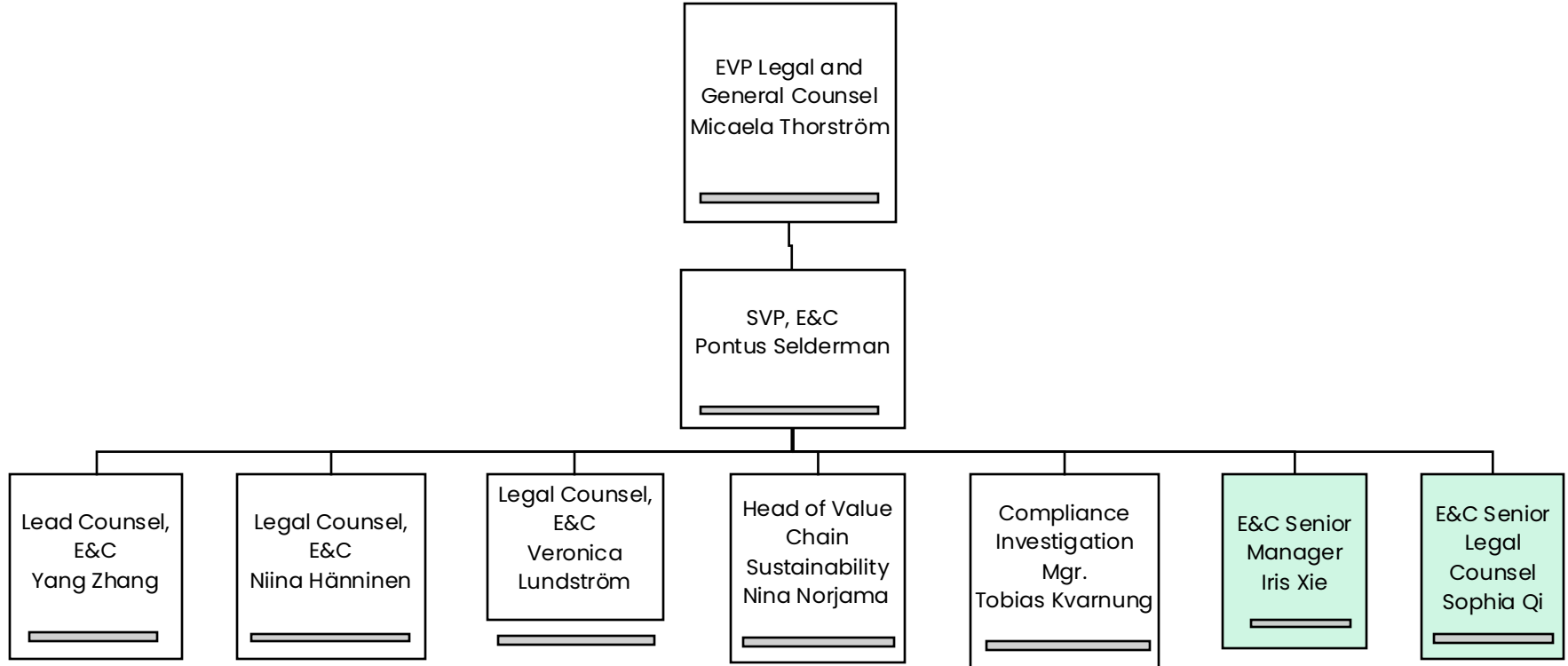
- 17 years with the Swedish police, as Police officer and later Detective. The last nine years with the Intelligence Department.
- 4 years working for Nordea as the Head of Raise Your Concern, running an international team of investigators responsible for Nordea's whistleblowing and internal investigation organisation.
- Since 2020 with Stora Enso, responsible for Compliance investigations and whistleblowing, investigations concerning breaches of Stora Enso Supplier Code of Conduct, and severe Safety and Environmental investigations from a compliance perspective.
- In addition, a Group Security coordinative role and responsibility for investigations with external threat- and fraud actors.



# Ethics and Compliance team, Group Legal



StoraEnso





# The importance of our Speak Up culture

By fostering a Speak Up culture, we empower our employees to identify and address potential issues promptly.

Whistleblowers must feel safe and encouraged to come forward with any suspicion of misconduct. Disciplinary measures or other applicable measures will be taken in accordance with applicable legislation against any employee who harasses, discriminates, retaliates or takes other unacceptable measures against a whistleblower.

**Whistleblowers help fairness and equity reach places it wouldn't otherwise**

# How to report a suspected case of misconduct, illegal or unethical behavior

1. Contact your **Manager**
2. Contact **People and Culture or Ethics and Compliance**
3. Use Stora Enso's reporting channel **Speak Up**, available internally to all employees on We Share as well as all external stakeholders, customers, and suppliers on [storaenso.com](https://storaenso.com)

Note that Ethics and Compliance focus and responsibility is misconduct and breaches of the **Stora Enso Code of Conduct**; such as fraud, bribery, theft, and different kind of harassment.

For HR related matters you shall contact your Manager or the People and Culture Team.



StoraEnso





# What happens when you've made a report?

- Reports received via the reporting channel **Speak Up** are investigated promptly and discreetly.
- All cases are investigated. Any consequent findings are recorded and reviewed.
- All cases are also reported to Stora Enso's Disciplinary Committee and to our Board of Directors.
- Proven cases of non-compliance can lead to disciplinary and/or legal action.





# Sharing thoughts and questions.



# How to change the story of your whistleblowing channel?

*Sanna Kalliokoski, Responsible Business Conduct Advisor, Code of Conduct Company*

# Wrapping up the session



# Upcoming sessions during 2024

<b>1. Evolving regulatory landscape around human rights</b>	<b>2. Embedding human rights</b>	<b>3. Ensuring effective grievance mechanisms and remedy</b>	<b>4. Collecting data and reporting on HRDD</b>
Overview on current regulatory frameworks and their implications.	How to support embedding human rights into relevant functions and processes. Means and best practices to secure buy in and to build human rights capacity across the organization.	UNGPs require companies to establish effective grievance mechanisms. The same is expected in CSDDD. Companies typically have their online channels for stakeholders to report on concerns and grievances. How make these more effective and how to establish other means? How to develop and communicate access to remedy?	Reporting on HRDD is one of the crucial requirements under CSRD and social ERS standards. In addition, How to report on HRDD under CSRD? What are some of the best practices to collect data from suppliers?
<b>Face to face meeting on 13.2.2024 at 8.30-12</b>	<b>Face to face on 28.5.2024 at 8.30-12</b>	<b>Face to face meeting on 10.9.2024 at 8.30-12</b>	<b>Online meeting on 19.11.2024 at 9.00-12</b>

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# Thanks for today!

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Share thoughts of your **key successes** and **challenges** of embedding human rights in your organization.

What is the **current situation**?