

# Community grievance mechanisms in the oil and gas industry

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Responsibility**  
2015

A manual for implementing operational-level grievance mechanisms and designing corporate frameworks





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# Community grievance mechanisms in the oil and gas industry

A manual for implementing operational-level grievance mechanisms and designing corporate frameworks

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## Executive summary

This manual provides a practical step-by-step guide to planning and implementing operational-level community grievance mechanisms (CGMs) and/or designing and managing corporate CGM frameworks. It is informed by the practical experiences of seven pilot operational-level CGMs conducted by IPIECA member companies together with shared learning from other IPIECA member companies, and stakeholder engagement.

The United Nations Guiding Principles on Business and Human Rights (UNGPs) promote the use, value and power of effective CGMs. The oil and gas sector recognizes the importance of effective CGMs and is responding positively to the UNGPs' recommendations. This is because operational activities, even those achieving the highest standards, can have varied social and environmental impacts, and can raise interest, concerns and complaints. Many companies are already implementing CGMs, which provide channels for affected individuals or communities to raise questions or concerns with a company and to have them addressed in a prompt, fair and consistent manner. They can complement, but do not replace, state-based judicial or non-judicial forms of remedy. Applied effectively, CGMs offer efficient, timely and low-cost forms of conflict resolution for all concerned parties. Used as integral elements of broader stakeholder and community engagement, they can enhance local relationships and can have a positive impact on operational plans, schedules and costs.

This manual is presented in 'modules' so users can read it in full or select those parts that are of interest. Step-by-step overviews are provided throughout, together with practical advice for those implementing or managing CGMs.

Section 1 provides an introduction to CGMs. It includes subsections defining terms and definitions, the relationship of CGMs to stakeholder engagement, the legal context, and a short guide to the UNGPs' eight effectiveness criteria, with examples of actions that implement them.

Section 2 focuses on the implementation and day-to-day management of effective operational-level CGMs. Three modules provide step-by-step guidance on planning, design and the procedure for managing grievances.

- Module 1, 'The planning phase', emphasizes the importance of understanding the business context, making a business case, and building on existing practice and knowledge.
- Module 2, 'The design phase', focuses on creating a design team; assessing risks and opportunities; developing the mechanism; setting a management framework; testing, reviewing and launching; and implementing, reporting and reviewing the CGM.
- Module 3 describes the procedure for managing a grievance, and outlines seven basic steps, from receipt of the complaint through to its resolution or close-out.

Section 3 focuses on the corporate framework for directing and managing CGMs, highlighting pathways to company-wide implementation and the importance of close cooperation between field and corporate personnel on process implementation. It explains the corporate role and emphasizes the need to win support from business leaders and key decision makers for CGM implementation.

- Module 4 describes the steps for getting started, assessing internal risks and opportunities, launching pilots, the contexts for developing or updating a corporate CGM management framework, and scaling up.
- Module 5 focuses on the development of a corporate framework, as a policy or standard, and looks at standard operating procedures, human resource issues, training, supporting guidance and tools, learning and assurance, and cultural and commitment issues.
- This Section concludes with Module 6 which explores how to support project operations and advance front-line good practice. It explains the importance of tailoring support to site needs on implementing CGMs, and explores incentives, cross-site learning, the need for key performance indicators and data collection.

Annex 1 provides a range of practical CGM tools.

IPIECA hopes that users will find this guide helpful, and look forward to feedback on how to enhance it. Comments or questions can be sent to [info@ipieca.org](mailto:info@ipieca.org)

# Section 1

## Introduction

Understanding grievance mechanisms

This Section provides an overview of terminology and definitions. It also explores the broader engagement and legal contexts in which community grievance mechanisms (CGMs) operate, and offers lessons collected from a range of extractive industry companies.

## Understanding grievance mechanisms

### Terminology and definitions

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CGM terminology has no definitive rules. Some companies use words like 'issue', 'concern', 'complaint', 'grievance' and 'feedback' interchangeably. Others define each term separately. In some cases, 'grievance' has negative connotations and is avoided. 'Feedback mechanism' is sometimes used to collectively describe the ways feedback is received, and includes CGMs. Companies should choose terms that their own stakeholders will understand and accept. This manual uses the following definitions:

#### Concerns or issues

Concerns or issues are questions, requests for information, or general perceptions that may or may not be related to a specific impact or incident. If not addressed satisfactorily, concerns may become complaints. Although concerns do not have to be registered as formal complaints, if raised they should be noted in an appropriate management system so that emerging trends can be identified and addressed through community engagement before they escalate.

#### Complaint or grievance

Complaints or grievances refer to allegations of specific incidents and of any damage, impact or dissatisfaction resulting from company or contractor actions, whether perceived or actual. Throughout this document, the terms 'complaint' and 'grievance' are used interchangeably, without presuming differences in scale, complexity or seriousness.

#### Community grievance mechanism (CGM)

A community grievance mechanism, or CGM, is a process for receiving, investigating, responding to and closing out complaints or grievances from affected communities in a timely, fair and consistent manner. CGMs are usually separate from any workforce grievance mechanism.

### Community grievance mechanisms and stakeholder engagement

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CGMs work best as integral components of a company's overall approach to community engagement, not as stand-alone processes or as substitutes for engagement. Without ongoing engagement, a CGM may be the only channel for external stakeholders to access a company, and may be used to make claims that are designed solely to gain company attention or that have already become acute and could threaten operations.

Community engagement gives neighbouring communities a voice in identifying, managing and preventing risks and potential impacts. Broad, continuous and inclusive engagement enables early identification of questions and potential sources of concern, which can prevent complaints.



A CGM is designed to deal with complaints as they arise. Effective CGMs show willingness to address concerns promptly and effectively, and can help to build local trust and goodwill. Most benefit is gained by the early introduction of a CGM into the project cycle.

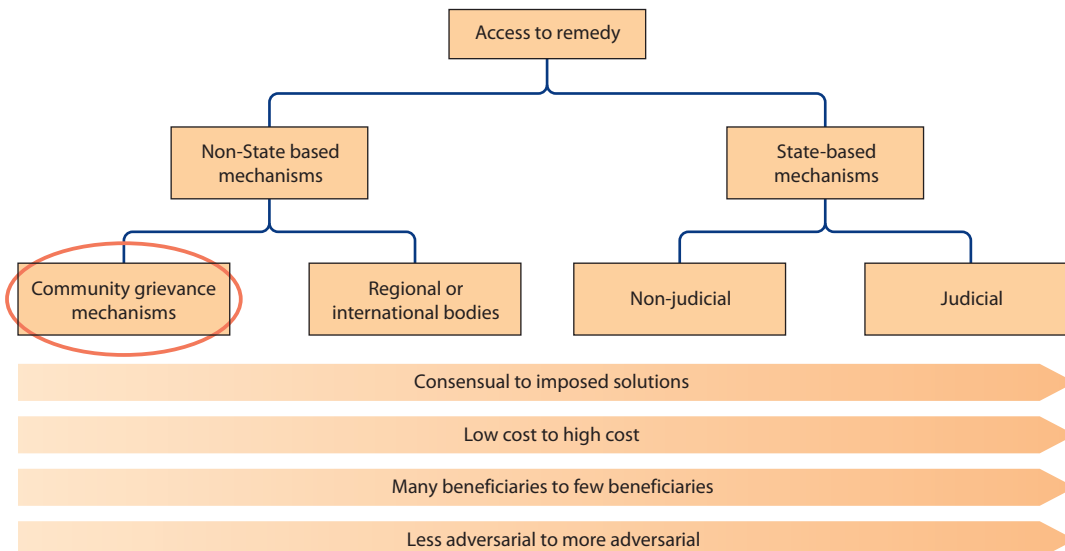
Good stakeholder engagement, impact management and grievance handling are mutually supportive. Effective engagement supports better impact management, while effective CGMs contribute to both through early identification of potential problems. CGMs also enable a company to generate cumulative learning to prevent recurrence. If they are embedded into existing management systems, CGMs can gain internal influence and become normal business practice.



## Grievance mechanisms and the legal framework

An operational-level community grievance mechanism helps a company and those potentially impacted by its operations to resolve issues in a non-judicial manner. CGMs cannot replace, nor should they impede, access to judicial systems. However, they offer access to remedy for community members for issues that can be dealt with outside the judicial system. They can be the primary form of remedy where communities have little confidence in the objectivity of a state-run judicial system or where accessing the legal system is complex or inaccessible. Operational-level community grievance mechanisms, as described in this manual, are not designed to handle criminal cases. See Figure 1 for context.

Figure 1 Mechanisms that provide access to remedy



CGMs provide a formal, locally focused process for addressing and resolving community concerns or complaints. However, in some circumstances issues handled locally may need input from elsewhere in the company. In these cases, individual companies may have processes for escalating issues to higher corporate levels for input, and which may be designed to meet legal interpretation or practice in specific jurisdictions. It is important to take account of the complexities of 'separate legal identity', a legal concept relating to the location and/or limitation of legal liability. For this reason, escalation procedures should be determined during CGM development and prior to implementation. If a CGM escalation procedure has not been determined at implementation, it may be advisable to seek guidance from an appropriate legal counsel before escalating an issue or grievance.

## Effectiveness criteria

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### Annex Tool 1

defines the eight effectiveness criteria for operational grievance mechanisms, and provides a short summary of each.



The United Nations Guiding Principles on Business and Human Rights (UNGPs) promote the use of operational-level grievance mechanisms, and contain eight effectiveness criteria for measuring their utility and performance. The criteria have gained international recognition as universal indicators of quality and fairness of CGM processes and outcomes, and they inform both the design and the functioning of the process. Companies can therefore use them to demonstrate their commitment to the UNGPs. However, there can be legitimate differences in local interpretation and application depending on context and legal requirements.

For managers developing a CGM, Table 1 lists some good practice options for applying the effectiveness criteria and shows how they help to align grievance mechanisms with their intent.

**Table 1** Examples of good practice options for applying the eight effectiveness criteria described in the UNGPs

Examples of company practices	Effectiveness criteria							
	Legitimate	Accessible	Predictable	Equitable	Transparent	Rights compatible	Continuous learning	Dialogue based
Impose as few restrictions as possible on the types of issues that can be raised under the grievance mechanism.	✓	✓						
Engage stakeholders in the design of the mechanism.	✓			✓				✓
Scale the grievance mechanism to include potential project risks and impacts on neighbouring communities.	✓	✓	✓	✓				✓
Take steps to prevent conflicts of interest within the grievance handling process.	✓			✓				
Respect the confidentiality of all parties to the grievance handling process.	✓			✓		✓		
Take active steps to make the grievance mechanism as accessible to neighbouring communities as possible.		✓	✓		✓			
Communicate how the process works, and detail grievance handling timelines and available resolution options.		✓	✓		✓	✓		
Take steps to protect parties to the grievance handling process from retaliation, for example by investigating accusations of retaliation through the ethics investigation mechanism (which is governed separately from the CGM).	✓	✓		✓		✓		
Accept anonymous complaints where permitted by law.	✓	✓		✓				
Acknowledge receipt of complaints and provide regular status updates, for example by letter, telephone or email.			✓		✓			✓
Take steps to build confidence in the fact-finding process.				✓				✓
Verify that outcomes are consistent with human rights.						✓		
Discuss rather than announce the investigation outcome and be open to suggestions from the complainant.				✓				✓
Provide appropriate training to staff and contractors on dealing with grievances.	✓	✓	✓	✓			✓	✓
Put tracking systems in place for logging grievances and monitoring actions.			✓					
Seek feedback on the functioning of the mechanism.	✓			✓			✓	
Report to neighbouring communities on the performance of the mechanism.					✓		✓	✓
Analyse data on grievances and lessons learned to inform changes in policy/practice that can help avoid recurrences.						✓	✓	
Have an assurance process to ensure the proper functioning of the mechanism.	✓		✓			✓	✓	
Acknowledge that complainants have the right to pursue other avenues of remedy if a solution cannot be agreed.	✓	✓		✓		✓		

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## **Section 2**

# The operational framework

Module 1: The planning phase

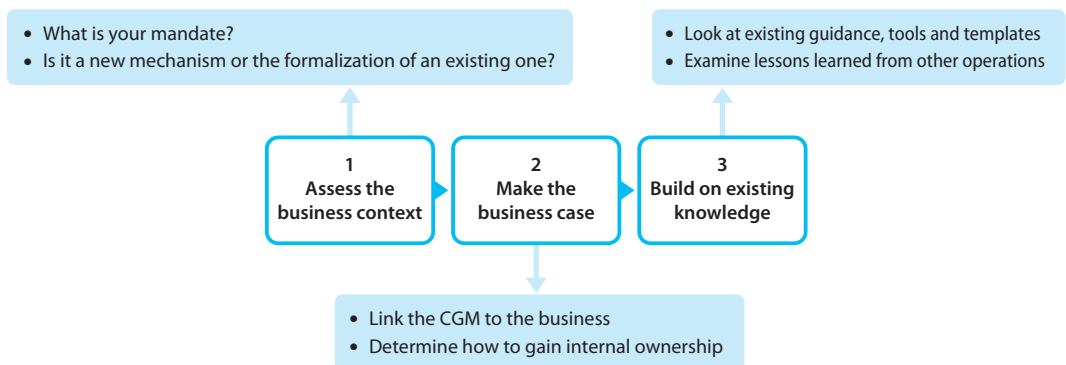
Module 2: The design phase

Module 3: The procedure

The three modules in this Section provide operational guidance on CGMs. They address CGM planning and design, and the procedure for receiving, investigating and responding to a grievance.

## Module 1: The planning phase

The planning of a CGM does not occur in a vacuum. The mechanism is developed in a business context, is affected by the degree of management support it enjoys, and builds on existing knowledge and community engagement practices. The three essential steps for a company to take when developing the planning phase are shown below:



## Step 1: Assess the business context



### Why important?

Practitioners should focus on the business context, and work to develop a CGM commensurate with the risk and scale of the operation. Understanding the context will also help practitioners to identify which available guidance and experience is most relevant.

### Advice for the practitioner

The following questions will help you to make decisions about your CGM design process.

#### 1. Mandate

- Who is initiating the CGM development?
- Is there a strong internal mandate, e.g. from company directors or senior management?

#### 2. Leadership support at the operational level

- Does site leadership champion CGM development, or is it seen as a head office initiative?
- Do you still need to make the business case to site leadership?

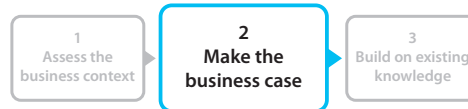
#### 3. Existing situation

- Will community grievance management be a new approach or the formalization of pre-existing informal grievance handling? Does the operation already have proactive community engagement as a forum to discuss concerns?
- What other formal or informal processes does the operation already use?

#### 3. Internal resources

- What support or direction does the corporate office provide?
- Is there a company standard or policy, or is the operation left to devise its own?
- Do any other company operations in the same region have a grievance mechanism? If so, what experience can they offer?

## Step 2: Make the business case



### Why important?

CGMs that are carefully designed and implemented and embedded in an effective community engagement programme, provide significant benefits to both companies and communities. Making the business case internally is essential to promote broad and cross-functional ownership and collaboration for the CGM. (See Table 2, *Overcoming internal concerns*, on page 22).

### Advice for the practitioner

Growing recognition of the value of grievance mechanisms for companies and communities is driving increased uptake across various sectors, including the extractive industries. Many managers recognize the value of a system that provides early warnings of potential project impacts and strengthens relations with the neighbouring community.

#### 1. Point out the benefits to the business

An effective CGM:

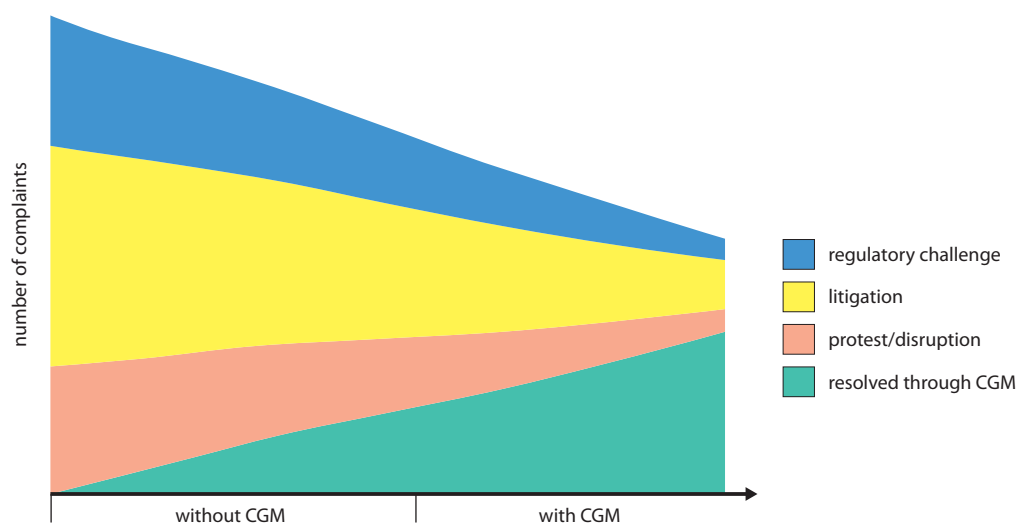
- improves relationships with neighbouring communities by demonstrating a company's willingness to take concerns seriously;
- promotes early identification of concerns, and addresses these where possible, enabling better management of operational impacts and avoiding potential harm;
- can increase efficiency by streamlining the informal grievance management process;
- reduces value erosion by preventing conflicts from escalating into litigation, protests, security incidents, or regulatory challenges that could result in harm to people, or schedule delays;
- improves and demonstrates alignment with international standards (including human rights standards) and external expectations, including from financial lending institutions; and
- facilitates a learning culture, which analyses trends and patterns to drive continuous performance improvement by reducing repeat grievances and enhancing business decisions.



### 2. Explain how the CGM can prevent and reduce conflict

- Figure 2 illustrates the general trends experienced by operations when an effective CGM is implemented; this includes both a decrease in conflict incident and escalation.

**Figure 2** *The value of a community grievance mechanism*



### 3. Naming and positioning a CGM is important for making the business case internally

- The name of a CGM is more than just a label; it is a positioning signal from a company to all stakeholders. 'Community grievance mechanism', 'complaint mechanism' or 'complaint procedure' are common. Neutral names, such as 'feedback mechanism', can attract enquiries and questions, or even positive feedback, which typically come through community engagement, not the CGM. Think about what name could work well for your stakeholders.

#### Box 1 Positioning the CGM when making the business case

There is no right or wrong way to name or describe a CGM. However, positioning a CGM can be the key to gaining internal buy-in, and it can be useful to make a link with familiar topics.

Three ways that companies may position CGMs are:

- as a key element of overall corporate human rights commitment and compliance;
- as an important tool in the stakeholder engagement improvement toolbox; and
- as a valuable perspective on impact management.

### Lessons learned

**1. Site leadership's support is key for CGMs**

- Site managers should stipulate and prioritize cross-functional CGM collaboration.

**2. Inform stakeholders that CGMs are becoming standard industry practice, not only 'best practice'**

- Use peer-to-peer engagement to promote this development internally and externally. Spread the word and consider inter-company cooperation to foster the practice.

**3. Collect and use hard facts about money saved and performance improvements**

- Quantifying the benefits of a CGM, comparing performance pre- or post-CGM or against operations without a CGM, can help overcome internal resistance.



## Step 3: Build on existing knowledge



### Why important?

Oil and gas companies can help quick-start their grievance mechanisms by collecting sector-wide knowledge and experience and learning local traditional ways of resolving disagreements.

### Advice for the practitioner

#### 1. Reach out to other operations within your organization

- If other operations have grievance mechanisms, learn from their experiences.
- Find out about other types of grievance mechanisms (e.g. ethics and anti-corruption, human resources, customer complaints-handling).

#### 2. Learn about experiences in other organizations

- Learn from companies that operate successful grievance mechanisms.
- Research public information on mechanism design and implementation.

#### 3. Understand traditional or existing ways of resolving conflict

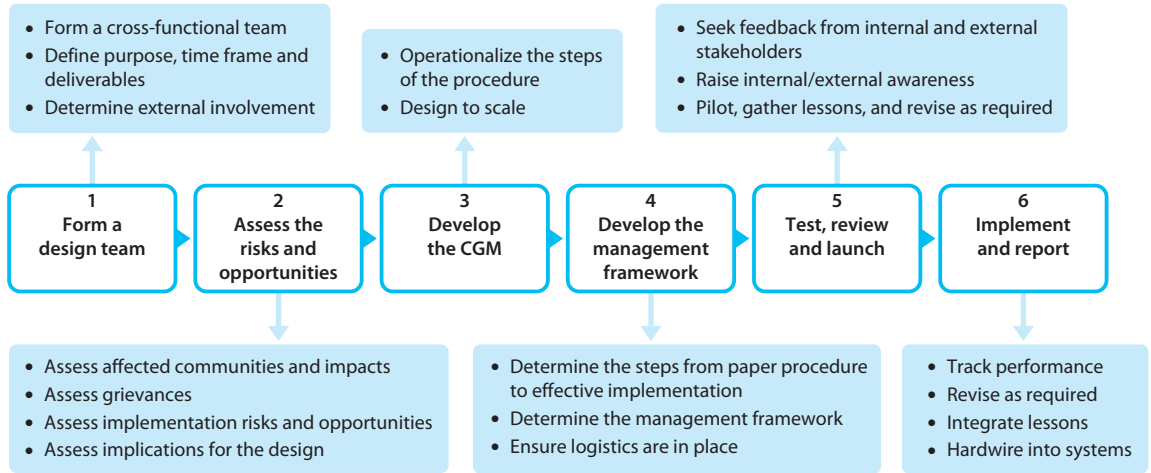
- Find out how communities currently resolve conflict. Identify key individuals, systems and approaches, and explore whether they can be utilized.

### Box 2 Formalizing or retrofitting an existing mechanism

- **Acknowledge existing grievance handling good practices.** Be sensitive to any local ownership of existing methods and build on effective aspects.
- **Use the UNGPs effectiveness criteria to assess an existing process.** These may identify an outdated mechanism, and help to gain internal support for any revision.
- **Anticipate internal resistance.** Owners of an existing grievance handling method may hold the view that, 'If it isn't broken, why fix it?' Others may worry that a new formal mechanism could highlight existing inefficiencies. Emphasize the potential broad-based benefits of change.
- **Develop a process map.** Careful planning brings internal stakeholders into the process in the right order at the right time. Start with a small group to build critical mass of internal support.
- **Involve department heads early.** A new mechanism may alter existing roles and responsibilities, so actively involve all departments associated with the current process.

## Module 2: The design phase

There are six steps for companies to follow in developing an effective mechanism:



## Step 1: Form a design team



### Why important?

The design team will be responsible for designing and implementing the grievance mechanism and promoting it inside and outside the company.

### Advice for the practitioner

#### 1. Establish a cross-functional design team

- This is important because grievances may raise issues that transcend internal boundaries or interface with existing systems. A typical cross-functional team might include representatives from the Community Relations, Human Resources, Health Safety & Environment (HSE), Security, Procurement, Operations, and Legal departments.
- Have a senior management operational sponsor for the process to create legitimacy and secure internal backing.
- Agree on scope of work, roles and responsibilities, an implementation timeline, resource requirements (skills, time, budget).

#### 2. Consult with both internal and external stakeholders

- When developing a preliminary plan, the team should consult all internal and external stakeholders to get their feedback. Internal stakeholders include practitioners from various company functions, owners of existing complaint handling processes, business managers, joint venture partners and contractors.
- Consider whether to include interested external parties. Involved stakeholders could include community groups, civil society, NGOs, traditional leaders, local government, and representatives of indigenous and vulnerable or marginalized groups.

See [Annex Tool 2](#) for guidance on determining which stakeholders to involve, when and for what purpose.



**Lessons learned****1. *The timing of external stakeholder involvement in the design process can be delicate***

- Involve them too early, and they may pursue issues beyond CGM development. Involve them too late, and they may feel they are simply 'rubber-stamping' the CGM. Most companies do not have external members in the design team, but will provide an outline of the basic CGM elements to engage relevant local communities and external stakeholders at various stages in the design.

**2. *Use internal resources efficiently***

- Typical design teams have one or two core members (sometimes with external consultant support) and involve internal stakeholders for specific input as required.

**3. *Acknowledge those responsible for previous grievance handling efforts***

- When formalizing an existing mechanism, involve staff who have been managing it. They may feel 'ownership' about how grievances are handled, can share valuable experiences, and will want their voices heard.

## Step 2: Assess the risks and opportunities



### Why important?

Assessing risks and opportunities helps to evaluate both the nature and frequency of expected complaints, and to make the CGM design fit for purpose.

### Advice for the practitioner

#### 1. For new grievance mechanisms, conduct a risk and opportunity assessment

- Consider factors that could affect complaint patterns and the response effort needed, e.g. operation footprint and impact, size and makeup of local communities, legacies of previous industrial activity, and levels of trust in government and company.
- Consider traditional dispute resolution methods, local conflict resolution culture, and available local resources.

#### 2. For an existing mechanism, run a diagnostic assessment

- Identify gaps and opportunities to improve efficiency and/or upgrade grievance handling performance.

See [Annex Tool 3](#) for a guide to complaints risk assessment for new operations.



See [Annex Tool 4](#) for guidance on improving existing community grievance mechanisms.



### 3. Identify and acknowledge concerns from internal stakeholders

- Acknowledge, discuss and address internal concerns as part of winning support. (See Table 2)

**Table 2** *Overcoming internal concerns*

Concern	IPIECA experience
'We're offshore, so we have no impacts.'	Offshore activities can impact commercial and artisanal fishing, tourism, close-to-shore communities, those close to supply bases, and those benefiting from community projects etc. (See Box 3.)
'Why formalize a system if informal grievance handling works?'	Public perception, and factors such as lender requirements, mean the company needs a uniform grievance management system. Without a formal process, it may be impossible to measure and demonstrate efficacy of the current system.
'I'm worried that linking the company to lots of grievances will have a negative impact on our reputation.'	Even if complaints increase with a CGM, the company can explain that this process aims to enhance overall operational performance. Both more and fewer complaints can demonstrate good performance.
'If we have a formal system, will complaints flood in from those who want something from us?'	Complaints may rise after a CGM launch, but they often level off or fall as people realize only genuine complaints bring changes.
'Why do we need a CGM if we already have an ethics and compliance hotline?'	Hotlines usually relate to ethical issues and may only be accessible to employees and contractors. However, in most cases, complainants prefer to lodge grievances face-to-face with someone they know rather than with a unknown call receiver.



#### 4. Consider how types of complaint could vary over the project cycle (See Table 3)

**Table 3** Community grievance mechanisms according to project phases

Phase	Characteristics	Implications/challenges
Exploration	<ul style="list-style-type: none"> <li>Limited activity on the ground (usually seismic/exploration or drilling)</li> <li>Temporary presence or long periods of inactivity</li> <li>Prospects for long-term presence still uncertain</li> <li>Mostly contractors on the ground with limited presence of company representatives to supervise activity</li> </ul>	<ul style="list-style-type: none"> <li>When to launch/publicize the CGM</li> <li>How much consultation or third party involvement is needed</li> <li>CGM efficiency due to the scarcity of full-time company staff</li> <li>Contractor alignment with the CGM</li> <li>Tracking grievances may be an issue if management systems have not yet been put in place</li> </ul>
pre-FEED*, FEED (*front-end engineering and design)	<ul style="list-style-type: none"> <li>Possible increase in activity on the ground (e.g. due to appraisal drilling)</li> <li>Some land acquisition</li> <li>Increase in stakeholder engagement</li> <li>Hiring of more staff (including community liaison personnel)</li> <li>Baseline assessments (social profile, land use, impact assessments, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Consultation with stakeholders on the design/functioning of the CGM</li> <li>Many grievances are likely to relate to the quality of stakeholder engagement or about design options</li> <li>The CGM must be efficient as there may still be relatively few full-time staff</li> </ul>
Construction	<ul style="list-style-type: none"> <li>Period of greatest potential impact on affected community stakeholders due to the possible need to acquire land, and build roads and other infrastructure</li> <li>Manage construction traffic</li> <li>Manage all other impacts related to construction activities, e.g. livelihoods, safety, security</li> </ul>	<ul style="list-style-type: none"> <li>High volume of grievances; most likely related to construction impacts and labour issues</li> <li>Grievance handling coordination needed across multiple contractors</li> <li>Management information system needed to track grievances, log data</li> </ul>
Operations	<ul style="list-style-type: none"> <li>Significant reduction in impacts on affected communities compared to construction phase</li> <li>Company has full-time staff in place; management systems are in place and fully functional</li> </ul>	<ul style="list-style-type: none"> <li>Reduced volume of grievances compared to construction phase</li> <li>Subject of grievances is likely to shift to more operational impacts</li> <li>Fewer contractor interfaces compared to construction phase</li> </ul>
Decommissioning	<ul style="list-style-type: none"> <li>Possibility of significant impacts associated with the removal of infrastructure and remediation works</li> <li>Staff gradually being reduced, possible significant local anxiety</li> </ul>	<ul style="list-style-type: none"> <li>Possibility of an increase in grievances as the company scales down staffing and activity</li> </ul>

### Lessons learned

#### 1. Do not underestimate the importance of a risk assessment

- Omitting initial risk and opportunity assessments can result in CGMs being overdesigned and requiring expensive and difficult late-stage alterations.

#### 2. Ensure alignment with applicable host country requirements

- Some oil and gas-producing nations are developing grievance mechanism-related standards on data protection, confidentiality, conflict of interest, legal recourse etc.

#### Box 3 Community grievance mechanisms and offshore contexts

IPIECA members operating offshore offer the following lessons learned:

1. Highlighting the CGM business case internally is important, as it may not be obvious how operations can have an impact on communities that are physically and geographically distant. For example, offshore spillage could have an impact on livelihoods in a coastal community.
2. Typically, grievances relate to: damage to artisan fishing nets by supply vessels; security arrangements around offshore exclusion zones; and impacts on maritime commercial or leisure activities.
3. Grievances may also be linked to supply base activities at ports or airports, although these are often shared facilities, common to several operators.
4. For dispersed communities—such as artisanal fishing communities along extensive coastlines, or island communities—identifying access points can be challenging.
5. In large domains, trusted proxies (e.g fishing associations) may receive grievances.



## Step 3: Develop the community grievance mechanism



### Why important?

Based on the risk assessment, the design phase ties the various elements of the CGM together, including the steps from accepting a grievance until close-out.

### Advice for practitioner

#### 1. Determine the scope of the CGM

- A CGM's scope determines which grievances it will or will not accept. Table 4 (page 26) lists questions for determining what type of grievances to accept, and from whom.

#### 2. Decide how to handle anonymous grievances

- Although CGMs should be open to anonymous complaints, when they are received companies are advised to encourage people either to make confidential complaints instead, or to enlist a trusted community member who knows their identity to make the complaint on their behalf.
- In one case, where a contractor's employee made a complaint anonymously, the company realized it had wider implications and contacted all of that contractor's employees who might have been affected. Later, the complainant told the company that it had addressed the problem.

#### Box 4 Anonymous vs. confidential grievances

Addressing anonymous grievances can be challenging. They may lack sufficient detail for an investigation or for meaningful feedback. Anonymous grievances are not the same as confidential grievances. The identity of an anonymous complainant is unknown to the company, whereas in confidential cases the grievance officer will typically know the identity of the complainant. Confidential grievances typically involve cases where there is a fear of retribution, such as subcontractor employee complaints. Confidential grievances often involve cases where the complainant could receive significant compensation or is worried about being labelled a complainer.

#### 3. Make the design appropriate for the business risk and impact

- A CGM's scale should be decided during risk-assessment based on anticipated volume and types of grievances. It is best not to overcomplicate a CGM. Most companies have a formal or informal community complaints handling system. Understanding and building on what works is a good base for a new mechanism.

**Table 4** *Self-assessment tool to determine the scope of the mechanism*

	Considerations	Intended scope	Current CGM scope
1.	Will you accept only complaints/grievances, or can the CGM handle issues, questions and concerns?		
2.	Will you have a single CGM or several (for example having separate processes for resettlement, labour issues, security, ethics hotline, etc.)?		
3.	What type of grievances will you accept and which ones will you not? <ul style="list-style-type: none"> <li>• How will you handle commercial complaints?</li> <li>• How will you handle labour-related complaints?</li> <li>• How will you handle human rights-related complaints?</li> </ul>		
4.	Will you accept contractor-related complaints, or will contractors have their own CGM?		
5.	Will you handle complaints about contractor labour issues (e.g. late payment of wages, discrimination) through the CGM? If contractor staff are community members, what channel so they have to complain?		
6.	What is the geographical area from within which you will accept grievances?		
7.	Who can lodge a grievance? Only impacted people/communities, or also other groups/individuals such as NGOs and politicians?		
8.	If you have a CGM and an ethics hotline, have you specified the type of grievances that each will be able to accept?		
9.	Will you accept only individual grievances, or will you also accept group/collective grievances?		
10.	Will you accept anonymous grievances?		

#### 4. Determine time frames for each step in the process

- The company should make a public commitment to respond within a set time frame. This provides predictability and stops complainants from feeling that their grievances have gone into a 'black hole'.
- Make sure that internal steps for acknowledging, investigating and responding to grievances are aligned to meet this time frame.

### Lessons learned

#### *Many companies initially overlook the importance of scope*

- Early determination of scope—even before the design process starts—will provide clarity on direction and ease the development process.
- Clarity on scope also enables the company to determine how to act on a grievance, or who a grievance should be referred to, if those grievances fall outside the mechanism's remit.
- CGM implementation is an integral part of project management.
- Standard project management processes should be closely monitored to avoid issues such as unclear goals, duties, targets, scope, etc. Use of project management language and terms can also help to gain support or acceptance from engineering and planning personnel.

#### Box 5 The relationship between the CGM and community engagement

A company that did not carry out systematic community engagement formalized its CGM. The CGM's designers created categories (inquiries, clarifications, requests, concerns, issues, complaints, grievances) to capture a broad spectrum of feedback. With the CGM in place, incoming data indicated that the best way to address most issues would be proactive engagement rather than the lengthy, reactive CGM approach. Most feedback required information, so more community liaison officers were hired, confining grievances and complaints to the CGM.



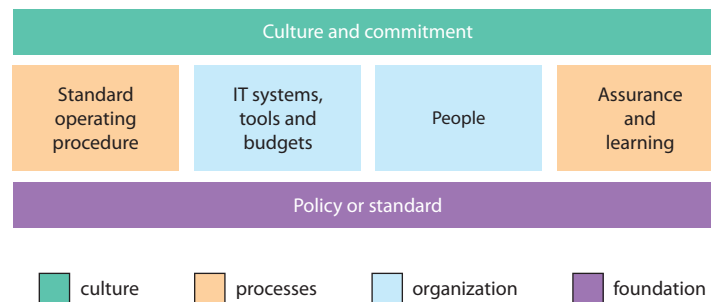
## Step 4: Develop the management framework



### Why important?

A CGM is a business process, so it requires resources, clarity on roles and responsibilities, and systems to track and assess performance. It needs a management framework with an enabling policy/standard, standard operating procedures, qualified personnel with defined roles and responsibilities, appropriate resources and an assurance process. Equally important are management commitment, and a company culture that is supportive of addressing complaints. Figure 3 shows the elements of a CGM management framework.

**Figure 3** Management framework for community grievance mechanisms



**Culture and commitment:** Effective CGMs need supportive leadership and internal culture, in addition to policies, procedures, people and systems.

**Standard operating procedure (SOP):** CGMs should be managed in line with a standard operating procedure detailing steps to follow when dealing with complaints. SOP content typically includes the following basic elements: process objectives and scope; staff and contractor roles and responsibilities; steps to follow; and defined performance data to be monitored.

**IT systems, tools and budgets:** Information management systems are vital for tracking grievances. They vary in functionality, cost and the degree to which they integrate with existing systems. Budgets may cover dedicated staff, training, external communications material, consultants, use of neutral third-party facilitation/mediation, and grievance investigation and resolution costs.

**People:** CGMs require skilled staff with clear roles and responsibilities. Staff or contractors involved in grievance handling may need training to perform effectively.

**Assurance:** Grievance mechanisms may undergo periodic internal assurance to check that they function in line with the established policy and objectives. When incorporated into an existing policy framework, a CGM will usually be subject to the existing assurance process.

**Policy or standard:** At the highest level, a CGM should be governed by a policy/standard. This may be 'stand-alone' or part of an existing stakeholder engagement or social performance policy.

### Advice for the practitioner

#### 1. *Management oversight can be helpful*

- Consider grievance escalation as part of the mechanism.
- Consider assembling regular CGM performance reports for submission to leadership.
- Consider producing a periodic (e.g. twice yearly, annually) CGM performance analysis which identifies improvement opportunities and demonstrates progress to leaders.

#### 2. *Cross-functional CGM ownership is important*

- As grievances may cover a range of issues and transcend internal boundaries (health, safety, security, environment, social, legal), CGM design and implementation needs to be cross-functional and coordinated by a dedicated process owner.
- A Grievance Response Committee may enable the process to be overseen by a broader group of internal stakeholders.

#### 3. *Decide where the CGM is 'housed' in the organization*

- A mechanism's internal credibility can be affected by reporting lines. For example, a CGM may have more internal legitimacy if it reports directly to senior management rather than to the Legal or Community Relations departments.
- Deciding on the CGM's 'home' usually depends on factors such as:
  - Is the internal credibility of Community Relations an obstacle or an advantage in gaining cooperation from other departments in the organization?
  - Is the mechanism simply a complaint or grievance mechanism, or is it a broad feedback mechanism, designed to accommodate inquiries, comments and positive feedback?

#### 4. *Decide on roles and responsibilities*

- All CGMs have several significant roles and decision-making points. Early agreement on roles and responsibilities avoids confusion later, when adjustment may be harder. Table 5 on page 30 lists important responsibilities with options for appropriate lead personnel.

**Table 5** Roles and responsibilities

Who is responsible for ...	Options
Serving as the custodian for the CGM?	<ul style="list-style-type: none"> <li>• CEO</li> <li>• General Manager</li> </ul>
Accepting a complaint or grievance?	<ul style="list-style-type: none"> <li>• Grievance Officer</li> <li>• Community Liaison Officer</li> <li>• Third-party access points</li> </ul>
Capturing and recording the complaint in a centralized database?	<ul style="list-style-type: none"> <li>• Grievance Officer</li> <li>• Administrator</li> </ul>
Providing the acknowledgement slip?	<ul style="list-style-type: none"> <li>• Grievance Officer</li> <li>• Community Liaison Officer</li> </ul>
Conducting the initial rapid response?	<ul style="list-style-type: none"> <li>• Community Liaison Officer</li> </ul>
Assigning the case to a department?	<ul style="list-style-type: none"> <li>• Grievance Officer</li> <li>• Community Relations Manager</li> </ul>
Assigning an investigator in the department?	<ul style="list-style-type: none"> <li>• Head of the assigned Department</li> </ul>
Leading the investigation?	<ul style="list-style-type: none"> <li>• A designated person in the department associated with the complaint (supported by the Liaison Officer)</li> </ul>
Keeping the complainant informed during the investigation process?	<ul style="list-style-type: none"> <li>• Grievance Officer</li> </ul>
Escalating a case internally if investigation timelines are not kept?	<ul style="list-style-type: none"> <li>• Grievance Officer</li> <li>• Community Relations Manager</li> </ul>
Ensuring the investigation is completed within the designated time frame?	<ul style="list-style-type: none"> <li>• Head of the assigned department</li> </ul>
Proposing a company response?	<ul style="list-style-type: none"> <li>• The investigator with the complainant</li> </ul>
Agreeing on a company response?	<ul style="list-style-type: none"> <li>• Community Liaison Officer (for easy cases)</li> <li>• Head of the associated department</li> <li>• Grievance Committee</li> </ul>
Discussing the company response with the complainant?	<ul style="list-style-type: none"> <li>• Community Liaison Officer</li> </ul>
Triggering a recourse mechanism?	<ul style="list-style-type: none"> <li>• The complainant</li> </ul>
Closing a complaint if the complainant cannot be found?	<ul style="list-style-type: none"> <li>• The Community Relations Manager combined with the Legal Department</li> </ul>
Representing a case that is escalated to court?	<ul style="list-style-type: none"> <li>• Legal Department</li> </ul>
Paying compensation costs (if applicable)?	<ul style="list-style-type: none"> <li>• The department associated with the grievances</li> <li>• Central CGM budget</li> </ul>



**5. Resources should be proportional to the scope and expected volume**

- Risk assessment and grievance volume estimates inform resource requirements for CGM development and implementation. Table 6 lists items to consider.
- Does grievance management need a dedicated Grievance Officer, or can the role be included in an existing employee's job description?

**Table 6** Budget line items related to the community grievance mechanism

No.	Line item	Total
<b>A Human resources</b>		
1.	Salary costs	
2.	Consultant (policy/SOP development)	
3.	Consultant (Trainer)	
<b>B Transport</b>		
1.	Vehicles	
<b>C Events</b>		
1.	Public consultation	
2.	Third parties (mediators facilitators, technical experts, etc).	
3.	Staff/contractor training	
<b>D External communication</b>		
1.	Printing and designing materials	
2.	Public dissemination efforts	
<b>E Technology</b>		
1.	Computers	
2.	Grievance database system	
3.	Consultant (software develop/implement)	
<b>Total</b>		

**6. The skills and personality of the Grievance Officer or Coordinator are key**

- Externally, the person may need to be compassionate while respectfully informing complainants that an investigation has found no evidence to pursue a case. Internally, the grievance officer needs to be able to 'drive' a time-sensitive investigation that other departments may treat as low priority.

**7. Select an IT system to meet the need**

- Many software companies provide customized database systems for grievance management and other aspects of social performance. However, most generic database systems can generate reports and provide the required management information. Take advice from knowledgeable colleagues.

**Annex Tool 5** provides a sample job description for a Grievance Officer.



See **Annex Tool 6** for list of common questions that companies have asked about IT solutions.



**Box 6** Grievance database system or incident reporting system

Most companies will consider adapting their incident reporting systems to the needs of a CGM, for example, by approaching grievances as 'social incidents'.

**Pros:**

- Familiarity with an incident reporting system may help to quick-start a CGM.
- Cost efficiency achieved through the use of one database system as opposed to two or more.

**Cons:**

- Management of incident reporting is typically reactive, whereas CGMs are proactive.
- Confidentiality management can be unclear in an incident reporting system.
- Traceability in relation to the external stakeholders. Incident report systems usually have internal communication interfaces only.
- The incident management system may not generate the type of tracking data you need.

**Lessons learned****1. Decide how to deal with the risk of retaliation**

- Retaliation against complainants can be a serious issue and can undermine the legitimacy of a CGM. Retaliation can come from other community members, from company departments (for example if the complainant is a contractor) or from employers (for example, when a complainant works for a contractor).

**Box 7** Tackling retaliation

Some companies insert into their standard operating procedure a clause like this:

'Retaliation is any adverse action taken against a complainant, employee or contractor whose purpose is to frustrate the operation of this SOP. The company will not tolerate such conduct. When concerns about retaliation or victimization are raised, they will be investigated under the Code of Conduct procedure.'

**2. Review CGM resourcing alongside ongoing community engagement resourcing**

- If it is operating within an under-resourced community engagement framework, a well-resourced CGM often will be overused as the main or only way to gain company attention. While designing a CGM, many operations realize they also need community engagement to identify and address issues before they get to the CGM.

**3. Distinguish between a CGM and an ethics hotline**

- It is important that this distinction is understood. Box 8 describes the relationship between a CGM and an ethics (or 'whistle blowing') hotline.

**Box 8 How does the community grievance mechanism relate to a 'whistle blowing' hotline?**

The 'whistle blowing' or ethics hotline is a channel for employees, contractors (and sometimes community members) to bring (usually anonymously) to the attention of the company at the highest level a grievance or concern about alleged unethical practices or other serious issues.

'Whistle blowing' lines are serviced and managed by third parties to ensure objectivity and no company interference. Unlike CGMs, they are not face-to-face and do not involve dialogue.

As a general rule, allegations of corruption or other serious misconduct by company staff could be made through the ethics line. For all other community-related grievances, the community grievance mechanism should be used as a first point of entry.

**4. Before finalizing the procedure and testing its effectiveness, check that all aspects of the management system are in place**

- Box 9 (below) outlines a management system checklist.

**Box 9 CGM management systems checklist**

- Is the scope agreed?
- Is there agreement on the name of the mechanism?
- Who has line responsibility for the CGM and where is its 'home'?
- Is the governance structure agreed?
- Are roles and responsibilities clear and formalized?
- What management information will be generated and based on which KPIs?
- Is the database system in place?
- Are all contractors aware of what is expected from them?
- Are forms, database, KPIs and reporting requirements in place?
- Are resources sufficient to operate the CGM effectively?
- Has grievance management been 'hardwired' into contracts, job descriptions, performance requirements and other management systems?
- Have staff responsible for investigations been trained for their roles?

## Step 5: Test, review and launch



### Why important?

Once the draft CGM design is complete, it should be discussed with a broader group of internal and external stakeholders to obtain their input. Once the CGM has internal and external buy-in, it needs to be tested and, if necessary, reviewed before being officially launched. The launch is an important opportunity to build credibility and demonstrate the company's commitment to addressing complaints in a professional manner.

### Advice for the practitioner

#### 1. Ensure internal and external buy-in

- Successful mechanisms need senior management support, so keep them informed throughout the development process. The General Manager should make clear that he/she expects full collaboration from all departments in CGM implementation.
- Organize awareness sessions (or one-on-one conversations) with key internal stakeholders to present the draft CGM and to solicit feedback.
- To build legitimacy, discuss the draft CGM with selected external stakeholders to verify its practical applicability, and to get their comments and suggestions.

#### 2. Test informally

- Road test the CGM before formal launch, iron out any flaws and minimize the need for significant early-stage alterations, which could undermine credibility.
- Test the CGM against non-formalized complaints arising during engagement efforts.
- Before launching, ensure access points are fully functional, forms are in place, internal roles and responsibilities are clear, timelines clarified, the database system is functioning, logistics are in place and that company/contractor staff are trained.

#### 3. Decide how to increase internal awareness

- Conduct broad internal awareness about the CGM through:
  - newsletter articles;
  - integrating CGM speaking points into senior leadership presentations;
  - pop-up screen savers;
  - toolbox meetings;
  - posters and leaflets; and
  - integrating the CGM into the induction training of new employees and contractor staff, so that they know what is expected of them.

**4. Decide how to raise public awareness**

- Develop culturally appropriate publicity to let potential users know how and where to access the mechanism.
- To increase predictability, explain the specific steps in the procedure from receipt of the complaint to close-out, and publicly commit to time frames for the various steps.

**Box 10 Examples of different approaches to publicizing the CGM**

- Radio spots
- Leaflets/posters/flyers that could include a graphic of how the CGM works
- Fridge magnets/business cards with a contact telephone number/email address
- Booklet with cartoons showing how to lodge a grievance
- Grievance forms in company cars
- Ongoing engagement efforts
- Billboards at central locations in urban areas
- Street theatre
- Placing larger stickers with access point details at central locations
- Newspaper advertisements
- Public meetings and discussions with key stakeholders

**Lessons learned**

- 1. Ensure and demonstrate that stakeholder feedback and suggestions are treated seriously**
- 2. Use the launch date to increase awareness**
  - A formal launch date provides the opportunity to raise public awareness, such as media releases, radio advertisements, press conferences and public meetings.
- 3. Prepare for an initial increase in grievances**
  - Once a company announces that its CGM is operational, it will likely see an increase in activity as complainants test the system by lodging long-held but unstated grievances.

## Step 6: Implement and report



### Why important?

Once the CGM is being implemented, consider conducting periodic reviews to check functionality, track grievance trends and assess overall performance. Adjustments to the mechanism should be approved by management, implemented and shared publicly if appropriate. An assessment of the overall performance of the mechanism may also highlight opportunities for adjustment of company policies and behaviour.

### Advice for the practitioner

#### 1. Track initial performance of the CGM to assess its effectiveness

- Learning from complaints has two purposes: to identify how the company engages stakeholders and manages impacts; and to assess the CGM's strengths and weaknesses and make necessary adjustments.
- Indicators which show that the CGM is working and having a positive impact include:
  - after an initial spike, the frequency of grievances is seen to decrease, or demands are less severe;
  - a decrease in violent or obstructive behaviour;
  - people say they feel they have an effective avenue to discuss grievances in a non-confrontational manner;
  - decreased repetition of the same grievances filed against the same department;
  - a decrease in bogus claims;
  - a decrease in the number of appeals against company responses;
  - people sign off on the grievance outcome form that they are satisfied with the grievance handling process even if the outcome is not in their favour;
  - changes in company policy or practices, operation and/or behaviour.

#### 2. Embed the CGM in existing management systems

Below are some options for embedding a CGM into existing management systems:

- Consider adding into contracts a clause which stipulates that contractors are expected to collaborate in the grievance-handling process.
- Provide information on the CGM to new employees.
- Integrate grievance management-related key performance indicators (KPIs) into annual business objectives.
- Draft CGM speaking points for the managers to use both internally and externally.
- Integrate responsibilities for grievance management into job descriptions.
- Make grievance management a senior management performance requirement.

### 3. Seek feedback on the mechanism from complainants and community stakeholders

- There are various ways to collect feedback, including:
  - community surveys;
  - satisfaction surveys of previous complainants;
  - requesting feedback during community meetings;
  - listening to the community in informal settings, such as social gatherings; and
  - developing feedback forms that are available at strategic locations.

### 4. Report externally to stakeholders about the performance of the CGM

- Consider publishing information about the functioning of the mechanism, such as the type of complaints received, indicative outcomes, the speed of resolution, and any changes in policy or practice made as a result of identified trends. Practice in this area is evolving and varied, with some companies reporting in detail on complaints, while others provide more general information on performance.

## Lessons learned

### 1. Focus on publicizing process indicators

- Some companies are concerned that publicizing the number of grievances might be misinterpreted; too many grievances may raise questions about the company's impact, but too few may undermine the mechanism's credibility. The publication of general criteria such as overall response times and satisfaction rates with the process could mitigate such concerns.

#### Box 11 Exercise caution when interpreting data on complaints

If an operation receives few complaints, it may indicate that impacts are well managed. But it could be a warning that the CGM has been poorly publicized, is inaccessible or not trusted. A large number of complaints may indicate unhappiness with the company or, on the contrary, that stakeholders trust the mechanism and have no hesitation in using it. Hence, identifying trend indicators may give a clearer indication of performance than the total number of grievances received.



## 2. Start easy and then scale up

- It is advisable to begin by reporting a few KPIs before gradually scaling up. It is easy to get mired in data by tracking too much too soon. Include trend analysis in reporting formats to put monthly results into context and verify process over time. Some KPIs and reports are monthly, while others provide a longer view.

### Box 12 Key performance indicators

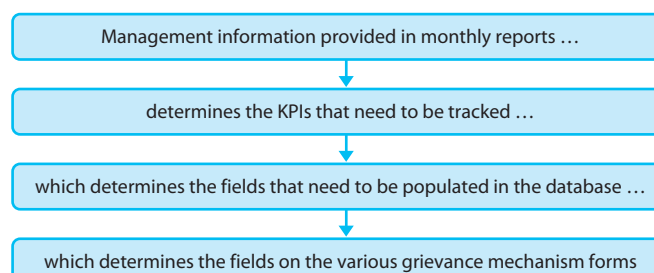
Suggested key performance indicators (KPIs) that help measure the performance of a mechanism and patterns in usage (pick a maximum of 3 to start):

- Number of new/closed cases
- Percentage of cases that were not acknowledged within the specified time frame
- Trends in grievances by type
- Trends in grievances per community/village
- Trends in grievances per department
- Trends in grievances per contractor
- Average resolution time
- Division between true versus false claims
- Number/percentage of company decisions that are being challenged
- Number of court cases
- Trends in repeat grievances associated with the same department
- Trends in non-conformance of company departments with the time frame for investigation

## 3. Determining the management information that the KPIs need to provide

- Many companies track a lot of data without determining which management information is really needed; this can create work and may have an impact on the effectiveness of a CGM as a management tool. As Figure 4 shows, an operation first needs to define the management information required from the CGM, and this informs which KPIs need to be tracked. Once the KPIs are known, the database system fields and CGM forms can be developed. The aim is to generate the required management information from the minimum amount of data. An example is shown in Table 7.

**Figure 4** Determine management information required to establish key performance indicators





**Table 7** Database entries required to generate management information

Management information (monthly, cumulatively)	Key performance indicators	Database entries
<ul style="list-style-type: none"> <li>Key themes to focus on</li> </ul>	1. Number of grievances by theme	<ul style="list-style-type: none"> <li>Case number</li> <li>Date received</li> <li>Theme</li> </ul>
<ul style="list-style-type: none"> <li>Geographical hotspots</li> </ul>	2. Number of grievances by village	<ul style="list-style-type: none"> <li>Village</li> </ul>
<ul style="list-style-type: none"> <li>Location-specific themes that need to be addressed</li> </ul>	3. Number of types of grievance by location	<ul style="list-style-type: none"> <li>Community relations area</li> </ul>
<ul style="list-style-type: none"> <li>Departments/contractors that the grievance office needs to work with on prevention</li> </ul>	4. Number and types of grievances by department/contractor who 'caused' the case	<ul style="list-style-type: none"> <li>Associated department/contractor</li> </ul>
<ul style="list-style-type: none"> <li>Learning ability of the company (KPIs should drop over time)</li> </ul>	5. Percentage of repeat grievances	<ul style="list-style-type: none"> <li>Repeat grievance</li> </ul>
<ul style="list-style-type: none"> <li>Enables monitoring and distribution management of acknowledgement letters</li> </ul>	6. Percentage of cases without acknowledgement letter	<ul style="list-style-type: none"> <li>Date of acknowledgement letter</li> </ul>
<ul style="list-style-type: none"> <li>Measures (non-) conformance with public promises</li> </ul>	7. Percentage of cases where complainant received feedback after SOP time frame	<ul style="list-style-type: none"> <li>Date grievance lodged</li> <li>Date signed outcome form</li> </ul>
<ul style="list-style-type: none"> <li>Indication of overall performance of the CGM</li> </ul>	8. Average resolution time	<ul style="list-style-type: none"> <li>Date of signed outcome form</li> </ul>
<ul style="list-style-type: none"> <li>Allows for management of investigation times</li> </ul>	9. Investigation response time per department	<ul style="list-style-type: none"> <li>Date investigation completed</li> </ul>
<ul style="list-style-type: none"> <li>Indication of public trust in the system</li> </ul>	10. Percentage of true/false claims	<ul style="list-style-type: none"> <li>True/false</li> </ul>
<ul style="list-style-type: none"> <li>Identifies opportunities for engagement</li> </ul>	11. Percentage of cases solved through rapid assessment	<ul style="list-style-type: none"> <li>Date of signed outcome form</li> </ul>
<ul style="list-style-type: none"> <li>Indication of public trust in the mechanism</li> </ul>	12. No. of cases that qualify for the recourse mechanism	<ul style="list-style-type: none"> <li>Date of recourse mechanism request</li> </ul>
<ul style="list-style-type: none"> <li>Identifies the need for resources to resolve outstanding grievances</li> </ul>	13. Percentage of outstanding grievances per department	<ul style="list-style-type: none"> <li>Associated department/contractor</li> </ul>
<ul style="list-style-type: none"> <li>Makes the business case for grievance prevention</li> </ul>	14. Compensation costs due to company caused grievances	<ul style="list-style-type: none"> <li>Costs</li> </ul>
<ul style="list-style-type: none"> <li>Determines the effectiveness of the CGM from a social-risk exposure perspective</li> </ul>	15. a) Percentage of satisfaction on process AND outcome b) Percentage and satisfaction on process, but NOT on outcome c) Percentage of NO satisfaction on process, but YES on outcome d) Percentage of NO satisfaction on process, and NO on outcome	<ul style="list-style-type: none"> <li>Satisfaction on outcome (yes/no)</li> </ul>

4. Use the culture to change the culture —‘near misses’ and the ‘safety triangle’

- A CGM will probably be more easily and readily accepted and adopted if it is positioned using an internal framework that is already familiar to managers and staff.
- Some companies have helped peers and decision makers understand the value of a CGM by comparing it to a ‘near miss’ or a ‘safety triangle’—a concept used by safety departments worldwide. Familiarity and acceptability may reduce resistance.

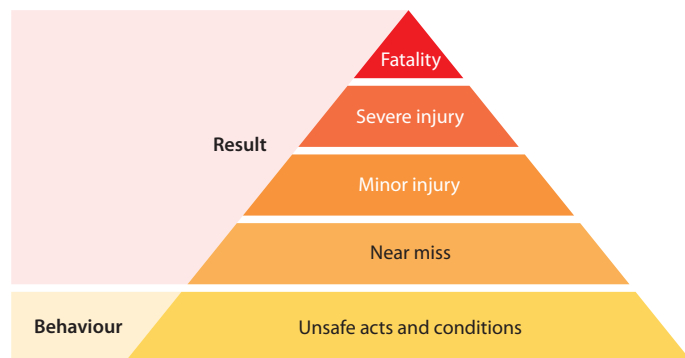
**Box 13 A ‘near miss’—referencing a safety concept to explain CGMs**

A near miss is an unplanned event that did not result in injury, illness, or damage, but had the potential to do so. Only a fortunate break in the chain of events prevented something more serious from happening. A grievance is similar to a near miss because it prioritizes prevention of conflict and early intervention, reducing the potential for complaints to escalate into litigation, protests, security incidents, or regulatory challenges that could result in costly delays and harm. It also serves as an early warning. In many cases appropriate remedies are available and it’s not too late to fix things. If a faulty process is the root cause for the increased risk that leads to the near miss or the grievance, it should be the focus of improvement.

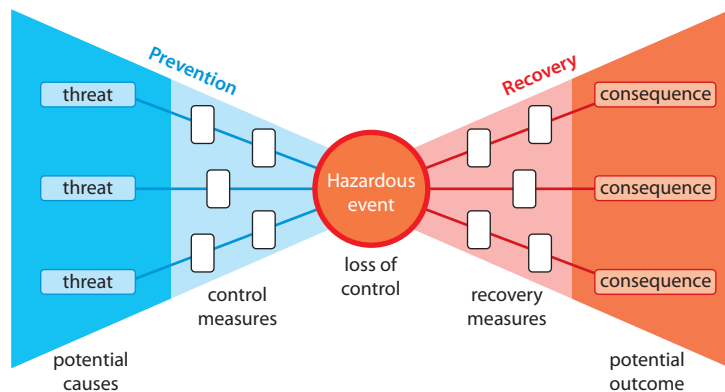
- Some have adapted the ‘safety triangle’ or used the ‘risk bow-tie’ methodologies—concepts understood and accepted—to make the business case for CGMs (Figure 5).

**Figure 5 Safety triangle and risk ‘bow tie’**

a) Safety triangle



b) Risk ‘bow tie’



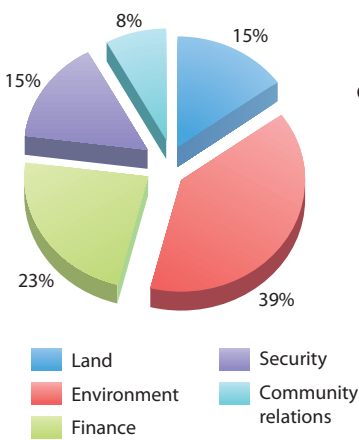
**Box 14 Evaluate the grievance mechanism at different levels**

KPIs can be divided into three categories:

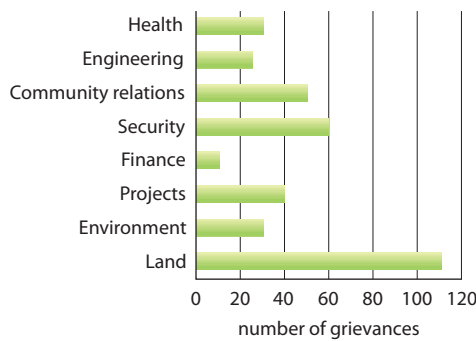
1. **Indicators that assess the performance of the CGM:** are grievances responded to in a timely manner and to the satisfaction of all parties?
2. **Indicators that assess the overall company performance:** does feedback on the mechanism bring changes in company policy, procedures, structures and behaviours that address the root causes of grievances?
3. **Indicators that signal the contribution of the CGM to the company:** decreasing compensation costs, fewer days of work lost, more positive reputation.

**Figure 6 Internal reporting examples**

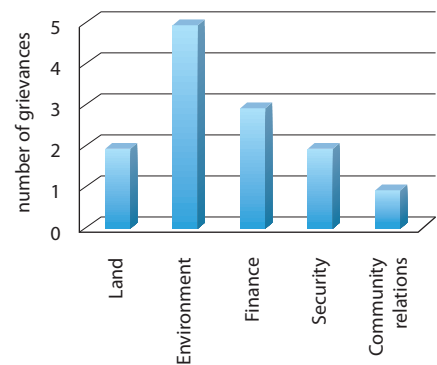
**New grievances per department for month 'x'**



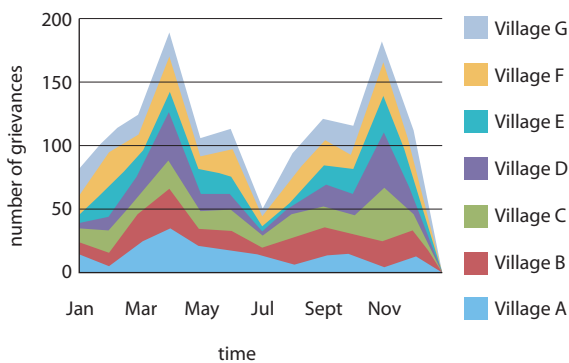
**New grievances per month (year to date)**



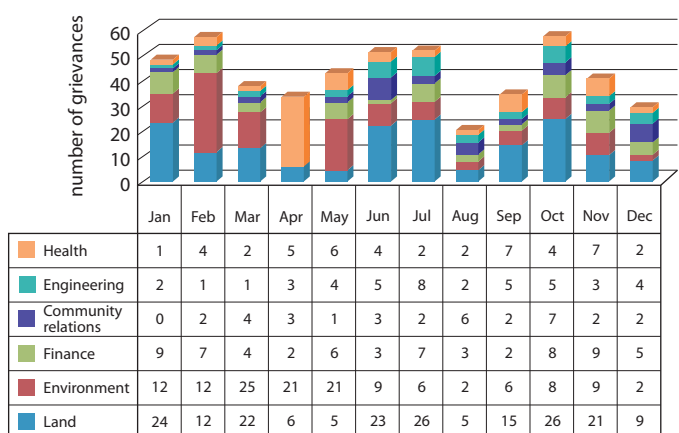
**New grievances per department for month 'x'**



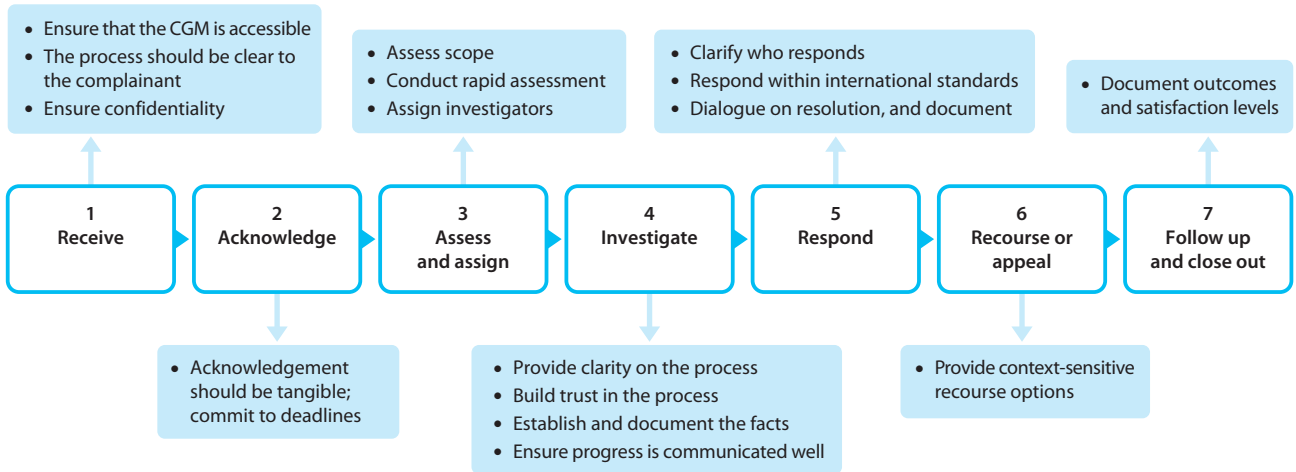
**Grievances per village over time**



**Grievances per department per month**



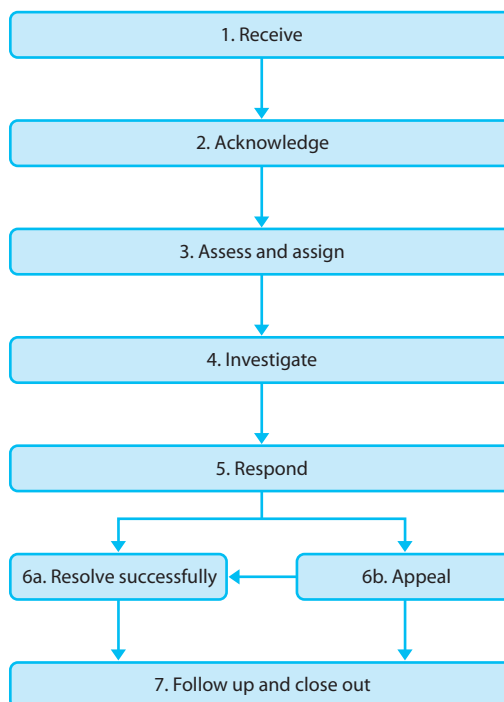
## Module 3: The procedure



An effective CGM is codified in a set of steps and activities that are easy to follow and understand. The procedure for receiving, investigating and resolving grievances may differ between companies and even from location to location within one company.

However, the typical CGM is characterized by seven basic steps, beginning with the receipt of the complaint and ending with its resolution or close-out. These steps are illustrated in Figure 7 and described in further detail on the following pages of this module.

**Figure 7** Steps in the community grievance procedure



## Step 1: Receive



### Why important?

Grievances can only be received if impacted communities are aware that the CGM exists and is physically and culturally accessible.

### Advice for the practitioner

#### 1. Provide multiple points of access

- Complainants need a variety of access points so that they can lodge a grievance in a manner convenient to them. However, too many access points can drain management time. Publicizing the access points should be part of the company's outreach and awareness building.

Box 15 Types of access points
<ul style="list-style-type: none"> <li>Face-to-face with company staff</li> <li>Through a company office</li> <li>By email</li> <li>By letter</li> <li>Through the company website</li> <li>Through a dedicated telephone number</li> <li>Through trusted third parties (such as NGOs, fishing associations, etc.)</li> <li>Through complaint boxes, e.g. in public places such as libraries, squares, etc.</li> </ul>

#### 2. Minimize barriers to access points

- Literacy levels and cultural nuances often affect preferences for types of access points. When designing and locating access points, companies should consider the following questions:
  - Can people lodge grievances in the language of their choice?
  - Is information about the mechanism available in relevant local languages?
  - Are access points best located to minimize travel distances and costs for complainants?
  - Are there indirect user costs—such as telephone or mailing costs—that the company could help address?
  - Are access points convenient in terms of location and hours of availability? For example, some companies have access points that are open before, during and after regular working hours to accommodate user needs.

- Are access points culturally appropriate? For example, are complainants enabled to use third parties to lodge grievances on their behalf?
- Are grievance access points intimidating? For example, would community members feel comfortable entering or approaching the access point in order to lodge a complaint?
- Are forms to be used during the complaint lodging process drafted in local and plain languages to optimize accessibility?
- Can users lodge grievances anonymously?
- Are access points designed to address particular problems related to women and vulnerable groups?
- Can non-literate people access the system? For example, companies could encourage complainants to bring a literate companion, or the grievance officer could complete a written draft of the grievance and then read it back to the complainant for verification.

### 3. Explain the process

- It is important for the complainants to understand the timelines for the remaining steps in the procedure, how the complaint will be handled and the types of remedy the company can, or cannot, provide.

### 4. Ensure confidentiality

- Once a grievance is lodged, it is important to maintain complainant confidentiality and provide grievance details only to those directly involved in the investigation. If confidentiality cannot be guaranteed (e.g. due to government regulations), the company might suggest grievances are lodged under an alias/assumed name.

## Lessons learned

### 1. Be strategic in selecting access points

- Despite awareness campaigns, some people will not know about a CGM or that it is relevant to them. See if formal and informal community leaders will help to publicize the CGM and act as referral points.
- If the company has, or plans to have, a public grievance office, try to make it easily accessible and consider a location outside company premises in a place the community uses, such as a community information office.
- For operations that cover, or could have an impact on, a large geographical or coastal area—such as pipelines or offshore activities—it is sometimes best or necessary to use third parties as access points. For example, these may be local government officials, NGOs or leaders of fishing associations. In such cases, the company should both train staff at these access points in how best to accept a grievance, and make logistical arrangements to ensure that the company office is made aware of the grievance.
- Some companies make staff available to the public on specific days (e.g. weekly/monthly market days), so that their presence is predictable. Others have 'roaming' grievance officers or community liaison officers who visit communities regularly to gauge local perceptions and accept grievances.

**2. Face-to-face contact is valuable and hard to replace**

- Worldwide, face-to-face is the most common method of dialogue. Many companies see front line staff (e.g. Community Liaison Officers) as critical in grievance handling.

**Box 16 Using libraries as access points**

In a country where it operates an onshore pipeline crossing hundreds of kilometres, one company has trained local community librarians to accept grievances. The librarians are paid by the State, and the company has provided each library with an internet connection and computer that can be used both to lodge grievances and for general library purposes. The company arranges and pays for periodic gatherings to update librarians on its activities.

**Box 17 Access points for communities in offshore settings**

For those working offshore, such as fishermen, reaching access points may be difficult:

- consider siting access points at local fish off-loading stations or harbours;
- providers of local maritime radio communication services may agree to act as access points for complaints.



## Step 2: Acknowledge



### Why important?

Once a complaint has been registered, complainants should receive a timely acknowledgement that their case is in the system. Acknowledgement should be in a culturally appropriate manner, such as a letter, a telephone call, a visit or a copy of the grievance form. Failure to provide formal acknowledgement may lead complainants to mistakenly assume that their cases are being processed—or ignored.

### Advice for the practitioner

#### *Acknowledgements should be recorded and trackable and provide concrete information*

- The complainant should be given evidence that a grievance has been formally accepted. This can be done through an email, an SMS text message or a tear-off acknowledgement slip as part of the grievance notification form.
- The company may want to commit to a specific response time in the acknowledgement.
- The acknowledgment should provide information explaining how the person may follow up on the status of the grievance process.

### Lessons learned

#### *Encourage people to ask for evidence of an acknowledgement*

- To avoid misunderstandings between company and complainant, it is helpful to explain the rules in clear terms. For example: 'No acknowledgement slip means no formal registration, so there will be no investigation or response to your complaint'. Specificity helps to avoid confusion and misunderstandings.



### Step 3: Assess and assign



#### Why important?

A grievance officer should quickly assess the nature of the grievance once it is logged. Some companies classify grievances according to their potential risk to the company. The level of severity can determine who needs to be informed and who manages the case. For example, a grievance officer may handle grievances classified as ‘low’ or ‘moderate’, while those ranked ‘high’ may need to be assigned to a senior manager in the department associated with the complaint. Building risk criteria into the mechanism helps personnel to quickly identify what action is required to address the grievance in proportion to its potential impact.

#### Advice for the practitioner

##### 1. Assess whether grievances fall within the scope of the mechanism

- Does the grievance fall within the scope of the CGM? Common community complaints relate to dust or noise, company staff or contractor behaviour, social investment implementation, driving behaviour, late payment of local contractors, etc.
- The CGM is usually an entry point for all company-related complaints. But grievances assessed as serious should be escalated, and those outside the CGM scope should be referred to an appropriate office/level for handling through different processes. The matrix below explains ways to handle complaints outside the CGM scope.

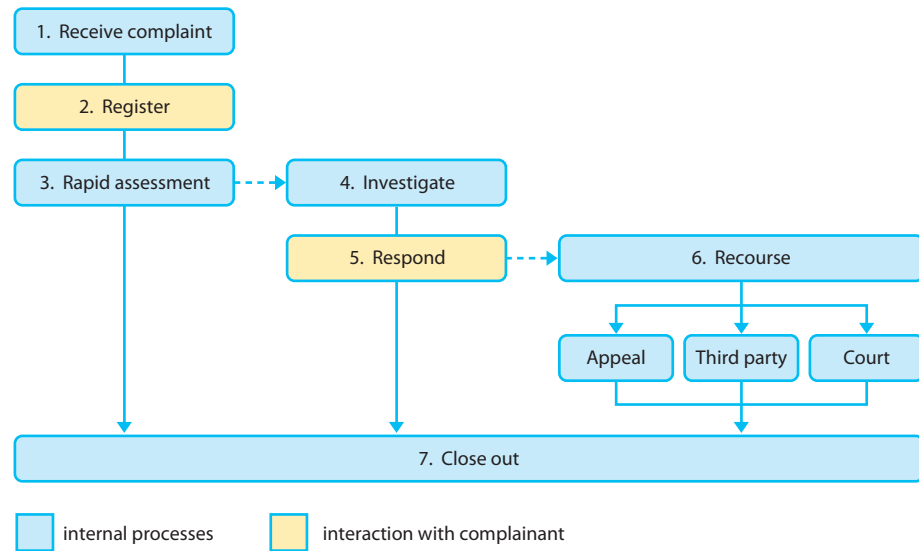
**Table 8** Options for referral or redirection of complaints outside the scope of a CGM

Type of grievance	Options for referral or redirection
Not related to the company	Refer to local authorities or others who might be able to address the complaint
Vexatious complaints	No referral or redirection; close the case
Contractual or commercial complaints	Procurement Department
Criminal issues	Referral to law enforcement agencies / Legal Department
Employee issues	Human Resources Department
Contractor employees	The contractor or the company's contract owner
Business integrity or ethics	Ethics hotline or Legal Department

## 2. Conduct a rapid assessment and, if possible, close out the complaint

- A rapid assessment (within 24–48 hours) by the grievance officer or a Community Liaison Officer (CLO) may help to satisfactorily address smaller issues, so that they do not escalate. Addressing issues immediately can also remove the need for investigation by the department concerned. Figure 8 below shows the close-out process.

**Figure 8** When to close out a complaint



## 3. Assign the case if required

- If rapid assessment indicates a need for more specialized investigation, assign the case to the department with the technical expertise to conduct the investigation or that is associated with the complaint. For example:
  - Matters are typically assigned to a senior manager in the department most closely associated with the cause of the grievance.
  - Grievances about contractor policies or behaviour are typically assigned to a senior manager in the department with which the contractor is working (the contract owner), and to the procurement department, as relevant.
- If the case is assigned to a specific department, make sure that there are clear timelines for the investigation and response.

## 4. Assign investigators by department

- As part of the internal awareness campaign, each department head could be requested to assign a 'nominated person' or an 'Investigating Officer' to investigate cases assigned to their department.

**Lessons learned****1. A delayed response can become a grievance in itself**

- It is essential that a response is provided in accordance with the established timeline to avoid further dissatisfaction on behalf of the complainant.

**2. A mandate to close out minor grievances should be provided to the grievance officer**

- In practice, some companies mandate the grievance officer to directly address relatively minor, easily resolvable grievances (for example paying compensation for a chicken run over by a company vehicle) to minimize bureaucracy.

**Box 18 Applying a risk matrix to complaints can be risky**

Classifying grievances against a risk matrix can be challenging. 'Local level risk cases' can become 'major risk cases' if they are not reviewed with equal speed or rigor. If complainants perceive that a company pays more attention to complaints classified as 'major risk' there may be an incentive to exaggerate relatively minor issues. It is also important to consider the risk to the community, which may be high even if the risk to the company is low.

## Step 4: Investigate



### Why important?

Many complaints can be addressed quickly by a grievance officer or other company staff. However, severe or technically complex complaints may require more thorough investigation to provide evidence for analysis and to support the resolution. This process should begin by seeking to understand the complainant's perception of the issue and what should be done about it. The process then typically calls for examination of the circumstances of the case, which can be done by speaking with involved parties and conferring with relevant stakeholders. In most companies, the unit associated with the complaint has the relevant technical expertise and therefore conducts the investigation.

### Advice for the practitioner

#### 1. Be clear about investigation procedure, time frames, and roles and responsibilities

- The CGM should indicate the investigation process for each grievance and explain the timeline and staff roles and responsibilities, particularly those of the investigating officer and community relations.
- Usually, an officer from the department associated with the grievance will lead the investigation, if necessary with support from a community relations officer to provide access to the complainant. Ideally, Community Relations should be less involved in the investigation process to preserve neutrality.
- The investigator (or team) should seek to verify the details of a complaint and report the investigation outcome to the grievance officer, possibly with a proposed company response. The investigation team would generally not negotiate with, or provide a formal company response to, the complainant. This removes the potential for departments that may have caused a complaint to influence a complainant to accept a resolution. The formal company response should be decided by an entity such as a grievance response committee or department head.

#### 2. Take steps to build confidence in the fact-finding process

- Ideally, investigators should meet face-to-face with complainants. Hearing information first hand provides valuable insights and demonstrates respect for the complainant.
- Meeting people in places where they feel most comfortable indicates that the company is sincere in its efforts to resolve an issue.
- The investigation team could encourage complainants to be accompanied by a friend or family member. This is particularly important when complainants feel a power inequality, or if they feel that they would benefit from a bringing a witness.
- Consider using independent third parties as technical experts or facilitators. Independent outsiders can be useful to demonstrate that the company is willing to yield some control and explore opportunities that it may not have considered previously.

**3. Establish and document the facts**

- The investigation is primarily meant to establish the facts rather than provide analysis or formulate a company response. Where possible, establish agreement on the facts with the complainant and document these on the investigation form.
- All information gathered should be maintained and/or logged to ensure that a company response is fully documented.

**4. Ensure coordination with the investigations team and the complainant**

- Throughout the investigation process, complainants should be kept informed on progress. If the company is unable to provide a response within an agreed period, an updated time frame should be provided. Internally, investigation efforts need to be coordinated through a designated grievance officer.

**Lessons learned****1. Train staff involved in the investigations process**

- Staff should be trained in basic engagement skills, root cause analysis and basic conflict resolution skills.

**2. Take special care when confidentiality is a concern or when there is the potential for the case to become a legal issue**

- Involve the legal team whenever appropriate, e.g. if there is evidence of a crime, or if escalation to judicial proceedings is likely.
- When confidentiality is a serious concern, the grievance officer should get approval from the complainant about the composition of the investigation team. In some cases this could limit the extent of the investigation process.
- When there is a possibility for a case to become a legal issue, the investigation team should consult legal colleagues and take their advice before making commitments or explicit statements, particularly if they do not reflect published company policy.

**3. Have an escalation mechanism in case agreed response timelines cannot be met**

- If the company is, or may be, unable to fulfill its public commitment to provide a timely response, an internal escalation mechanism should be in place. For example:
  - The grievance officer sends a reminder to the investigating officer two days before the end of the allotted investigation time.
  - Two days after the allotted investigation time frame, a reminder is sent to a senior manager in the department responsible for investigation.
  - If no feedback is given after two more days, escalate to more senior management.

**Box 19 Joint fact finding and decision making**

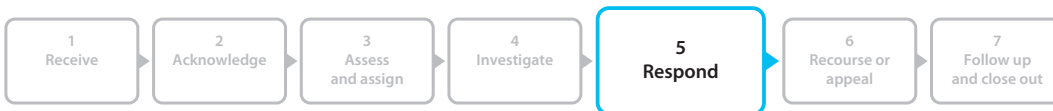
An essential part of trust building is stakeholders' participation in processes that affect their interests. Problems can often be resolved more effectively through collaborative approaches that involve stakeholders in finding the solution. In the mining industry most sites routinely use this approach, as face-to-face meetings lead to better, more honest communication than when complainants are not involved in the investigation process.

Joint fact finding is the practice of involving stakeholders in establishing the underlying facts behind a grievance. It can range from informal, such as inviting the stakeholder to participate in an aspect of the investigation, to more formal, such as forming a joint team of company and community representatives to look into an issue. Collaborative approaches do not preclude the company carrying out its own investigations and reaching its own conclusions. But by involving stakeholders in the process of establishing the facts, the outcome may have more credibility than if the company is seen to be reaching the same conclusions alone.

Joint decision making is a process where the company and the community mutually decide on the resolution of a grievance. This approach may be appropriate in settings where community members show a strong preference for collective approaches to problem solving, or where the issues involved are particularly complex. Such an approach may be useful when the credibility of the decision making process itself is a crucial factor in the acceptance of outcomes.



## Step 5: Respond



### Why important?

Timely, clear and accurate responses to complaints are important to build trust in the grievance mechanism. Once the investigation is complete, a provisional response should be developed that is reasonable and proportional to the grievance and takes account of any cultural norms.

### Advice for the practitioner

#### 1. Clarify who decides how the company will respond

- The outcome of an investigation will inform the company response and resolution options. In some cases, a senior manager in the department associated with the grievance may determine the response. In other cases, a grievance response committee with cross-departmental representation may decide. This may be important if the outcome could set a precedent or requires a policy decision.
- To avoid a conflict of interests, the party investigating a case should be different from the party recommending a company response.
- A separate party should be responsible for discussing the resolution with the complainant.

#### 2. Ensure that the company response and resolution meets international standards

- Verify that the proposed resolution is based on the internal investigation and addresses the root cause of the grievance to minimize the chance of recurrences.
- Use a human rights lens to check whether a proposed resolution is in line with the complainant's human rights (and that, in solving the complainant's grievance, it does not infringe someone else's rights).

#### 3. Consider whether or not a proposed resolution should be discussed with complainants before being announced

- In some cases, the grievance officer should discuss the proposed response with the complainant rather than unilaterally announcing the company's verdict. The grievance officer may also indicate other available avenues of remedy. The complainant should have an opportunity to accept or reject the proposition, or offer an alternative for discussion. If the response is rejected, another resolution process may be needed. However, if there is evidence to prove that the complaint is false, or that another party is the cause of the complaint, the company could be justified in making a unilateral announcement.
- Dialogue and negotiation should take place on an equal power base (the equitability principle). This means that the complainant should be allowed to bring a friend or family member to accompany them during discussions regarding the response to the investigation.

- If the complaint is found to be unsubstantiated, the grievance officer should explain the reasons and may indicate other possible avenues of remedy. However, if the complaint is completely false it may not be appropriate to suggest other avenues for resolution. If the complaint is real but the company is not at fault (i.e. another party has caused the problem), then it would be appropriate to suggest other avenues.

#### 4. *Document in writing all aspects of the resolution to avoid confusion later*

- The final agreement should be made both verbally and in writing. It should be specific, time bound and agreed by both parties.
- If not self-executing, the resolution to close out should define: a time frame; roles and responsibilities; what 'success' looks like; and a monitoring plan.
- If possible, log acceptance or rejection (by signature or thumbprint).

#### 5. *Confidentiality of the outcome*

- Individual grievance outcomes should generally remain confidential. Where compensation is involved, making the outcome public could endanger the complainant and/or create precedents.
- However, complainants themselves may choose to make the outcome public. Consider the implications if they do so.

### Lessons learned

#### 1. *Avoid using legal language*

- It is helpful to avoid legal language in discussions with the complainant.

#### 2. *Consider a simple apology*

- Sometimes the resolution could be an apology or other intangible goodwill gesture.

#### 3. *Determine the allocation of costs up front*

- As part of determining roles and responsibilities, the company should agree during the design process which budget will absorb potential compensation costs. Lack of clarity could lead to situations where no department wants to resolve a complaint because compensation would come from its budget.

#### Box 20 Addressing unsubstantiated claims

From time to time claims will appear false, exaggerated, unfounded or frivolous. Despite the incurred cost and effort, it is important to investigate these claims because:

- addressing every grievance with the same approach ensures consistency;
- unfounded grievances may hide a separate and important issue that deserves attention; and
- false grievances (for example, unwarranted compensation claims) can be rejected based on evidence, and the results made public to discourage repeat cases.



## Step 6: Recourse or appeal



### Why important?

The CGM should consider a recourse or appeals mechanism for complaints where the complainant and the operation cannot reach agreement. If access to judicial process is complex, very expensive or unavailable, a recourse mechanism gives both company and community the opportunity to explore all resolution options or to demonstrate good intent.

### Advice for the practitioner

#### 1. Provide a context-sensitive recourse option

- An appeals process can take place in-house or via a third party (see options in Box 21, page 56).
- A recourse mechanism should be designed to avoid any perception that the grievance mechanism is completely controlled by, or biased towards, the company.
- Although some companies have an in-house review process, third-party involvement can significantly increase the legitimacy of the recourse mechanism.
- If the appeals process fails to lead to a mutually acceptable resolution, the company should not impede the complainant from pursuing other (including legal) avenues of remedy.

#### 2. Seek and integrate available external mechanisms

- Some countries have existing non-judicial recourse mechanisms such as an Ombudsman's Office. These should be identified during the initial risk/opportunity assessment.
- Some companies have engaged third parties to provide independent and regular monitoring of their CGMs. Academic bodies, state agencies (such as a local ombudsman), non-profit organizations and networks of individuals are all examples of third parties that have played a role in operational-level mechanisms.

#### 3. Explore alternative dispute resolution options

- Alternative dispute resolution (ADR) is a term used to describe several different methods of resolving disputes without legal recourse. ADR includes both unassisted procedures, such as negotiation and cooperative/collaborative problem solving by disputing parties alone, and processes that involve third parties who may help to facilitate or mediate consensual agreements. It also includes arbitration—customary and non-customary procedures in which disputants voluntarily submit issues in dispute to a trusted and mutually acceptable third party to make either a non-binding recommendation or a decision and binding settlement. These procedures are in contrast to state judicial procedures in which participation is compulsory, and decisions are binding<sup>1</sup>.

**Annex Tool 8** provides an overview of aspects to consider when contemplating third-party involvement.



<sup>1</sup> Moore, C. (2014). *Promoting Access to Justice: A Study on Strategies to Implement Collaborative Dispute Resolution Procedures*, p. 23. World Bank, Washington D.C.

**Box 21 Examples of recourse options**

- Elevate the issue to an internal review committee composed of senior managers to consider whether additional actions are required.
  - Propose the use of an independent mediator acceptable to both the company and the complainant to facilitate further dialogue. A procedure for engaging a mediator should be established at the time the mechanism is designed.
  - Involve a trusted, independent external party to assess the grievance and propose an impartial resolution.
  - Establish a standing appeals committee jointly with the community. The committee should consist of individuals who enjoy credibility with neighbouring communities and are viewed as impartial by both sides. Such a system should be established at the time the mechanism is designed.
- 
- Agree on the conditions under which a third party might become involved in the CGM.
  - Consider the following:
    - All involved parties need to believe that the third party is impartial and will act impartially. Timely and appropriate use of third parties can help to produce acceptable resolutions and aid the company in fulfilling its broader responsibilities.
    - Clarity on the third party's role: who should be brought in, when and for what purpose, and who will pay them.
    - The process for third-party involvement: it is important that the company and complainant agree on both the selection criteria and the selection process.
  - Decide whether to have a standing list of third-party experts who can advise or adjudicate on a range of issues, or to bring in third parties on a case-by-case basis. A baseline study and risk/opportunity assessment may already have identified third parties that could be brought into the grievance handling process.



**Box 22 Third-party roles in the grievance resolution process**

- As a **facilitator** during a consultation with communities.
- As an **expert** to objectively verify a complaint's factual accuracy or to assess value (e.g. a land appraiser).
- As a **mediator** to provide facilitated conflict resolution support to help the company and complainant reach a mutually agreeable, voluntary resolution.
- As an **arbiter**—a neutral third party that makes a binding decision; both parties agree that they will abide by the decision prior to the process.
- As a **resource** to the complainant in its discussion with the company to provide a level playing field (equitability principle).
- As a **second opinion** or **recourse mechanism** that reviews complaints and recommends how to proceed.

**Lessons learned****1. Decide on the recourse approach that best suits local circumstances**

- Companies will need to identify the recourse mechanism that meets their needs. Some have used piloted options to determine which works best.

**2. Understand the different forms of alternative dispute resolution (ADR)**

- Third party involvement does not mean—as is sometimes presumed—that the company will have to give up some control to outsiders. This is only the case where the third party is brought in for arbitration. In all other cases, including mediation, parties can agree to disagree without further commitments.
- Third parties can be brought into grievance resolution to fulfill several roles (see Box 22).

**Annex Tool 8** offers an overview of the types of questions that companies need to consider when involving a third party.



## Step 7: Follow up and close out



### Why important?

Once a resolution has been agreed or a decision made, the final stage is to implement the decision, monitor outcomes and close out the grievance. Follow-up also may be needed to address problems that develop during implementation of the response. Adjustments may be necessary to ensure that the root causes of complaints are addressed and outcomes are consistent with the spirit of the original agreement with the complainant. Experience from the follow-up can also be used to further refine the grievance handling process or to inform future responses to similar grievances.

### Advice for the practitioner

#### *Document outcomes and satisfaction levels*

- Even when an agreement is not reached, it is important to close the case, document the results, and request the parties' evaluation of the process and its outcome. Ideally, the grievance closure form is signed by the complainant to avoid future confusion about the status of a complaint.
- In some cases, complainants may refuse to sign a form that indicates 'acceptance' of the resolution, as they are not happy with the outcome and/or want to keep their options open for further action. However, instead they may be prepared to sign a form 'acknowledging' close-out. If so, the close-out form needs appropriate wording to indicate the complainant's acknowledgement that the process has ended, rather than their acceptance of the process and resolution.
- Consider having features on the outcome form (for example checkboxes) that can indicate whether the outcome of the grievance handling process was satisfactory and whether the resolution process was undertaken in a respectful manner.
- Grievance close-out occurs after the implementation of an agreed resolution has been verified. It may be helpful to have parties provide feedback about their level of satisfaction with the grievance handling process and the outcome.

### Lessons learned

#### *Cases should only be closed out after the resolution has been implemented*

- Cases are sometimes incorrectly closed out after an agreement regarding a resolution has been reached, but before the response has been implemented. It is important to:
  - a) specify clearly what constitutes closure of a case (for example sign off on the closure form); and
  - b) implement a robust tracking system to ensure that grievances are properly logged and actions tracked to close-out.

**Box 23 Addressing a grievance vs. social risk exposure**

The way grievances are handled can be as important as their outcome. Even in cases where complainants achieve their desired outcome, it is important to know if and why they found the company or the process difficult or unsatisfactory. In cases where there is little evidence to substantiate a claim, or where complainants do not get the resolution they wanted, a respectful process may still leave them feeling that they have been given a hearing and are able to move on in their relationship with the company.

Requesting complainants to document their satisfaction with the outcome of the CGM (did they get **what** they wanted) and with the process (were they satisfied with **how** the CGM worked and with how the outcome was achieved) may help the company to verify the level of residual risk after a complaint has been dealt with. For example, if a complainant indicates that the outcome was appropriate but that the process was unsatisfactory, this would be a negative key performance indicator (KPI). Conversely, if the complainant did not get what he or she wanted but valued the process, this would be a positive KPI.

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## Section 3

# The corporate framework

Module 4: The pathway to company-wide implementation

Module 5: Developing a corporate management framework

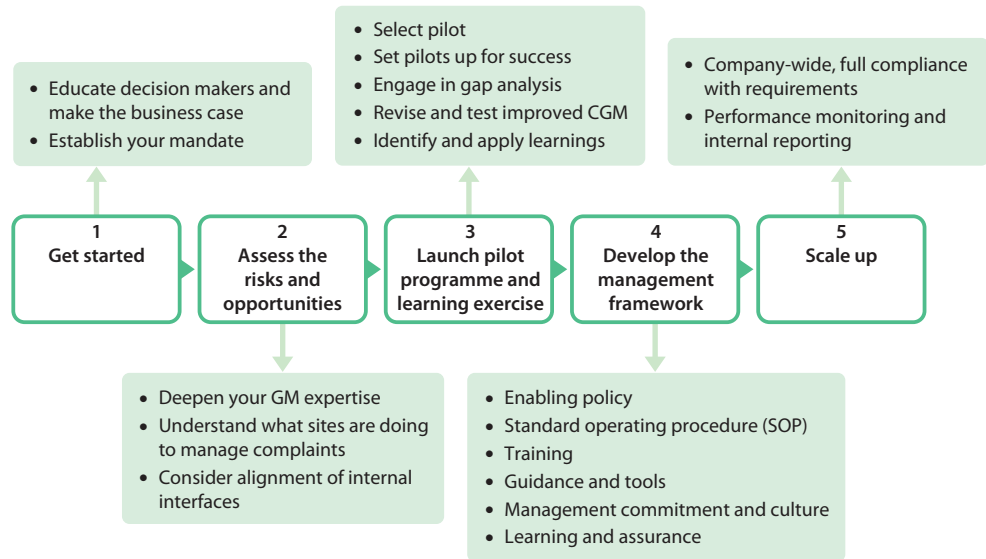
Module 6: Supporting project operations: advancing good practice on the ground

The three modules in this Section describe the process that a corporate head office could use to develop and implement a framework for a company-wide CGM. They highlight a selection of tools for implementing policies, procedures, guidance, training and processes to promote fit-for-purpose operational-level CGMs that reflect the UN Guiding Principles on Business and Human Rights (UNGPs) and company policy:

- Module 4 focuses principally on working with the corporate office to put in place the plans, processes, governance features and people to launch CGMs globally.
- Module 5 highlights the management system required for a group-wide CGM initiative.
- Module 6 describes the ongoing relations with the site level needed to advance good practice locally.

These modules build on more than two years of experience from the IPIECA pilot projects, together with shared learning from other IPIECA member companies, and other stakeholder engagement, to help corporate managers implement operational-level CGMs across company operations. The modules and tools are provided for guidance and are not intended to be prescriptive or formulaic.

## Module 4: The pathway to company-wide implementation



*'Introducing community grievance mechanisms across global operations requires significant cooperation between field and corporate personnel to do it right. Be prepared for a large workload at the beginning and the need to develop many inputs and templates to populate the system.'*

**Corporate Level Social Performance Manager**

Adopting CGMs under a company-wide framework provides important advantages for businesses, communities and other key stakeholders. Benefits include: a network of early warning systems across multiple operations that can identify potential project impacts to stakeholders in time to avoid or effectively manage the problem; demonstration of a commitment and consistent approach to strengthening relations with host communities; alignment and assurance of compliance with international standards at a global level; and a learning culture with the potential to identify systemic issues across operations in order to solve problems at their roots, and to drive continuous performance and improvement of operations.

An absence of a company-wide approach may result in a patchwork of formal, informal and ad hoc CGMs with no common requirements, consistent performance indicators or assurance processes. This can make it challenging to understand the effectiveness of the different CGMs or the risks posed for communities and the company as a whole, or to achieve the benefits from aggregating data and information into valuable knowledge for the company. Without the support, knowledge resources and incentives that typically accompany a company-wide CGM initiative, operations may have neither the inducement nor the know-how to put in place a trusted and reliable CGM.



Corporate managers tasked with implementing company-wide CGMs may ask:

- What is the corporate role?
- How do I get started and what are the steps?
- How do I make the business case to decision makers and gain a mandate to operate?
- How do I obtain cooperation from corporate and field staff?
- What tools and tips are available to help make the work easier along the way?
- How can I advance good CGM practice on the ground and support projects in the implementation process?

#### Box 24 The corporate role in developing a company-wide CGM

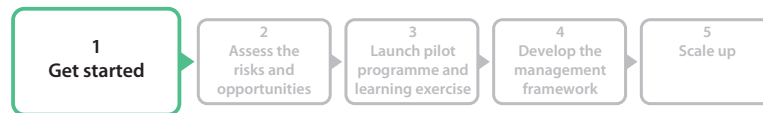
A key finding from the IPIECA pilot is that processes driven by corporate headquarters can significantly encourage and strengthen CGM efforts at the operational level. Toward this end, the pilot highlighted the importance of the corporate role in the following critical areas:

- Setting a requirement for operations to implement a CGM, with group-wide standards promoting good practice and international standards (without being too prescriptive).
- Establishing a data management strategy and collating data across sites for internal and external reporting purposes.
- Assuming CGM oversight as part of group-wide governance, including key performance indicators and assurance that an operation is in compliance with corporate policies.
- Offering other forms of guidance, training and support necessary to effectively implement a CGM at the operations level.
- Some companies have procedures for escalating a dispute beyond the local level for cases categorized as 'high risk' (for example, an alleged serious human rights violation). While the corporate level can provide input in some circumstances, the case should be managed at local level. The company will need a way to deal with 'forum shoppers'<sup>2</sup> and, within its control framework, ensure cases are swiftly rerouted back to the operation.
- Supporting external company reporting, and demonstrating alignment with the UNGPs.

Your company may not have a corporate CGM mandate or enabling policy; however, a significant number of operations may have already established formal CGMs, and others may use informal approaches to address community concerns. Given the broad and perhaps inconsistent approaches for handling community complaints across your operations, the challenge is to develop and rollout a coherent corporate policy and management framework. The five steps outlined in this section set out a clear process to develop the management framework and to provide support to implement CGMs globally, whether introducing new CGMs or refining those that already exist. These steps are discussed in further detail below.

<sup>2</sup> 'Forum shoppers' are those complainants who may access the corporate office, as well as the CGM, in search of the most advantageous forum that will treat their claims most favourably.

## Step 1: Get started



### a) Educate decision makers and make the corporate business case

#### Why important?

Implementing a successful CGM across company operations requires a compelling business case to achieve the mandate and support from the corporate executive team. Senior management may question why they should invest in a more systematic, formal and global approach to CGMs when there does not appear to be a pressing need. They may highlight cost concerns, raise doubts about tangible benefit, or worry about whether the mechanism will be a global magnet for complaints that never previously surfaced or existed. Alternatively, senior management may simply not view CGMs as an immediate priority. To influence management decisions on CGMs, one of the best tools is a persuasive business case.

#### Advice for the practitioner

The approach to creating the business case may vary according to who needs convincing. The business case has two elements—the message and the messenger—and both are important in gaining cooperation and managing resistance. Select and tailor those best suited to your organizational culture and for influencing decision makers. See examples in Table 9 on page 65.

In some cases a strategy that points out benefits and opportunities is not sufficiently persuasive. There may be points of resistance among decision makers and peers, which require a shift in strategy. To overcome resistance, engage in some political reconnaissance and organizational analysis using simple tools, e.g. force field analysis and internal stakeholder mapping—to better understand the actors, key sources of resistance and the opportunities for change.

Having gained a deeper understanding of these factors, review the following approaches that some companies have used to address resistance and create compelling arguments. Look for actions that either reduce resistance or capitalize on the opportunities. You may need to tailor the business case differently for various internal stakeholders, depending upon the source of resistance or opportunity presented.

**Tool 8 (force field analysis)** and **Tool 9 (internal stakeholder mapping)** in Annex 1 can help practitioners to improve their understanding of the political environment.



**Table 9** *Making the business case: the benefits of an effective community grievance mechanism*

Benefit	Corporate business case message: a well-functioning community grievance mechanism
Positive relationship	<ul style="list-style-type: none"> <li>● Demonstrates a company's willingness to take community concerns seriously, promoting better relationships with stakeholders and contributing broad-based community support.</li> </ul>
Constructive and non-disruptive	<ul style="list-style-type: none"> <li>● Provides an avenue for affected stakeholders to express concerns in a constructive and non-disruptive manner.</li> </ul>
Early warning	<ul style="list-style-type: none"> <li>● Identifies and resolves issues and concerns at an early stage, leading to better management of project impacts and avoidance of potential harm.</li> </ul>
Prevention and cost-saving orientation	<ul style="list-style-type: none"> <li>● Puts the priority on prevention of conflict and early intervention, reducing the potential for complaints to escalate into litigation, protests, security incidents or regulatory challenges that could result in costly delays.</li> </ul>
Risk reduction	<ul style="list-style-type: none"> <li>● Reduces risks for both local communities and companies.</li> </ul>
Responsible due diligence	<ul style="list-style-type: none"> <li>● Serves as a component of company's due diligence processes for identifying and addressing environmental, social and human rights risks and impacts.</li> </ul>
Learning and improvement	<ul style="list-style-type: none"> <li>● Serves as key instrument for assessing stakeholder engagement approaches and impacts management, driving improved stakeholder engagement and operational performance.</li> <li>● Generates learning from analysing trends and patterns to drive continuous improvements in performance, similar to the way in which the industry manages safety performance.</li> </ul>
International standards	<ul style="list-style-type: none"> <li>● Improves alignment with international standards and external expectations—demonstrates company commitment to respect human rights and to a broader system of 'access to remedy', as defined in the UN Guiding Principles on Business and Human Rights<sup>3</sup>. In particular, the rights of Indigenous Peoples are a priority issue for the oil and gas industry given the location of many operations.</li> </ul>
Lender compliance	<ul style="list-style-type: none"> <li>● Meets international lending institution requirements to establish a CGM; also helps lenders and companies prioritize focus for enhanced supervision and due diligence.</li> </ul>
Change management and a culture of accountability	<ul style="list-style-type: none"> <li>● Serves as a management tool that drives change and promotes a culture of accountability across business units.</li> </ul>
Broader business objectives	<ul style="list-style-type: none"> <li>● Links grievance management, prevention and stakeholder engagement to annual business plans and company objectives. Integrates findings from the CGM into operations, social performance plans, non-technical risk plans, stakeholder engagement strategies and communication programmes. Supports broader company objectives to more effectively manage social and environmental impacts and reduce risk.</li> </ul>
External reporting	<ul style="list-style-type: none"> <li>● Supports sustainability reporting and provision of performance data for Annual General Meetings and other public events.</li> </ul>

<sup>3</sup> Ruggie, John (2011). *Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework*. United Nations Human Rights Council. Geneva: 2011.  
[www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf](http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf)

See the IPIECA *Community Grievance Mechanisms toolkit*, available at: [www.ipieca.org/publication/community-grievance-mechanism-toolbox](http://www.ipieca.org/publication/community-grievance-mechanism-toolbox)



### 1. Educate leadership about CGMs, the business case and the benefits

- Incorporate an evidence-based business case.
  - Highlight examples from your company or reference a case from another company's operation that demonstrates how a CGM has reduced risk, minimized delays, contributed to achieving business objectives and/or decreased costs.
  - An evidence-based business case is consistent with a technically oriented environment.

#### Box 25 A persuasive, evidence-based business case: '22 Wells'

Compelling, evidence-based stories can be powerful persuaders. When a large oil and gas producer and its joint venture (JV) partner, a national state-owned enterprise, initiated drilling activities across consecutive drilling sites, they met significant local community resistance that led to serious project delays. It took 3.5 years to drill 22 wells, although the process accelerated dramatically after a CGM was implemented.<sup>4</sup>

In line with the JV agreement, the national company managed all community issues and put in place a compensation process for affected community members. The procedure recognized that while all land is state owned and managed collectively, community members have a right to use particular plots for living and agriculture. The company required access to village land for drilling activities, and, in exchange, made payments to the village chief, who determined and dispensed compensation to impacted villagers. For success, this process type needs confidence in the village chief and transparency on payments to be successful.

During the drilling of the first seven wells, related local protests resulted in 248 days of work lost. Local residents started regularly blocking roads used by the company to access well sites, to protest about ongoing community incidents, including problems about compensation payments to the local population and the use of community roads by the company. The company had no formal CGM process in place to address community concerns. Consequently, villagers had to seek other ways to gain the company's attention, choosing a strategy that, coincidentally, carried a much higher transaction cost. At critical phases in the project, when activities such as drilling, fracking and moving large oil rigs were under way, the project estimated its losses to be \$40,000 per day—significant in the eyes of management given the project context.

The delays and related costs made a compelling business case for the operator to convince its JV partner that a CGM could, and would, address community concerns before they escalated into community protests or more serious disputes. The mechanism, managed by the operator, accepts complaints about dust, noise, traffic and other community concerns, as well as those related to compensation. The results were dramatic: project delays fell by 70% for the next 7 wells, and just 71 work days were lost to community protests. By the time that well 14 was under way, there were no delays.

Company data indicate that the final eight wells were drilled with just six and a half work days lost due to community action. Both partners are happy and credit the CGM for the rapid and significant reduction in project delays. They say the CGM provides a key link between the JV partner and the local community, enabling a relationship built on trust and dialogue.

<sup>4</sup> Data related to the drilling time frame for each individual well does not exist, nor are time frames available for drilling each set of seven (or eight) wells. The company reported that within each group of wells drilled, work on one sometimes overlapped with work performed on another. In addition, some wells were installed under very difficult geological conditions and it took time to establish well control.

2. **Link CGMs to high-level company business goals and demonstrate to senior management how these goals will be advanced through a global GM initiative**
3. **Scan the political environment and find the right 'hook' to get the required support**
  - Where is the internal support for implementing a companywide CGM and who are potential corporate champions?
  - What keeps senior management up at night that a CGM can help to resolve or mitigate (for example security concerns, inability to get permits, constant bad publicity)?
4. **Identify existing requirements or important organizational change initiatives at the highest level of the company that can be leveraged to serve as the platform for a CGM requirement and company-wide initiative**
  - See Table 10, below.
5. **Identify and build on external forces of support**
  - These may include lender requirements, environmental and social impact assessments, human rights impacts assessments, shareholder initiatives, risk assessments, international NGO campaigns.

**Table 10** *Identifying existing requirements or organizational change initiatives that may serve as the platform for a CGM requirement or company-wide initiative*

Existing requirements	<ul style="list-style-type: none"> <li>● Social performance requirement</li> <li>● Stakeholder engagement mandate</li> <li>● Human rights framework</li> <li>● Risk management strategy</li> <li>● Health, safety, security and environment (HSSE) policy</li> <li>● Global codes and commitments</li> </ul>
Organizational change initiatives	<ul style="list-style-type: none"> <li>● Company new strategic alignment and strategy documents</li> <li>● Non-technical risk realignment strategy</li> <li>● Review of how the company approaches all aspects of sustainability</li> <li>● Components of a broader internal reorganization and restructuring</li> <li>● Other drivers you can leverage to further a GM initiative at the corporate level</li> </ul>
Legal requirements	<ul style="list-style-type: none"> <li>● Impending regulations requiring consultation and complaints mechanisms for affected communities</li> </ul>

### Lessons learned

#### 1. *Add new and powerful external voice(s) to make a persuasive business case*

- Several companies invited a business and human rights thought leader to talk with their Boards and senior executives about human rights generally, and GMs specifically. These exchanges showed senior management the value of CGMs, gained their support and advanced the CGM business case across global operations.
- Create a coalition that includes like-minded corporate partners from other business units to serve as messengers rather than relying upon a single emissary.

#### 2. *Appeal to the company's interest in being a leader, or at least not a laggard*

- Encourage senior management to incorporate a common industry approach to CGMs.

#### 3. *Position the CGM to make most sense internally and gain traction*

- Some companies have positioned their CGM policy as an element of stakeholder engagement. Others have incorporated it into HSE policy.

#### 4. *Engage early with legal and other relevant functions and business units*

- The Legal department can be a great ally, a problem solver and source of key support. It is critical to have their buy-in from the start.
- Factor in those corporate level business units with which it will be necessary to coordinate to get the job done (e.g. HSE, Procurement, Security, Local Content and Value Chain, etc.). While oversight and accountability at the corporate level should remain with one business unit (for example, Social Performance), broader support and ownership is needed to deliver CGMs globally. What business case will be persuasive to them?
- Ask businesses that have effective CGMs to tell others about the business benefits.

#### Box 26 Tips for advancing the business case—useful skill sets

Corporate practitioners have identified a variety of skills that are useful for successfully advancing the business case. These include curiosity, ability to know and navigate the political environment, the capacity to lead up, a facility for building networks of colleagues across different business units, influence and persuasion skills, an understanding of the business complexities and an ability to speak the language of engineers, imagination, persistence, and knowledge of the core technical and political elements of CGMs.

## b) Establish your mandate—it is your licence to implement CGMs

*‘Once you receive your mandate don’t forget or ignore senior leadership. Implementing CGMs is a long-term process that takes years. We received our mandate in 2011 and we continue to stay closely in touch with the leadership. As the CGM champion, your goal is to access the power structure and keep a high focus on CGMs so that it remains on decision makers’ radar and ensures their continued commitment. Stay up close and personal. Provide updates on what you are learning that would interest them; and find other valid, strategic reasons to keep these issues prioritized to ensure the initiative will not be lost among any changing priorities in the organization.’*

**CSR manager**

### Why important?

A convincing business case and an informed leadership are important prerequisites for obtaining formal approval from top management and the mandate to implement CGMs across company operations. A mandate may initially take the form of a directive from a corporate executive committee or board to establish CGMs across the company. However, good practice suggests that CGMs should then be incorporated into a company’s policy framework, backed up by guidance, tools and systems to facilitate implementation at the operations level.

#### Box 27 Strengthening the mandate for CGMs

After receiving a mandate as part of a high-level improvement initiative to address gaps in non-technical risk across operations, a Corporate Social Responsibility (CSR) team still felt more legitimacy was needed. They secured the incorporation of a mandatory requirement for CGMs into a related ‘long-living, influential’ company policy by showing senior executives how CGMs would advance their global initiative.

Going a step further, the team persuaded decision makers to prioritize worldwide CGM development and implementation within its strategic plan. They also won leadership endorsement to launch a series of operational-level pilot projects to inform the corporate management framework for CGMs.

Finally, the CSR unit considered how to align the policy with other operational requirements and performance incentives. The corporate office now expects its operations to comply with the policy, or support deviation which is backed by a strong business case. The team is now developing tools and systems to support implementation at the operational level, including tools for tracking, analysis and follow-up of information.

**Annex Tool 11**

provides a range of high-level policy options and sample language.



See the IPIECA *Community Grievance Mechanisms toolkit*, including a 'How-to Guide', risk assessment tool, diagnostic tool and template procedure: [www.ipieca.org/publication/community-grievance-mechanism-toolbox](http://www.ipieca.org/publication/community-grievance-mechanism-toolbox)

**Advice for the practitioner**

Below are five actions for consideration to solidify your mandate:

**1. Enshrine the mandate within the corporate management system as a mandatory requirement**

The group-wide standard need not be a detailed prescription for CGM implementation as this will depend on the local context and fit-for-purpose approach.

- Should the policy/standard standalone or be linked to an existing policy?
- Consider where and how to place and frame it for maximum internal uptake, e.g.:
  - As a functional requirement associated with social performance standards?
  - As a commitment/requirement tied to the company's human rights policy?
  - As an element of your Health, Safety, Security and Environment framework?
- Positioning a CGM and framing a requirement is linked to culture and context.

**2. Develop high-level guidance informed by operational-level pilot projects to support the corporate enabling policy and help sites put the policy into practice**

- The guidance may address issues such as:
  - What is a CGM?
  - Benefits and the business case
  - What are the evolving expectations from the outside, such as the effectiveness criteria in the UN Guiding Principles?
  - Definitions
  - Alignment and coordination with other relevant grievance mechanisms within the company (e.g. HR complaints procedure, business ethics hotline)
  - Generic procedure.

**3. Develop tools and systems—with input from sites—to back up operational guidance**

- These can help sites develop fit-for-purpose CGMs with international standards.

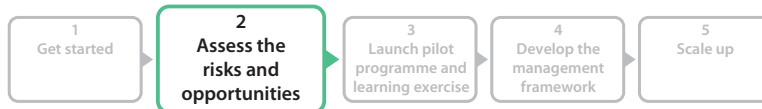
**4. Strategize with sites about how to gain the mandate and internal buy-in from senior management at the operations level.****5. Promote ongoing senior management awareness.**

- Keep in touch and seek to have the mandate renewed on an annual basis to ensure it remains a priority over the time required to fully implement the CGM globally.

The following steps provide tips on how to set up operational-level pilots. If your company prefers a 'learn-by-doing' approach to informing an enabling policy and/or other elements of the corporate management framework, go to [Step 3: Launch pilot programme and learning exercise](#) on page 73.



## Step 2: Assess the risks and opportunities



### Why important?

For corporate managers leading CGM implementation it is important to gain early understanding of associated internal risks and opportunities. The more you know, the less likely you are to encounter resistance, inadvertently step on others' toes, reinvent the wheel or be caught off guard. Knowledge and know-how make it easier to align with relevant policies and initiatives, which may also provide a source of leverage and support for CGMs.

### Advice for the practitioner

- Build your own capacity and knowledge about CGMs.
- Understand what sites are already doing to manage community complaints.
- Learn what related efforts are under way that may pose a risk or an opportunity, such as business ethics hotlines, HR grievance procedures, corporate programmes to address issues with landowners, reporting initiatives and database management systems—programmes you may want to cooperate with or integrate, rather than competing with them.
- Explore what management processes the CGM will interact with, e.g. health, safety, security, environment, and contracts and procurement, and decide how to align with them to ensure a streamlined approach.
- Consider the role of sites, joint venture partners, contractors, government, and other partners and stakeholders in the design, review or implementation of the initiative.
- Conduct a benchmarking exercise. Explore how CGMs are customized to local culture and context while still meeting company policy and standards.
- Engage in an information gathering exercise to identify internal risks and opportunities you may encounter and develop potential actions you can take to inform and advance your CGM design and implementation strategy.
  - Some companies have conducted a companywide analysis of CGMs across their operations. The analysis may identify new and existing operations; pinpoint what type of CGMs are in place, whether ad hoc or more formal; recognize opportunities to develop a CGM from the start; and diagnose strengths, risks and gaps of those CGMs already in existence.
- Based on the analysis and benchmarking exercise, develop a preliminary CGM implementation plan and time frame, including what tools, training and guidance would be helpful to sites.

#### Annex Tool 10

provides guidance on the rapid assessment of internal risks and opportunities.

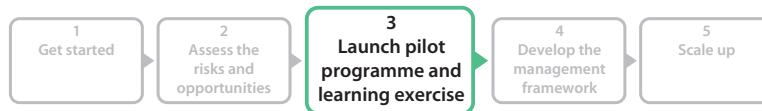
See also [Annex Tool 15](#) for guidance on the company-wide analysis of site-level CGMs.



**Lessons learned**

Good practice suggests that the CGM be led and owned by one department or team (e.g. Corporate Social Responsibility/Social Performance, Sustainability, Legal) to strengthen accountability, but supported and implemented by a cross-functional team. For example, while the process may belong to the CSR team, it is performed in coordination with the issue owners. Practitioners underscore the need for broad support and cross-functional coordination structures at the corporate level, such as a steering committee that is in close communication, to help deliver CGMs globally along with other cross functional responsibilities.

## Step 3: Launch pilot programme and learning exercise



*'Pilot projects are at the heart of a "learning by doing" approach. The pilots provide a collaborative learning process designed to share knowledge and understanding about how to make community grievance mechanisms work in practice. The results of the pilots are used to inform the company's management framework. We strongly recommend them as a core component of the global implementation process.'*

**Corporate Level CSR Manager**

### Why important?

Pilot projects form the centrepiece of the bottom-up approach. Many companies report significant benefit from establishing one or more pilot(s). Pilots involve 'learning by doing' and can inform elements of the management framework. There is no 'right time' to launch a pilot project.

However, a pilot-driven approach can be resource intensive and may not be practical. Meaningful pre-launch consultation with sites is an alternative to pilot projects.

### Advice for the practitioner

Corporate practitioners offer the following advice about establishing an effective pilot project.

#### 1. Consider why you want to establish a pilot project

What is the purpose and how will you use the experience, e.g. to:

- prepare the corporate team to launch CGMs globally;
- inform the company's global approach to CGMs;
- shape the management framework;
- indicate content for guidance manual, tools, training, assurance and data management processes to support implementation;
- ensure the corporate strategy is grounded in field experience and realistic from the perspective of site practitioners;
- promote ownership at the local levels;
- identify practices for knowledge transfer; and
- organize CGM training for corporate staff so they will be in a stronger position to support the pilot projects?

## 2. Apply suitable standards and criteria to select the pilot site(s)

Criteria to consider include:

- operator status required;
- long-term presence in the country;
- experienced and skilled community relations team with an informal CGM in place;
- good learning transfer potential;
- local context and circumstances should not be too difficult as the intention is to start with an easier operation, learn and replicate; and
- willingness on the part of local senior management to host a pilot.

## 3. Communicate the business case

- Make a convincing business case to the site leadership. The site business case may be different from the one that gained support from senior corporate leadership.
- Sites want to know:
  - Where did this idea come from? Why are you approaching this site?
  - How will a CGM help us to do our job, and protect our business?

### Box 28 Recruiting sites for pilot projects—make the business case

Promoting these benefits has worked for some companies:

- Pilot sites can strongly influence corporate policy, standards, guidance and tools.
- Pilot sites get positive internal exposure for contributing to company-wide standards and, in the case of IPIECA, global ones.
- Pilot sites can use their CGM to address legacy issues, which can contribute to business sustainability.
- Corporate management will support pilots and will not expect sites to bear full responsibility.

## 4. Treat your pilot sites as equal partners engaged voluntarily in a collaborative learning process

- Participate in multiple site visits.
- Look to add value, share workload and provide support throughout the pilot.

## 5. Conduct a participatory gap analysis of how community complaints are currently handled

Such analysis should consider the UNGP's effectiveness criteria, relevant company requirements and an assessment of your operation's exposure to complaints. Recommendations include:

- Identify the strengths of the current CGM approach, even if informal and ad hoc; find the gaps; ask site practitioners what areas can be improved, and see if they are concerned about CGMs geared toward company policy and international standards.
- Acknowledge existing good grievance-handling practices and build on what works.
- Make sure the site receives senior management thanks for being a pioneer.
- Conduct a conflict risk analysis to ensure that the CGM is scaled to complaint risk.
- Expect, embrace and sensitively manage local resistance. People often find change difficult to accept, and at first may not see the need for it. Or they may feel threatened or worried by a potential flood of complaints. Meeting challenges is part of the buy-in process.

See the IPIECA risk assessment tool and/or diagnostic tool included in the *Community Grievance Mechanisms toolkit*, available at: [www.ipieca.org/publication/community-grievance-mechanism-toolbox](http://www.ipieca.org/publication/community-grievance-mechanism-toolbox)



**6. Use the gap analysis for updating the CGM and as a tool to generate support for change**

- Understand and build on what sites are already doing.
- Involve department heads early in the design or redesign of the CGM.
  - Roles and responsibilities for CGM involvement may shift sole responsibility from the community relations department to an approach whereby departments associated with the grievance will also play an active role.
  - This shift requires laying the groundwork carefully and including internal stakeholders affected by the change in the design process.
- Jointly find practical solutions that will work for the site context and culture.

**7. Establish an action plan to revise and test the updated CGM**

- Ensure that a clear process is in place to revise the existing plan as necessary, and to test the updated plan before finalizing the SOP and rolling out the revised CGM at the site.

**8. Work with the site to align the revised CGM with relevant corporate policies, internal requirements and procedures**

- Consider how to hardwire the CGM into contractor agreements and how to align it with joint venture partners, if relevant.

**9. Transfer learning from the pilot experience with dual purposes in mind, i.e.:**

- a) to strengthen operational-level CGM practice; and**
- b) to inform the corporate management framework**

- Gather experiences, lessons and practice from pilot projects to inform the corporate management framework, and start cross-site transfer of key lessons and good practice.
- To facilitate learning transfer, you may cluster sites that have common characteristics, e.g. operations with similar languages, social risks and challenges.
- If there is extreme diversity, consider cluster-specific implementation tools.

**Box 29 Successful pilot modules—an example of a CGM pilot project that had the power and support to make a difference**

A company's leadership reviewed its approach to CGMs. A variety of CGMs were in place with no consistency or clear linkages. Some were more like incident reporting systems, while others resembled customer service processes. The company wanted to consider implementing a single comprehensive mechanism and tapped into its 'High Potential Employees Programme', an initiative providing opportunities for young leaders to form cross-functional teams and carry out an assignment so that they could learn while also contributing to the business.

The CGM assignment was given to a cross-functional team of five employees, who all worked outside community relations in areas such as marketing, and had no background in CGMs. The team was tasked with reviewing CGMs in different organizations and industry groups, and subsequently piloting a prototype in an asset. The content owner was the senior vice president in charge of the asset.

This example illustrates the innovative use of an internal pilot project to drive change within a company. It also demonstrates the power of linking CGMs with a change management model that has the support of top leadership. Company decision makers communicated through their actions and words that CGMs were a company priority.

## Step 4: Develop (or update) the corporate management framework



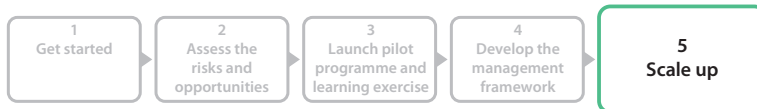
*'IPIECA's three-year initiative on CGMs indicates that a global approach should be supported by an effective corporate management framework. The framework comprises part of a company's due diligence and corporate responsibility commitment. In addition, it provides operational managers with a better sense of the corporate support they can expect, as set out in the components of the framework.'*

**Corporate-level Social Performance Manager from IPIECA pilot project**

The steps for developing and updating a corporate management framework are described in [Module 5](#) on pages 78–92.



## Step 5: Scale up



### Why important?

Scaling up enables the corporate office to help all sites work towards full conformance with the CGM, to have fully operational internal performance reporting, and to collect lessons learned from the sites.

### Advice for the practitioner

- Ask staff involved in CGM pilot projects to pair up with several other operations for a limited period of time to help them to establish their CGM.
- Set a specific deadline for CGM design and implementation, after which all sites will be audited.
- Establish a community of practice so that operations can learn from each other, borrow templates and share good practice.

### Lessons learned

- Significant involvement and support from corporate practitioners is required to arrive at this point in the process. Module 6 describes the ongoing need for corporate support to advance good practice in operations on the ground.
- Specific measures and incentives may be needed to facilitate site compliance with CGM requirements, including an implementation timeline.

## Module 5: Developing a corporate management framework

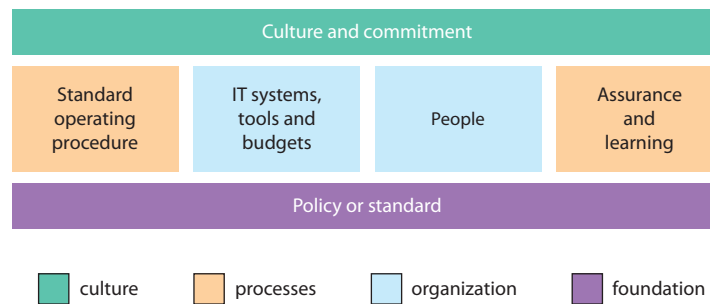


CGMs, like any other business function, need to be managed. Accordingly, the global CGM needs a corporate level governance structure that spells out how oversight will be provided, where it is housed and how corporate level coordination is achieved.

Critical to group-wide governance is the management framework, consisting of an enabling policy or standard, a standard operating procedure, qualified personnel with well-defined roles and responsibilities, appropriate resources and an assurance process. Less tangible but just as important are management commitment and a company culture of responsiveness towards dealing with complaints. The management framework should, as part of a company’s due diligence and corporate responsibility commitments, align with other relevant corporate policies, operational requirements and performance incentives.

The elements of a company-wide corporate management framework for a CGM are illustrated in Figure 9 and discussed further on the following pages.

**Figure 9** Corporate management framework for community grievance mechanisms





## Item 1: Corporate policy or standard



### Why important?

A mandatory policy or standard governing CGMs helps to drive uptake, achieve consistency and enable comparison for improvements. This may be a stand-alone policy or a commitment incorporated in existing policies on stakeholder engagement, social performance or human rights.

### Advice for the practitioner?

***Create an enabling policy or standard at the corporate level that will govern CGMs across operations and make their management systematic***

- The policy may simply set a basic requirement for operations to put in place a CGM and/or specify the situations in which a requirement applies and the managers responsible for its implementation. The policy need not prescribe detailed CGM design because that will depend on the local context.
- The policy or standard should be aligned with other corporate requirements, and backed up with guidance, tools and systems to support local implementation.
- If you have launched CGM pilot projects prior to finalizing the enabling policy, or have consulted with sites as part of its development, be sure to incorporate relevant lessons and advice from these learning exchanges.
- Step 1 of Module 6 (page 94) discusses the practical aspects of developing a mandate and enabling policy in more detail.

## Item 2: Standard operating procedure



### Why important?

At an operating level, the CGM should be managed in accordance with a standard operating procedure (SOP). The SOP codifies the design and implementation of the CGM for the operation and sets out the detailed steps to be followed when dealing with complaints. The content of the SOP will vary from company to company but typically includes such basic elements as the objectives and target group of the CGM, its scope, access points, the roles and responsibilities of staff and contractors, the steps to be followed and types of performance data to be monitored. The IPIECA *Community Grievance Mechanisms toolkit*, including a CGM template procedure, offers a generic model of a community grievance mechanism in the form of an SOP that is easily adapted to the local context of many operations. For information about alternative approaches, see the example of an independent ombudsman office pioneered by Petrobras (Box 30), or the description of a community-driven CGM which is being developed by an international NGO, at:

<http://grievancemechanisms.org/news/workshop-on-community-driven-grievance-mechanisms>

See the IPIECA *Community Grievance Mechanisms toolkit*, including a CGM template procedure: [www.ipieca.org/publication/community-grievance-mechanism-toolbox](http://www.ipieca.org/publication/community-grievance-mechanism-toolbox)



### Advice for the practitioner

*Support sites in developing an SOP as detailed above*

- The corporate office may provide a basic template SOP as a tool that sites can customize according to their local contexts.

### Lessons learned

- The IPIECA CGM initiative has demonstrated the value of an effective toolbox with detailed specific guidance developed by the corporate office in consultation with the sites, in facilitating implementation at the operational level.

**Box 30 Petrobras' General Ombudsman's Office: a direct channel between stakeholders and the company's top management**

Petrobras has an independent General Ombudsman's Office to receive opinions, suggestions and complaints from both internal and external stakeholders. The office was created to enable all Petrobras stakeholders to communicate freely with the company about its performance and policies. Reporting to the Audit Committee of the Petrobras Board, the Ombudsman also has a direct line to the CEO to bring important issues to the attention of the company's top manager.

The General Ombudsman's Office prepares reports twice a year on complaints received for the Board of the Directors, and quarterly summaries for directors and executive managers of corporate areas. In addition to these actions, the Ombudsman issues occasional messages to the company's CEO to discuss relevant management matters that require his immediate knowledge. In 2013, for example, the Office received 14,665 demands, including complaints, information requests, orders, denunciations, suggestions and compliments. The report presents demands by category, reports internal versus external complaints, charts means of contact, summarizes demand status (concluded versus pending) and compares demands by category/year.

The office does not carry out investigations, but logs and forwards them to responsible departments, then provides progress reports—on timing and action—to complainants. The office ensures the independence of investigations, provides details on how to lodge a complaint, and oversees the complaints mechanism. The General Ombudsman's Office, which is staffed by trained professionals, is committed to maintaining the confidentiality of both internal and external stakeholders. Notably, internal denouncements are conducted in compliance with the requirements of the Sarbanes-Oxley Act, where the General Ombudsman's Office makes a 'whistleblower channel' available, through which any member of the workforce can report irregularities. Anonymity is assured and the whistleblower channel can be accessed by the company intranet (Portal Petrobras).

The General Ombudsman's Office does not replace the company's channels responsible for receiving or responding to requests, complaints and demands for information, nor does it handle private or personal issues unrelated to Petrobras' performance, or decide how the company should resolve complaints. The Ombudsman cannot change internal rules, but rather contributes to their improvement. Finally, the office does not handle complaints made by third parties, or deal with complaints.

Source: Petrobras website, [https://ouvidoria.petrobras.com.br/portal/ouvidoria/en\\_us/coluna-do-ouvidor/the-general-ombudsman-s-office-and-the-handling-of-anonymous-complaints-2.htm](https://ouvidoria.petrobras.com.br/portal/ouvidoria/en_us/coluna-do-ouvidor/the-general-ombudsman-s-office-and-the-handling-of-anonymous-complaints-2.htm)

**Box 31 Tailoring corporate guidance to fit site-specific culture and context**

Sites may need assistance in tailoring corporate guidance to their site-specific culture and context, while assuring the mechanism is fit-for-purpose and consistent with company policies and international standards. One corporate manager noted, 'I have interviewed local people from indigenous communities. They do not like forms or electronic submissions or phones. They prefer a face-to-face approach. "Just talk with us ... have tea. We want you to talk and listen in a respectful manner", they advise. There is tension between informal and formal approaches and we need to figure out how to proceed to achieve a CGM that is culturally compatible, trusted and used.'

One company confronted this dilemma as it considered the issue of predictability. Corporate guidance was committed to providing some form of response within 30 days. One site was concerned that its communities would take such a commitment literally and expect a proposed remedy from the company by the specified date. Any attempt to change the timeline could be interpreted as bad faith. To find a way to meet the intent of the corporate guidance in a culturally compatible way without undermining trust, the operation committed within 15 days to update complainants on the status of the case.

### Item 3: Human Resources



#### Why is Human Resources important?

Sites need qualified staff, with clearly defined roles and responsibilities, prepared to implement the CGM. However, they may need help to identify the competencies and experience that are appropriate for the job.

#### Advice for the practitioner

- Incorporate specific language about roles and responsibilities into the CGM standard.
- Include a requirement in the standard that the General Manager, as the person responsible for the CGM, should provide the required resources.
- Provide different models of job descriptions for CGM staff.

## Item 4: Training, guidance, tools and resources



### Why are training, guidance, tools and resources important?

IPIECA's CGM initiative indicates a strong need for supporting tools, systems and resources for corporate use, to set sites up for success and enable CGMs to function efficiently. Corporate and site-level practitioners recommend training those involved in CGM implementation to build internal capacity and prepare staff for their responsibilities.

### Advice for the practitioner

- Consider how corporate management can promote training and competence building to prepare staff, contractors, and any third parties who will be involved in handling grievances (e.g. government, civil society organizations, consultants) for their respective roles.

#### Box 32 What type of staff training is needed

Because each role requires specific skill sets, IPIECA pilot participants recommend targeted training. Corporate staff should consult with site personnel, taking account of any CGM pilot projects under way, to determine the general content and audience for the training, and where the training will be developed. Training may focus on staff needs, as follows:

- **Community liaison staff:** basic conflict resolution and grievance handling skills; managing external challenges of implementing CGMs; how to translate and integrate lessons from the CGMs into company decision making and performance.
- **Incident investigators:** training in investigative methodologies and engagement skills.
- **Staff or contractors with community facing roles:** an awareness/orientation session on the mechanism and how it works.
- **New employees, including managers:** CGM awareness training and requirements incorporated into new employee corporate training and orientation programmes.

IPIECA member companies also indicate positive learning from experience exchange sessions for country staff facilitated by the corporate office.

**Box 33 A practical CGM training package targeted at internal stakeholders**

An innovative training programme has been developed by the social performance team in one company to prepare Complaint Owners and Complaint Advisors to participate in the CGM. Complaint Owners are internal stakeholders who will be accountable for grievances in their area of expertise such as logistics, operations or supply chain management. Complaint Advisors are those who will not be accountable but must be aware of CGM cases and provide support when requested, including legal and communications. The training programme incorporates fieldwork, in addition to interactive skill building. The general programme is as follows:

- Session 1: introduces Complaint Owners and Complaint Advisors to the CGM and familiarizes participants with the details of the SOP. Also defines roles, responsibilities, accountabilities and actions of involved staff.
- Session 2: offers a skill-building programme where participants have the opportunity to engage in simulations of typical complaints or concerns by a community member. This session must be presented prior to launching the CGM.
- The field visit will introduce participants to at least one local community. It is designed to give them insights into how communities may be affected by company operations.

**Box 34 Corporate sponsored social performance training for community liaison officers and managers**

One company has developed a three-day competency-based development programme to prepare and support community relations practitioners working with communities, in line with relevant company requirements and policies. The course focuses on community relations practitioners, their role in delivering social performance, and the capacities needed to meet the wide-ranging responsibilities of their jobs. The course highlights stakeholder engagement, human rights, basic negotiations skills and CGMs. A companion, one-day executive roundtable has been designed for managers on social performance accountability and responsibility.

- Determine what guidance, tools and resources will be most useful for your sites.
  - Check out suggestions and experience from other companies that have developed corporate guidance, relevant implementation tools, information management systems, resources or CGM implementation time frames.

A number of companies have prepared high-level operational guidance in the form of manuals, training packs, corporate handbooks, etc. to introduce CGMs across their international operations and to support sites in implementing them. The guidance is advisory and often backed by additional tools and systems.

### Information management systems

In addition to advisory guidance and a practical toolkit, effective CGMs may need support systems to function efficiently. One of the most important is an information management system for tracking grievances. These systems vary widely in terms of functionality, cost and the degree to which they integrate with existing systems. The most sophisticated are designed to fully automate the grievance handling process by allowing the company to register grievances, monitor their status, provide notification of overdue actions and generate reports. Other systems are more modest, and are limited to capturing basic data on a complaint. Whatever option is chosen, such systems must comply with applicable data protection laws.

Companies have debated whether it is preferable to (a) have a single company-wide information technology (IT) tool to enable grievance recording and reporting and facilitate tracking, follow-up, investigation and sharing of information within the investigation group, or to (b) allow various site-specific IT tools. The IPIECA CGM initiative did not decide that one option is best. Each has obvious advantages and disadvantages. Currently, most companies use different systems at different sites, including Excel® spreadsheets. Some sites have programmed their own IT system. Data protection is also an issue that should be taken up with your site lawyers and/or IT team.

Some companies have tried to integrate various data management systems into one companywide approach; for example, they have explored how to incorporate social performance data and information related to CGMs into a single HSE incident reporting system at the corporate and asset level, with adequate data protection measures built into the system. Other companies are conducting a gap analysis to understand what systems are already in place at the site or company level and to gauge their capacity to serve CGM needs. Corporate practitioners have documented the gaps and explored various options, from creating a brand new system specifically customized to CGM requirements, to upgrading an existing system by adding CGM software requirements for database management to make the system fit-for-purpose. However for a significant number of companies, a single IT tool is not a priority.

Clearly a standardized data management system across assets streamlines internal reporting and data collation and analysis. But it is difficult to achieve. One company is hoping to migrate from a dozen different data management systems to just two or three. The company is interested in using corporate reporting as a driver for change.

Some companies are not mandating any data system, although some require sites to report to corporate management on specific metrics.

**Box 35 Stating data system requirements without prescribing a specific IT tool**

One company that is not prescribing a specific data system has set these requirements:

- Sites can decide which data system to use, but they must pay for it.
- Any operational-level system must be compatible with company IT rules.
- Both the Legal and IT departments must approve any IT tools.
- Any community tool vetted by corporate management is also acceptable.
- System must be able to report on data points/metrics requested by corporate management.
- The system must have the capacity to perform a trend analysis.

**Resources**

Various resources will be required to implement the grievance-handling process. These may include resources for dedicated personnel, training, external communications material, consultants, the use of neutral third parties as facilitators or mediators, and any costs associated with the process of investigating and resolving individual grievances. These costs should be included in the relevant budget planning process. Most IPIECA members indicate these costs are mainly borne by the site, although the corporate office has supported toolkits and training programmes. Site and corporate personnel should discuss CGM cost-sharing arrangements.

**CGM implementation time frame**

A common corporate office question is about the time frame for implementation of a company-wide grievance mechanism. While there is no simple answer, company experience shows that without a timeline and pressing deadline (for example, 'by X date CGMs will form part of the corporate internal auditing/assurance programme'), CGMs go onto the backburner, even when an enabling policy is in place.

Good practice suggests that there is a benefit in making the implementation of the CGM time-specific and communicating the broad time frame for implementation early, so that all sites know what is expected. Some companies incorporate an implementation deadline into their enabling policy to enhance enforcement. Others say upcoming social audits were a key impetus for expediting CGM implementation.

Although companies may establish a compliance deadline, in practice, global roll-out tends to occur in phases, particularly when companies put in place an explicit strategy of 'learning by doing'. This approach relies upon learning transfers from pilot projects and early implementers that feed into tools, guidance and support for sites just starting out.



Table 11 provides examples of how three different companies have developed overarching time frames and ongoing key activities, including dates by which sites can expect guidance material, tools and other corporate support to come online. One clear lesson from the IPIECA experience is that large-scale roll-out takes years, not months. IPIECA has observed time frames ranging from one to six years. Some companies have taken longer, periodically upgrading their CGMs as site conditions change, so that they remain fit-for-purpose with respect to community and company risk.

Table 11 Implementation time frame

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Company A	<ul style="list-style-type: none"> <li>Enabling policy in place</li> <li>Inconsistent approaches</li> </ul>	<ul style="list-style-type: none"> <li>Launch pilot projects</li> </ul>		<ul style="list-style-type: none"> <li>Build capacity</li> <li>Group-level tools</li> <li>Scale up</li> <li>First group-wide reporting round for calendar year</li> </ul>		<ul style="list-style-type: none"> <li>Full compliance with requirements</li> <li>Consistent tracking and reporting</li> <li>Learning from grievances</li> </ul>
Company B	<ul style="list-style-type: none"> <li>Launch pilot projects</li> </ul>	<ul style="list-style-type: none"> <li>Develop/dispatch guidance manual</li> </ul>	<ul style="list-style-type: none"> <li>Procedure implemented in one-third of E&amp;P affiliates</li> </ul>			
Company C	<ul style="list-style-type: none"> <li>Corporate mandate received for CGM</li> <li>Corporate policy</li> </ul>	<ul style="list-style-type: none"> <li>Internal coordination</li> <li>Launch pilots</li> </ul>	<ul style="list-style-type: none"> <li>Grievance mechanism development and implementation</li> </ul>			

## Item 5: Learning and assurance



*'Our first group-wide reporting round did not happen until four years after our CGM was made mandatory. We wanted to give our sites plenty of time to get their CGMs up and running, as well as time to gradually establish a culture of reporting.'*

**Corporate Social Performance Manager**

### Why important?

Oversight of CGMs as part of group-wide governance is a critical role assumed by the corporate office. It includes setting out reporting requirements, including key performance indicators to measure the performance of the CGM and assess trends and patterns of usage; facilitating continuous learning across sites in areas related to effective CGM practices, social performance, impact management, and non-technical risk; and providing assurance that an operation's CGM is in compliance with corporate policies and in line with established KPIs.

To transform community grievance data into valuable knowledge, corporate practitioners will first need to determine what it is they want to know, and then develop corporate key performance indicators (KPIs) for company sites. Corporate management may also wish to provide a list of KPIs for sites to consider in addition to those of interest to the corporate office. Suggested KPIs for sites are often referenced in company guidance on CGMs, and are referenced in Box 12 on page 38 of this manual.

### Advice for the practitioner

- Determine how you will transform data from operational-level CGMs into valuable knowledge for your company.
- Use Table 12 on page 89 as guidance to help you develop your corporate level reporting requirements and processes for CGMs.

Table 12 Identifying corporate-level reporting requirements

Key considerations	Your response
<ul style="list-style-type: none"> <li>What does corporate management want/need to know?</li> </ul>	
<ul style="list-style-type: none"> <li>What are the most essential KPIs and reporting requirements to put in place in order to gain this knowledge?</li> </ul>	
<ul style="list-style-type: none"> <li>In what form do we want to receive the information, e.g. raw number of complaints vs. analysis of the data?</li> </ul>	
<ul style="list-style-type: none"> <li>When in the roll-out cycle, should sites be required to report data to corporate management?</li> </ul>	
<ul style="list-style-type: none"> <li>How often should sites be required to report?</li> </ul>	
<ul style="list-style-type: none"> <li>How do we interpret sites who report zero complaints?</li> </ul>	
<ul style="list-style-type: none"> <li>How will data reported to corporate management be used?</li> </ul>	
<ul style="list-style-type: none"> <li>To develop a trend analysis?</li> </ul>	
<ul style="list-style-type: none"> <li>To identify strengths and risks in CGM implementation?</li> </ul>	
<ul style="list-style-type: none"> <li>To update our KPIs accordingly?</li> </ul>	
<ul style="list-style-type: none"> <li>To populate key reporting frameworks such as GRI, etc.?</li> </ul>	
<ul style="list-style-type: none"> <li>How will we align corporate-level reporting requirements and processes with those at the project level?</li> </ul>	
<ul style="list-style-type: none"> <li>Whether/what do we report publicly?</li> </ul>	
<ul style="list-style-type: none"> <li>How do we help sites conduct a trend analysis to discover root causes and systemic sources of complaints, to enhance learning, reduce risk, and improve impact management?</li> </ul>	
<ul style="list-style-type: none"> <li>How do we transfer learning from our analysis across the company for improved performance?</li> </ul>	

**Box 36 Sample corporate reporting requirements**

As corporate practitioners are gaining experience in the area of CGM global reporting and clarifying what is essential to know, the initial trend has been to require just a few key reporting indicators from sites. Examples of indicators currently in use include the following:

- Total number of complaints by category<sup>5</sup> and how these have changed over time
- If a site reports '0' complaints, corporate practitioners increasingly view this as a potential 'red flag'<sup>6</sup> requiring a detailed evaluation to understand the reasons behind the number
- Level of severity: low, medium, high<sup>7</sup>
- Time to resolve a case
- Number of days where activity was disrupted
- Number and status of cases referred to the independent recourse mechanism
- Number and status of court cases

**3. Determine how you will collect the data**

- Where there are diverse database systems, including Excel® spreadsheets, some corporate offices provide sites with a template of different categories of indicators.
- For companies with sophisticated databases, the system may have the capacity to generate such reports.

**4. Decide how you will analyse and use the data submitted by sites**

- Data analysis happens on at least two levels. The site level is concerned with gathering insights and lessons from community complaints that will prevent future complaints, reduce impacts, improve performance of the operation and enhance the effectiveness of the CGM. The corporate office wants to understand global non-technical risk and to harvest good practice and lessons to transfer throughout the company. These can help deliver fit-for-purpose CGMs that meet company requirements and international standards.
- A key challenge is to identify lessons at both corporate and site levels, and subsequently, to integrate learning back into the organization so that continuous improvements can be made.

<sup>5</sup> If your company participates in the Global Reporting Initiative, you may be aware that the Initiative asks for the total number of grievances in a variety of categories, including grievances about environmental impacts, labour practices, human rights impacts, and impacts on society filed, addressed and resolved through formal grievance mechanisms.

<sup>6</sup> The term 'red flag' indicates a warning and means that there is a sign of a potential problem that should be noticed or dealt with.

<sup>7</sup> 'Low' may be defined as any claim that can be resolved by the Community Liaison Officer; 'medium' refers to claims that require involvement of the associated contractor or complaint owner/manager that is the potential source of the complaint; 'high' needs senior management intervention and are those that perhaps should be reported to the corporate management.

**5. Determine what your assurance process will look like.**

- As with other business processes, CGMs may be subject to periodic internal assurance to check that appropriate controls are in place and that the process is functioning in line with established policy.
- Where the CGM has been incorporated into an existing company policy framework, it will usually be subject to the assurance regime already used for that framework.
- Assurance processes will vary from company to company.
  - Where the CGM requirement is located within the Social Performance (SP) Standard, the SP team may have oversight and conduct assurance in line with the standard.
  - One company uses a joint assurance assessment process that includes the country director.
  - Internal HSSE audits could include a review of the effectiveness of operational CGMs.
  - Third-party auditors may also provide assurance functions.
  - In joint ventures, companies suggest the operator conducts assurance.
  - One company used a third-party review to assure its guidance manual was consistent with UN Guiding Principles on Business and Human Rights.

**Box 37 The 'Two KPIs' approach to corporate reporting**

One company is requiring only two KPIs from its sites:

1. **Number of complaints by category**<sup>5</sup>: if a site reports '0' complaints, corporate practitioners increasingly view this as a potential 'red flag' requiring a detailed evaluation to understand the reasons behind the number.
2. **Number of days where activity was disrupted.**

The data received from these two KPIs is powerful.

**Lessons learned**

- Companies observe that more time and experience is required to know what information to collect, understand what the numbers they collect really mean, and know how to use the data strategically.
- Companies emphasized the need to first determine what it is you want to know (e.g. how the numbers and topics of complaints are changing over time), and then define what information you need to collect in order to provide the answer.
- Several companies are exploring additional assurance measures. These include assessing the performance of a CGM according to specific KPIs or the effectiveness criteria, in addition to the standard assurance framework. One company suggested the possibility of using a 'balanced scorecard' approach. IPIECA companies underscored the importance of letting sites know, well ahead of time, what the assurance protocol will encompass.

## Item 6: Culture and commitment



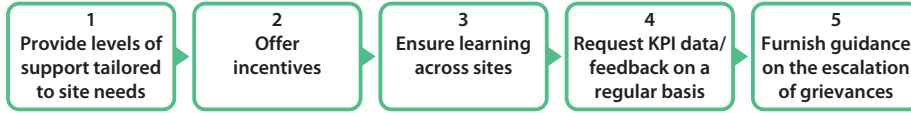
### Why important?

The best policies, procedures, people and systems will not enable a company to deal effectively with grievances if the leadership and internal culture are not supportive. The business case for CGMs should be widely communicated and understood throughout the organization. Grievances often cross internal boundaries or require multi-disciplinary responses, so it is important that senior managers set the tone and encourage a culture in which everyone is responsible for complaints. Managers also need to communicate performance expectations clearly to both staff and contractors.

### Lessons learned

- As companies learn how to shift from grievance resolution to prevention, experience demonstrates the importance of hardwiring grievance management into company policies and procedures, the asset's business objectives, the job descriptions of those responsible for grievance management beyond the Social Performance team, and, most significantly, the performance requirements of asset leadership that are tied to bonuses.
- One senior manager observed, 'A culture change is required, but it won't happen if you just leave it to the community grievance mechanism. It needs senior leadership's muscle behind it. A CGM alone can't create the culture change we are looking for. Change has to come from the top and the General Manager sets the tone. If it is not important to the General Manager, it will not be important to anyone else.'

## Module 6: Supporting project operations— advancing good practice on the ground



*'I find that sites want access to a real person from the corporate office for advice and trouble-shooting assistance, in addition to the CGM training, tools and guidance we provide. Most often people want the corporate blessing. Community liaison officers may be under pressure from their operation to develop a CGM that is simpler than the template procedure in our toolbox, for example. They want to know whether it will meet international standards and company policies. A second opinion gives them the confidence that a more modest procedure is reasonable and fit-for-purpose; or alternatively, it may provide them with a stronger business case and additional leverage to hold their ground and advocate for a more comprehensive approach to their management.'*

**Corporate Level Social Performance Manager**

The IPIECA pilot initiatives showed the extent to which project-level efforts can be advanced by processes and support from corporate headquarters. Module 6 builds on the corporate-related support activities presented in Modules 4 and 5, and spotlights the steps required for working with sites to advance effective practice on the ground.

This module also presents several dilemmas for further consideration by corporate practitioners.

## Step 1: Provide levels of support tailored to site needs



### Why important?

CGMs require corporate support in the form of coherent policies, operational procedures and management systems, as detailed in Modules 4 and 5. They also require an investment of time and resources from the corporate office to help sites transform enabling policies and procedures on paper into effective practice on the ground. Most sites will already have an existing way to handle grievances, and their needs from the corporate office will vary. Initially you may also encounter some degree of resistance from sites, as they grapple with what these new policies and procedures mean for them and with how to balance them with other priorities.

Corporate managers can advance good practice and provide value most efficiently by tailoring their support to site requirements, whether working with local managers and staff to strengthen the internal capacity of CGMs, empower the CGM function, and embed the CGMs into site-level management systems. They can also position CGMs as part of the operation's accountability culture, hardwiring prevention of grievances into the operation. Practitioners emphasize the evolution needed to shift the vision of a CGM as a tool to resolve individual complaints into a change-management process that holds people accountable.

### Advice for the practitioner

#### 1. Help sites understand the 'why, what and how' of operational-level CGMs

- Why is the requirement to align CGMs with corporate policy and international standards and practice important for the company?
  - Is site leadership aware of the need for CGMs based on lender requirements, UN Guiding Principles, and other features of the business case; what else do site managers need from the corporate office in order to actively champion the business case and the team responsible for implementation?
  - Do site teams recognize the value of identifying trends and addressing systemic problems in the operation?
- What is expected from sites in tangible terms and by when?
  - Is the site staff aware of opportunities for training and the specific support that is available?
  - Is there a member of corporate personnel that sites can contact for input?
- How will sites be supported during the roll-out process, and what level of assistance is the corporate office prepared to provide?



**Box 38 A message from the CEO**

When CEOs talk, people listen. Corporate managers and operations-based practitioners report that an email from the CEO to all employees is a compelling way to introduce the new CGM policy and/or global initiative. Public recognition from top management sends a powerful message that senior management is paying attention and values community relationships, social performance and the CGM. The message is an opportunity to underscore the 'why', including how the initiative links to the broader vision, aspirations and direction of the company and how it helps the company improve performance and succeed. It is also an occasion to encourage employees at all levels to get to know and implement the CGM programme, reminding them what online training is available and where to access it, if relevant. Finally, the message is an important opportunity to show recognition of the collective efforts of the many who are helping the CGM initiative succeed, and to communicate unequivocally that the CEO is personally counting on the full support of each and every employee.

**2. Consult project sites about their expectations**

What do sites need from the corporate office to support the design and implementation of effective CGMs at the project level? Be clear about what you can and can't offer. IPIECA has provided the following examples of what sites may expect from corporate management:

- Consistency in language, definitions, and classification of complaints to promote a shared understanding of the terms across sites and to ensure more consistent reporting.
- Guidance about how to communicate the basics of CGMs internally and externally, so that messages are consistent.
- Learning exchanges and opportunities to share lessons across operations.
- Tools for enhancing the legitimacy of the Community Liaison Officer and the CGM:
  - asking the General Manager to provide CGM-related reports, rather than the community relations function;
  - incorporating into the corporate enabling policy the requirement that 'final responsibility and oversight for the CGM rests with the General Manager'.
- Consultations with sites in the design of database management systems. Corporate level staff should conduct regular site-level visits and work with site-level staff to design an effective software system.
- Time frame for the implementation of the CGM—a precise deadline for when sites are expected to have their CGMs up and running, perhaps with interim milestones.
- Legal considerations that site personnel should be aware of. For example, one company is looking into establishing data protection laws around sensitive cases to manage data responsibly and to safeguard people's privacy. The company has identified data protection as an important issue in maintaining the reputation of the corporation.

**3. Customize support to meet individual site needs**

- For example, where no CGM exists, the provision of CGM technical expertise may be required, but in existing projects, change management know-how may be more appropriate.

**Annex Tool 15**

provides troubleshooting assistance to help pinpoint where corporate support will be most beneficial.



**4. Be clear about what the corporate management needs from sites**

- Follow the corporate reporting requirements and comply with the corporate policy or standard, unless sites request a deviation with a strong business case behind it.
- Provide unfiltered information to corporate management (without fear of criticism).
- Furnish feedback to corporate management in reference to the following issues:
  - What level of prescription in the CGM is useful for sites, versus how much flexibility do sites need to tailor for local contexts?
  - What information should be reported to corporate management and how often?
- Report both positive CGM news as well as typology of complaints.
- Help corporate management to champion the CGM, and help to communicate its purpose internally and promote the business case message. It's a joint effort.

## Step 2: Offer incentives



### Why important?

Given the demonstrated business case for implementation of effective operational-level CGMs, companies are searching for ways to incentivize their implementation. Companies have discovered an assortment of incentives to promote cooperation.

### Advice for the practitioner

#### 1. Make the implementation of a CGM time specific

- Give sites a set time frame to establish a CGM.
- Clarify that by a specific date the CGM will become part of the corporate internal auditing/assurance programme.

#### 2. Phase in CGM company requirements, providing sites with adequate time to learn and improve

- For example, in year one, only assess the presence of a CGM, whereas in subsequent years, measure effectiveness in more detail, according to a broader range of criteria.

#### 3. Address perception issues

Sites reporting high numbers of complaints may have a successful CGM or be failing to deal with issues; sites reporting low or no complaints may be addressing issues, or their CGM may not be working and complaint levels equate to a 'red flag'!

- One company observed, 'Most complaints reported across our operations come from a few complex assets—we consider these success stories.'

#### 4. Integrate complaint handling into the job descriptions of relevant staff, including complaint owners and the asset management team

#### 5. Tie implementation of a CGM to the company's financial incentive system

- In some cases, companies have included CGM implementation as a performance objective for general managers, tying it to their annual bonus.
- Other companies link CGM performance to department bonuses.
- Ensure incentives are geared toward obtaining the desired behaviour. For example, linking bonuses to a decreasing number of complaints could promote undesirable behaviour such as under-reporting.

**6. Encourage site managers to showcase the CGM internally and provide positive visibility to those involved**

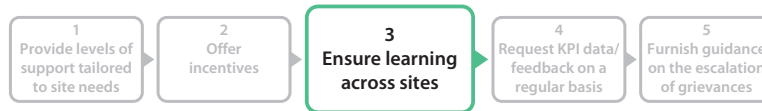
- Nominate the CGM for an internal award.
- Profile the CGM in internal newsletters and magazines.

**7. Prompt CGM practitioners to provide recognition, positive feedback and good news to local management and involved complaint owners when merited**

- Recognize operations for progress made, particularly in solving systemic issues and moving toward prevention.
- Host an awards luncheon or other social event with funny and serious awards, such as the most improved department, etc.



## Step 3: Ensure learning across sites



### Why important?

A powerful yet underused feature of CGMs is their ability to generate group-wide learning to promote good site-level CGM practice and improved performance across operations. Learning and continuous improvement can be reinforced and strengthened by processes driven from corporate headquarters. However, corporate managers face various dilemmas associated with learning transfer, including:

- how to identify and compile lessons learned from CGM activities;
- how to effectively communicate them across global operations;
- how to integrate key learning into decision making on policy and practice related to impact management, social performance, stakeholder engagement and non-technical risk.

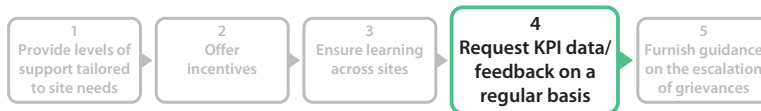
### Advice for the practitioner

- Develop your group-wide reporting requirements with learning in mind.
- Use the group-wide data for learning purposes, identifying trends and pinpointing areas for improvement through a global lens.
- Convene your global CSR teams periodically to share learnings and best practices.
- Showcase your CGM and key learnings in CSR reports, news or internal publications.
- Create a community of practice for CGM practitioners (not only for community relations staff) across operations linked through the company's internal website.
- Launch a CGM blog to share best practice tips, lessons and the latest news about CGMs.
- Hold monthly CGM practitioner calls to discuss lessons, challenges and successes.
- Participate in external initiatives and conferences such as those sponsored by IPIECA to engage in external learning exchanges and identify lessons with internal application.
- Consider how to transfer pilot project learning across sites.
- Develop a case studies library of complaints prevention strategies for business unit use.
- Include local and global insights into, and experience with, customized CGM training modules.

**Box 39 Global team meetings to provide group-wide learning**

One company's global Corporate Social Responsibility (CSR) team meets every two years to plan, coordinate and learn. Senior executives and board members join CSR practitioners from the corporate office, regions and sites. Sessions develop global CSR team goals, promote dialogue and team cohesion, share best practices, and strengthen CSR tools, skills and strategies in key issue areas. Topics explored include social risk management, CSR performance benchmarking and monitoring, stakeholder engagement, community grievance mechanisms, human rights, etc. The three-day CSR meeting runs alongside meetings of the global environmental, safety and health, and security teams, with all attending several joint sessions for cross-functional learning.

## Step 4: Request KPI data/feedback on a regular basis



### Why important?

As corporate managers engage with sites to help them transform a corporate CGM policy into sound practice according to the local context, they will need to receive feedback about CGM performance on a regular basis, according to a set of targeted and strategic KPIs. This data may enable the corporate office to gain a snapshot of group-wide CGM performance, understand performance gaps and strengths across sites, identify those sites that may need more support in advancing good CGM practice locally, troubleshoot problems at operations that may be at risk, and generally compare effectiveness across assets. The data may also inform the content and design of corporate training/orientation programmes to address gaps and promote good practice examples.

### Advice for the practitioner

#### 1. Consult sites to develop corporate KPIs

- Ensure that the information collected about the mechanism will be analysed and used in ways that will benefit sites and strengthen local practice.
- Consider additions and modifications of existing KPIs over time, based on experience.

#### 2. Less is more, at least to start

- Ensure KPIs are both qualitative and quantitative and include process and impact indicators. Indicators of interest may be different for internal stakeholders and the corporate office as opposed to the general public.

#### 3. To monitor performance of the CGM, solicit feedback from internal stakeholders such as the business units who have been complaint owners, in addition to indicators directed at community relations staff

- Consider questions regarding trust in the mechanism, its benefits, any difficult experiences encountered by internal stakeholders, and suggestions for enhancing effectiveness.

#### 4. Follow up right away in cases where you note a significant gap between complaint risk and the number of grievances received

- For example, if a site appears to have a low complaint risk, yet is reporting 1,000 grievances per month, this may be cause for alarm. Similarly, if an operation with a high complaint risk is reporting close to zero grievances per month, the data should raise a 'red flag'.

**5. Close the loop**

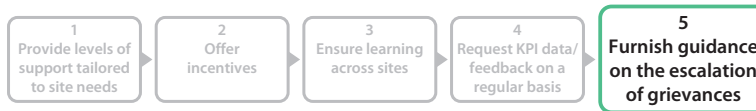
- Provide feedback to site personnel on what you are learning about roll-out, good practice and CGM performance. It can be demoralizing for sites to prepare regular reports, submit them to corporate management and never hear back about how the data is being used, what it means, what the lessons are and how the analysis is being fed back into the company to inform policy and improve company performance.

**6. Use KPI information to identify sites with similar problems or those that are more experienced and could serve as CGM peer mentors and advisors to others**

- Pair up sites encountering specific issues related to CGM design or implementation with knowledgeable peer advisors for learning and improvement purposes.



## Step 5: Furnish guidance on the escalation of grievances



### Why important?

Sometimes it may not be possible to resolve a grievance at the local or site level. On occasion, grievances lodged with a site CGM may have much wider potential implications or impacts for the company as a whole. In these cases, it is important to have in place a grievance escalation procedure to alert managers further up the corporate chain of command, so they can provide input. The corporate office should consider whether and under what circumstances escalation of complaints will be appropriate, and prepare relevant guidance for their sites.

### Advice for the practitioner

1. *Decide whether to incorporate an escalation requirement into the CGM process*
  - Consider the risks associated with including and not including an elevation approach.
  - Consult with sites and corporate stakeholders as part of the decision making process.
2. *Develop the standards and criteria that would trigger the escalation requirement and prepare relevant guidance*
3. *Consider whether additional guidance is needed to help sites know when corporate management should be informed*
4. *Develop a structure, procedure and time frame, identify personnel for oversight of escalated grievances, and communicate the approach to the sites*
  - Some companies may already have an existing group, such as a high-level board committee tasked with reviewing HSSE performance as a whole, who might incorporate this function into their current role.

### Lessons learned

- Anticipate as far as possible the dilemmas and challenges to CGM roll-out at project sites. Table 13 on page 104 highlights a number of common dilemmas that are worth contemplating ahead of time about which staff may look to you for guidance and advice.

**Table 13** *Anticipate dilemmas and challenges associated with the site roll-out of a community grievance mechanism*

Dilemma or challenge	Your reflections
<ul style="list-style-type: none"> <li>Managing the tension between standardization and the need to be context specific with regard to the steps of the CGM procedure, database system, etc.</li> </ul>	
<ul style="list-style-type: none"> <li>Corporate role in the CGM process: when are you involved; when are you informed? Do you have an official role in the CGMs? Are cases of high-level risk escalated to corporate management for input?</li> </ul>	
<ul style="list-style-type: none"> <li>Issues related to CGMs and external stakeholders: public reporting; the tension between transparency and confidentiality</li> </ul>	
<ul style="list-style-type: none"> <li>What is the company position on the involvement of third parties and options related to independent recourse?</li> </ul>	
<ul style="list-style-type: none"> <li>What does the corporate governance structure look like? Is its authority commensurate with its responsibility?</li> </ul>	
<ul style="list-style-type: none"> <li>What legal issues are you most concerned about and how will you manage issues related to data protection (e.g. establishing data protection laws around sensitive cases)?</li> </ul>	
<ul style="list-style-type: none"> <li>How will you measure effectiveness of operational-level CGMs?</li> </ul>	

## Annex 1

# Grievance mechanism tools

- Tool 1: UNGP effectiveness criteria— definitions and interpretations
- Tool 2: Determining internal and external stakeholder involvement
- Tool 3: Complaints risk assessment
- Tool 4: Diagnostic for existing mechanisms
- Tool 5: Job description—Grievance Officer
- Tool 6: Database selection tool
- Tool 7: Self-diagnostic tool for use when engaging a third party
- Tool 8: Force field analysis tool
- Tool 9: Internal stakeholder mapping tool—developing buy-in for community grievance mechanisms
- Tool 10: Taking stock: rapid assessment of internal risks and opportunities for implementing community grievance mechanisms globally
- Tool 11: High-level policy options and sample language
- Tool 12: Sample language for the CGM section of a company's human rights policy
- Tool 13: Summary of requirements linked to high-level policy sample language
- Tool 14: Company-wide analysis of operational-level CGMs
- Tool 15: Troubleshooting tool

## Tool 1: UNGP effectiveness criteria— definitions and interpretations

Effectiveness criteria	
1	<p><b>Legitimate: Enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes.</b></p> <p>The CGM should be credible in the eyes of its intended users for people to trust and use it. Users should have confidence that if they lodge a complaint, it will be treated in a fair and objective manner. Both the process and its outcomes are important for establishing trust in the mechanism.</p>
2	<p><b>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.</b></p> <p>The mechanism should be known to all affected stakeholders, regardless of language, gender, age, literacy level or socio-economic standing. The company should promote awareness of the mechanism and understanding of its purpose and functioning. The mechanism should also be readily accessible, culturally appropriate and should not impede access to other forms of remedy. The design of the mechanism should take account of potential barriers to access, for example in terms of cost, language, fear of retaliation, as well as the needs of any vulnerable or disadvantaged groups.</p>
3	<p><b>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.</b></p> <p>A predictable CGM provides clarity to potential users about how the process works, the timeline for resolving complaints, and the types of outcome available. Predictability also means that the grievance handling process itself operates in a consistent manner.</p> <p>Predictability allows users to understand what steps will be followed when they submit a complaint, and provides them with a contact point within the company. It also means providing clarity about what kind of complaints are within the scope of the mechanism and the types of outcome available, as well as how agreed resolutions are followed up and monitored.</p>
4	<p><b>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.</b></p> <p>Barriers presented by culture, expertise, language or socio-economic status may mean that stakeholders are, or feel they are, at a disadvantage when it comes to engaging with the company about the way grievances are investigated or resolved. The equitability principle seeks to redress real or perceived imbalances by placing responsibility on the company to help level the playing field. The complainant should have reasonable access to information, advice and expertise necessary to engage in the grievance process on fair and equitable terms. Equitability also implies handling every grievance consistently and with due respect for the complainant, regardless of whether the company considers the issue to be well founded.</p>
5	<p><b>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.</b></p> <p>The intent of the transparency principle is to build trust in the CGM by keeping complainants informed about the progress of their case, and communicating with user groups about the overall functioning of the mechanism.</p> <p>Transparency about outcomes does not imply that details of individual grievances should be made public. Rather, the intent is that a company should engage in a dialogue with stakeholders about the functioning and performance of the mechanism. Transparency should also be weighed against other considerations, such as the need to respect confidentiality and avoid exacerbating tensions between different groups.</p>


Effectiveness criteria (continued)	
6	<p><b>Rights-compatible: Ensuring that outcomes and remedies accord with internationally recognized human rights.</b></p> <p>A CGM should promote equitable resolution processes and equitable agreements based on informed decisions. A project-level CGM is not a substitute for, nor should it undermine, a complainant's right to pursue other avenues of remedy, judicial or non-judicial.</p>
7	<p><b>Continuous learning: Drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms.</b></p> <p>CGMs contribute to institutional learning by making it possible for the company to identify trends and patterns, and take appropriate measures to reduce the risk of recurrences. The more grievances a mechanism handles, the more experience the team managing the process has to understand the root causes of community concerns and how to resolve them. This principle highlights the need to analyse root causes and focus on prevention rather than simply managing grievances as they arise.</p>
8	<p><b>Based on engagement and dialogue: Consulting the stakeholder groups for whose use the CGMs are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.</b></p> <p>Engagement and dialogue form the foundation of the grievance handling process. This applies to the design of the mechanism as well as the way in which the process operates, from the receipt of a complaint through to investigation, resolution and follow up. Solutions reached through dialogue are more likely to satisfy the interests of the parties than those imposed unilaterally. Open engagement helps the company and neighbouring communities minimize barriers and find acceptable resolutions to the issues identified. Dialogue in itself can be a powerful tool to address grievances, especially when neither side can prove their case, when a complainant simply wants to be heard by the company, or when the evidence does not substantiate the complaint.</p>


## Tool 2: Determining internal and external stakeholder involvement

Several issues need to be considered when determining external stakeholder involvement:


Questions to consider		Relevant to your site? ✓			
		Yes	No	Maybe	
1	<b>Why?</b> What is the purpose of internal and external stakeholder involvement?	a. To provide legitimacy and ownership amongst potential users?			
		b. To ensure that the mechanism is context specific?			
		c. To raise awareness among stakeholders about a (new) tool or process			
		d. Other:			
2	<b>How?</b> What is the role and mandate of internal and external stakeholders?	a. Are they observers, advisors or part of the design team?			
		b. What happens in a case where the external stakeholders have a different interpretation of grievance handling to that of the company?			
		c. What happens if community representatives suggest bringing in outsiders such as unions or advocacy groups?			
		d. Is there a need to provide clarity on roles and responsibilities?			
		e. Other:			
3	<b>Who?</b> Who should be involved?	a. Community representatives, civil society groups, mediation experts?			
		b. How does the company know that representatives enjoy broad based legitimacy? In some cases, the trust relationship between the company and local stakeholders can be such that it is difficult to find objective representatives.			
		c. Other:			
4	<b>When?</b> What is the best timing to bring in external groups or to engage with external stakeholders more broadly?	a. Engaging too early may present a risk that the company intent of the CGM may become diverted.			
		b. Involving stakeholders too late presents the risk that they feel their involvement is just for show and not a genuine effort on the company's part.			
		c. Other:			

## Tool 3: Complaints risk assessment

This tool is designed to help you assess your operation's exposure to complaints. It poses a series of questions under three main headings: your operation's physical **footprint**; factors in the **operating environment** that could influence the pattern of complaints; and an estimate of the number and type of **expected complaints**. The results of this assessment should be used to inform decisions about the design and resourcing of the CGM. Answer the 'Questions to Consider' in the 'Findings' column and then check the last box marked with a red flag  if you feel this issue is a risk worth noting for your company. You can then return to these 'red flagged' issues later for your risk assessment.

Questions to consider	Findings	Guidance	Risk 
<b>Footprint</b>			
1	How many community stakeholders are impacted by your project or asset?	<p>The nature of an operation's impacts and the size and makeup of neighbouring communities are key determinants of the number and severity of likely complaints.</p> <p>This can influence the design of the CGM in several ways, e.g.:</p> <ul style="list-style-type: none"> <li>• number and type of access points;</li> <li>• awareness raising strategies;</li> <li>• staff resources to handle complaints;</li> <li>• functionality of tracking systems.</li> </ul>	
2	What is the nature of potential impacts on community stakeholders (socio-economic, health, environmental, cultural, security, etc.)?		
3	Do you expect any significant changes in impacts over the next five years (changes in operational activity, new projects, etc.)?		
<b>Operating environment</b>			
4	Can stakeholders bring concerns to the attention of the company other than through a formal mechanism?	<p>Complaints will be more easily resolved in environments where government institutions are strong and trusted, the operation enjoys stable local relationships and stakeholders have multiple avenues for getting concerns addressed. In environments where government institutions are weak or distrusted, stakeholders lack options for redress, or conflict is prevalent, complaints are likely to be more frequent and more challenging.</p> <p>This can influence the design of the CGM in several ways, e.g.:</p> <ul style="list-style-type: none"> <li>• use of additional trust building measures such as joint fact finding;</li> <li>• use of third parties for mediation, technical support, capacity building.</li> </ul>	
5	How would you characterize local conflict resolution culture (adversarial, non-adversarial, preference for traditional methods, etc.)?		
6	Are government institutions trusted and effective in the eyes of community stakeholders?		
7	Do community stakeholders have access to avenues of redress other than the Community Grievance Mechanism, such as the courts, regulators, community associations or an independent ombudsman?		
8	Does your operation have any Indigenous Peoples among its primary stakeholder groups?		

continued ...

Questions to consider		Findings	Guidance	Risk 
<b>Operating environment (continued)</b>				
9	Does your operation have any vulnerable or marginalized people among its primary stakeholder groups (women, the poor, groups subject to historic discrimination, etc.)?		<ul style="list-style-type: none"> <li>Reflecting local conflict resolution culture in the design of the mechanism. Indigenous Peoples in particular may have very specific preferences with regard to how conflicts are handled.</li> <li>Promoting a coordinated approach to complaints handling with other operators.</li> </ul>	
10	Is your operation located in an area where there is a history of difficult relationships between companies and local communities or unresolved legacy issues?			
11	Is your operation located in an area with multiple operators contributing to significant cumulative impacts?			
<b>Expected complaints</b>				
12	On average, how many complaints do you expect your project or asset to receive on an annual basis over the next five years?		<p>The number and type of complaints an operation expects to receive will influence the design of the mechanism in several ways, e.g.:</p> <ul style="list-style-type: none"> <li>use of trust building mechanisms such as multi stakeholder bodies or the involvement of third parties in case of complex complaints;</li> <li>level of transparency about outcomes;</li> <li>internal governance and oversight;</li> <li>coordination across internal functions and disciplines.</li> </ul>	
13	What are the most common types of complaints you expect to receive? For example, noise, odour, traffic, pollution, land acquisition and resettlement, lack of jobs.			
14	How severe are the complaints you expect to receive? Severity in this context means the actual or potential consequences of the complaint from the point of view of the complainant (for example, complaints about nuisance issues will generally be less severe than complaints about more serious issues such as land acquisition or resettlement).			



## Tool 4: Diagnostic tool for existing mechanisms

This tool is designed to help you improve an existing community grievance mechanism. A greater number of questions answered in the affirmative indicate a greater likelihood that the existing mechanism is based on international best practice. Answers of 'no' or 'maybe' suggest that a company may wish to revisit the topical component.

Topic	Questions to consider	Yes	No	Maybe	
		✓			
<b>General</b>					
1	Stakeholder identification and engagement	• Have neighbouring communities and vulnerable groups (indigenous peoples, women, elderly, poor, etc.) been clearly identified?			
		• Have internal and external stakeholders been consulted?			
		• Is the CGM part of a broader engagement process?			
2	Internal stakeholder collaboration	• Does senior leadership support the review of the current CGM?			
		• Is the business case clear to internal stakeholders?			
		• Is the CGM described to senior management as a tool to improve stakeholder relationships and reduce operational risk rather than a fault-finding mechanism?			
3	Risk assessment	• Has a complaints risk assessment been conducted?			
		• Is the resourcing of the community grievance procedure proportional to the types and severity of potential impacts on neighbouring communities?			
4	Accessibility and trust	• Is there a range of contact options for complainants?			
		• Can complaints be submitted anonymously?			
		• Have appropriate languages and accessible formats been used to establish stakeholder knowledge and understanding of the process?			
		• Is the CGM accessible to all stakeholders, and are barriers to access identified and mitigated?			
		• Do vulnerable or marginalized groups get special attention?			
		• Are the CGM's process and scope clearly explained?			
		• Does the process take into account culturally appropriate ways of articulating and resolving disputes?			
• Are there channels to voice concerns or requests to the company without registering formal complaints via the CGM—eg. via Community Liaison Officers?					


continued ...

Topic		Questions to consider	Yes	No	Maybe
			✓		
<b>Process steps</b>					
5	Receive	• Are access points well defined and publicized?			
		• Have all the different ways in which complaints enter the company been aligned such that they are channelled into one single CGM?			
		• When a complaint is received, is there a system for logging the complaint details?			
		• Are complainants given a clear 'roadmap' of the process, including a time frame for each step?			
6	Assess	• Is someone tasked to assign the party responsible for coordinating the response?			
		• Are out-of-scope complaints redirected to an appropriate process?			
		• Is there a rapid response procedure to immediately address complaints that are low severity and easily solved?			
		• Are line managers from relevant business functions assigned ownership of medium- and high-severity complaints?			
7	Acknowledge	• Is there a point by which complainants know that their complaint has been formally received?			
		• Are complainants kept updated at regular intervals throughout the process?			
		• Does the procedure include a time frame within which complaints need to be acknowledged?			
8	Investigate	• Are complaints investigated objectively against clearly defined standards?			
		• Are the functions associated with the complaint involved in the investigation process?			
		• Have internal timelines for the investigation process been determined?			
		• Is there an internal escalation process that ensures that timelines are being kept?			
9	Respond	• Are the findings of investigations shared with complainants?			
		• Are resolutions reached through face-to-face dialogue whenever possible?			
10	Appeal	• Is there a formal appeals process?			
		• If there is no formal process, do you know what actions you will take if a complainant refuses to accept the decision?			
		• Are complainants made aware of the option to use the appeals process?			
		• Does the appeals body include persons not involved in the handling of the complaint?			

continued ...

Topic	Questions to consider	Yes	No	Maybe	
		✓			
<i>Process steps (continued)</i>					
11	Follow up				
12	Close out	<ul style="list-style-type: none"> <li>When a resolution has been agreed with a complainant, are corrective actions recorded and tracked to close-out?</li> </ul>			
		<ul style="list-style-type: none"> <li>After a resolution is implemented, is the complainant's satisfaction with the outcome as well as the process verified and tracked?</li> </ul>			
		<ul style="list-style-type: none"> <li>When a resolution cannot be agreed with a complainant, is a line manager required to authorize closure?</li> </ul>			
		<ul style="list-style-type: none"> <li>Do complaints have to be resolved within a specified time period?</li> <li>If so, is performance monitored?</li> </ul>			
13	Monitoring and evaluation	<ul style="list-style-type: none"> <li>Have KPIs been identified to measure social performance and trends in complaints received?</li> </ul>			
		<ul style="list-style-type: none"> <li>Is there a 'learning-from-complaints' process to identify systemic issues, and are actions taken to integrate lessons learned, in line with continuous improvement?</li> </ul>			
		<ul style="list-style-type: none"> <li>Is senior management periodically updated about complaints trends?</li> </ul>			
		<ul style="list-style-type: none"> <li>Does a user survey exist to get regular or occasional external stakeholder feedback on the whole CGM process?</li> </ul>			
		<ul style="list-style-type: none"> <li>Is information regarding outcomes of the CGM shared with relevant stakeholders?</li> </ul>			
<b>Organization and resourcing</b>					
14	Organization	<ul style="list-style-type: none"> <li>Have roles and responsibilities for complaint handling been clearly defined?</li> </ul>			
		<ul style="list-style-type: none"> <li>Are all the operation's employees—including contractor employees—aware of the CGM?</li> </ul>			
		<ul style="list-style-type: none"> <li>Is complaint handling integrated into job descriptions of relevant staff?</li> </ul>			
15	Resourcing	<ul style="list-style-type: none"> <li>Is the CGM properly resourced?</li> </ul>			
		<ul style="list-style-type: none"> <li>Do the personnel managing complaints and liaising with complainants have the necessary skills and experience?</li> </ul>			
16	Management system	<ul style="list-style-type: none"> <li>Is there a database or spreadsheet to track complaints?</li> </ul>			
		<ul style="list-style-type: none"> <li>Does the complaints tracking system provide the business with sufficient performance data to know where improvements are needed and to report externally in a credible way?</li> </ul>			

continued ...

Topic		Questions to consider	Yes	No	Maybe
			✓		
<i>Organization and resourcing (continued)</i>					
17	Legal	<ul style="list-style-type: none"> <li>Has the Legal function reviewed the CGM for compliance with local laws and regulations?</li> </ul>			
		<ul style="list-style-type: none"> <li>Are there safeguards to prevent retaliation against all parties involved in the complaint handling process?</li> </ul>			
		<ul style="list-style-type: none"> <li>Are there safeguards to protect the confidentiality of all parties to the complaint handling process?</li> </ul>			
		<ul style="list-style-type: none"> <li>Are stakeholders free to pursue their complaint through other avenues if a solution is not available through the CGM?</li> </ul>			
<p><b>RISK ALERT:</b> Did you check the 'No' box in any case? If so, return to those boxes and red flag  any that you feel are genuine risks that will need to be addressed later.</p>					

## Tool 5: Job description—Grievance Officer

**Position:** Grievance Officer

**Report to:** Grievance Coordinator

### 1. Purpose

- 1.1. To support the design and implementation of the company's complaints and grievances management procedure.
- 1.2. To promote amicable solutions to complaints/grievances relating to company activities.
- 1.3. To manage complaints/grievances in a culturally sensitive, timely and consistent manner that reflects the company's broader commitment to transparency and accountability as a basis for earning the confidence of local stakeholders.

### 2. Essential duties

- 2.1. Understand and adhere to company values and policies, including any Social Responsibility Policy, which outlines our commitment to sustainable development, the protection of human life, health, the environment, and to adding value to the communities in which we operate.

### 3. Grievances and complaints

- 3.1. Provide a reliable point of contact for community and individual complaints and grievances, and ensure an outcome in accordance with the established procedure, including:
  - 3.1.1. Preparing documentation of all complaints and grievances that result from the activities of the company, its employees and its contractors.
  - 3.1.2. Conducting first level investigation of claims and pursue resolution to the satisfaction of all parties.
  - 3.1.3. Referring as necessary complaints/grievances to the Resolving Officers of the functional areas associated with the complaint.
  - 3.1.4. Referring complaints/grievances to the Grievance Committee for complaints of a more complex nature.
  - 3.1.5. Maintaining the grievance register on a daily basis.
- 3.2. Ensure that cordial relations are maintained with the Tribal/local authorities involved in the grievance investigation process.
- 3.3. Ensure continuation of the procedure in case of leave or sickness, by training a back-up person.

### 4. Community education

- 4.1. Undertake education programmes within the stakeholder communities, regulatory agencies and with civil society groups to ensure complete understanding of the complaints and grievances management procedure.
- 4.2. Pursue options for local stakeholders to inform the way the CGM functions, building its credibility and effectiveness as a relations-building tool.

## 5. Internal education

- 5.1. Undertake education programmes for company staff and (sub) contractor employees to ensure complete understanding of the complaints and grievances procedure.
- 5.2. Develop an induction module for company staff and (sub) contractor employees aimed at complaint and grievance **prevention** (behavioural guidelines, common sources of concern, etc.).
- 5.3. Liaise with other company operations regarding grievance resolution to promote consistency and to share lessons.

## 6. Continuous learning and analysis

- 6.1. Provide the General Manager with a *monthly* data summary that includes:
  - 6.1.1. Number of pending cases at the beginning of the month.
  - 6.1.2. Number of new complaints and grievances.
  - 6.1.3. Number of closed cases.
  - 6.1.4. Nature/category of complaints/grievances.
  - 6.1.5. Number of closed complaints acknowledging a fair process.
  - 6.1.6. Number of closed complaints and grievances with acceptance of outcome.
  - 6.1.7. Number and percentage of complaints/grievances resolved within 30 days.
  - 6.1.8. Total number or percentage pending (i.e. up to 30 days).
  - 6.1.9. Number or percentage late (i.e. beyond 30 days).
  - 6.1.10. Average resolution time.
  - 6.1.11. Complaint resolution trend (% of complaints resolved within 30 days for a 12-month rolling window).
  - 6.1.12. Number of complaints grievances escalated to the 2nd and 3rd order mechanisms.
- 6.2. Provide the General Manager with a *quarterly* data summary that includes:
  - 6.2.1. Quarterly reports on trends by category(s) (for example water quality, compensation, health, cultural concerns, etc.).
  - 6.2.2. Complaints and grievances by functional area or contractor.
  - 6.2.3. Internal compliance with investigation time frames.
  - 6.2.4. Number of 'abandoned' complaints.
  - 6.2.5. Status of second and third order mechanisms.
  - 6.2.6. Root cause analysis report for significant complaints/grievances.
- 6.3. Provide proactive recommendations to the General Manager about how the causes of grievances can be addressed so that future grievances can be prevented.

## 7. Technical skills, education/training and experience

- 7.1. Training in conflict management, human rights and Indigenous Peoples' rights.
- 7.2. Knowledge of mining industry standards and best practices in sustainability and social responsibility.
- 7.3. Ability to serve as a 'Company Ambassador' and to act in line with the Corporate Values at all times.
- 7.4. Strong verbal and written communication skills.
- 7.5. Proven problem analysing and solving skills.
- 7.6. Working knowledge of Microsoft™ Word® and Excel® programs.
- 7.7. Understanding of the economic, political and social dynamics in the area of operation.

## 8. Personal attributes

- 8.1. Empathetic towards sensitive cultural, personal and community issues.
- 8.2. Demonstrated ability to work under pressure with minimal supervision.
- 8.3. Diligent and meticulous.
- 8.4. Driven to improve, initiate activities/ideas, and be proactive within a technically-oriented industry.

## 9. Performance measures

- 9.1. Targets
  - 9.1.1. All complaints are responded to within 30 days.
  - 9.1.2. All complaints are registered and recorded in accordance with the standard operating procedure.
  - 9.1.3. An ongoing trends analysis into the causes of complaints/grievances.
  - 9.1.4. A decrease in repeat complaints and grievances.
  - 9.1.5. An overall improvement in company-community relations.

## Tool 6: Database selection tool

With all the technology options available, how do you go about selecting a database system to suit the needs of your company? The checklist below summarizes the issues worth considering when selecting a database.

Considerations		Yes	No	Notes
		✓		
1	Does the corporate office prescribe a software package or you at liberty to select your own or modify an existing one?			
2	What would you expect from a database system? What management information does it needs to generate?			
3	What type of reporting format are you looking for?			
4	What features are important? For example:			
	a. the ability to automatically generate reports.			
	b. the ability to be accessible from multiple locations (e.g. web based), especially for projects at remote locations (e.g. pipeline projects).			
	c. the ability to automatically escalate a grievance investigation request to the next level hierarchy in the organization if internal timelines are not being met.			
5	What database systems do already exist at the site level?			
6	If a software program already exists, can it be adjusted to meet the needs of a CGM?			
7	Does the site have the in-house capacity to make changes to the program or does this need to be outsourced?			
8	What is the capacity of local staff to get used to another software program?			
9	Does the system meet data protection requirements?			
10	Is the new system compatible with the company's internal IT environment and with information security requirements?			



## Tool 7: Self-diagnostic tool for use when engaging a third party

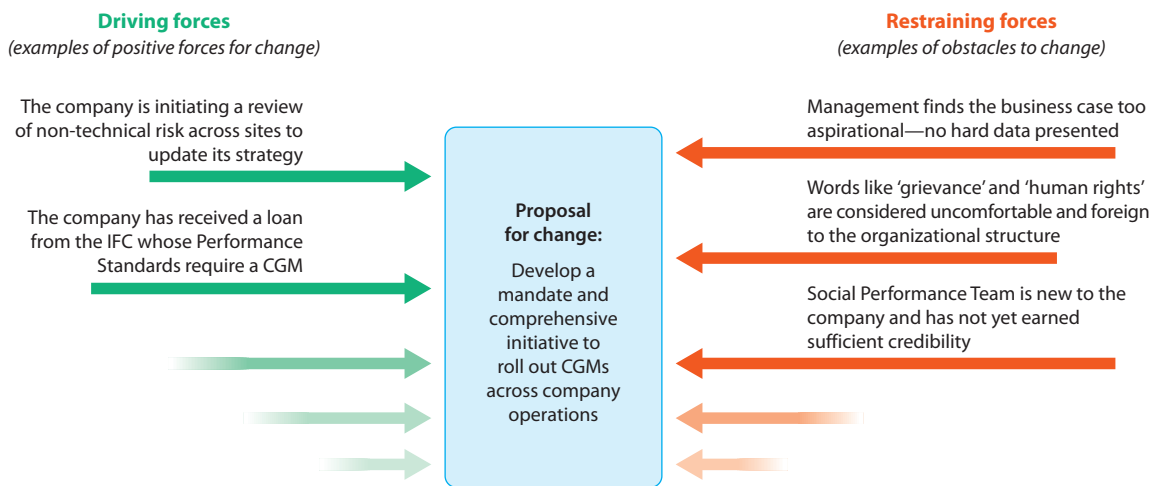
Do your policies and procedures cover third-party involvement? If so, this checklist can help determine whether there are any gaps or anomalies.

Question	Relevance	Is this question clarified within your procedure ✓		
		Yes	No	
1	Can both company and complainant request third-party involvement?	When companies are funding third-party involvement, they will probably want some control over who is brought in, when, and their role.		
2	When should a third party be brought in?	<ul style="list-style-type: none"> <li>Ideally, both parties agree to seek third-party support.</li> </ul>		
		<ul style="list-style-type: none"> <li>In cases where the complainant can trigger third-party involvement, it should be clear when this can happen. Should it happen over a minor rate of compensation dispute—such as a chicken injured or killed by a company car—or be reserved for more substantial cases only?</li> </ul>		
3	What is the vetting process for third-party involvement? How do you know the third party is legitimate?	Various options are open, and company and complainant need to agree on the process. <ul style="list-style-type: none"> <li>Independently, company and/or complainant can suggest or name third parties, which are then verified by both parties as being credible.</li> </ul>		
		<ul style="list-style-type: none"> <li>The company can verify the credentials of the third parties it request the complainant to propose.</li> </ul>		
		<ul style="list-style-type: none"> <li>Some companies have a 'standing list' of experts they use for conflict resolution.</li> </ul>		
4	Who is paying?	<ul style="list-style-type: none"> <li>If a company pays, it may impact the credibility of the third party.</li> </ul>		
		<ul style="list-style-type: none"> <li>It is often best to use a third party with a reputation for independence that is already funded, such as a governmental ombudsman.</li> </ul>		
		<ul style="list-style-type: none"> <li>Some companies provide annual payments to an academic institution or think-tank to provide third-party services (for example providing legal or negotiation support to complainants) to avoid conflict of interests.</li> </ul>		

## Tool 8: Force field analysis tool

Force field analysis is widely used to plan and implement change management programmes. It can help to quickly evaluate sources and strengths of internal support or opposition to the introduction of CGMs. The aim is to find ways to reduce restraining forces and increase driving forces. Force field analysis can be combined with internal stakeholder mapping. Most effective with small team engagement, the tool can be used by an individual.

### Example of force field analysis



The process to win key decision maker support for company-wide CGM initiative is as follows:

1. Agree on the change to be addressed—for example, ‘Develop a company-wide initiative to roll out CGMs across all operations.’
2. List all the forces in support of the change in a column to the left (positive forces for change that drive the change forward).
3. List all the forces working against the change in a column to the right (obstacles to change, holding it back). You can make the arrows different lengths depending upon whether the factor is weaker or stronger.
4. Sort the driving and restraining forces around common themes.
5. Score according to magnitude, ranging from 1 (weak) to 5 (strong)—this step will be somewhat subjective.
6. It is unlikely that the score or the number of arrows will be the same on each side. Discussion and analysis will identify concerns, problems, symptoms and solutions. It may be useful to record these and review where there is agreement on an action or a way forward.
7. In policy influencing, including the development of the enabling policy for CGMs, along with necessary procedures, capacities, tools and systems—the aim is to find ways to reduce the restraining forces and to capitalize on the driving forces.
8. Once you have gained a clearer understanding of the factors for and against a company-wide CGM, you will be better informed to determine which strategies will reduce resistance and which will strengthen opportunities for change.

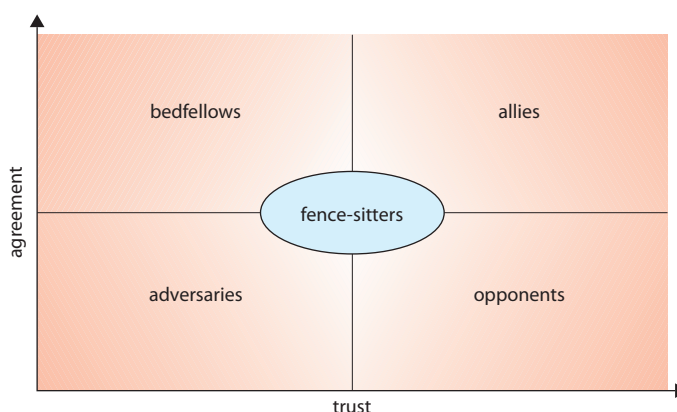
## Tool 9: Internal stakeholder mapping tool—developing buy-in for CGMs

1. When building a coalition of support for a global CGM mandate and initiative, a brief internal stakeholder mapping exercise can help to identify how the organization's key decision makers and other influential leaders regard the proposal, and how to win their buy-in.

Identify your:

- **allies** (high trust, high agreement)—can help develop the corporate mandate for CGMs;
  - **opponents** (friendly opposition, high trust, low agreement);
  - **bedfellows** (low trust, high agreement);
  - **adversaries** (low trust, low agreement); and
  - **'fence-sitters'**—may reside in any quadrant, are undecided and can be influenced.
2. For 'fence sitters', find out what will win their support (for example, a better understanding of what a CGM is and might mean for them) and find ways to make them 'allies' or 'bedfellows'.
  3. For those who are adversaries or opponents, find out:
    - Why are they opposed? What are their interests and concerns?
    - How might you modify the initiative to address their needs and interests and gain their buy-in?
  4. Increasing agreement is usually much easier than increasing trust, which is built over time and requires consistent behaviour if it is to be maintained. If trust is lacking with a key stakeholder, it may help to seek the assistance of an ally they already trust and who is willing to support your proposal.
  5. Success usually means having enough key stakeholders in the categories of 'ally' or 'bedfellow'.

This tool can help you develop your proposal and your strategy to maximize buy-in, and can be used in combination with the force field analysis tool on page 120.



## Tool 10: Taking stock—rapid assessment of internal risks and opportunities for implementing CGMs globally

	Advice for the practitioner	Your response	Any significant risks or opportunities?	What actions might you take to advance CGMs?
1	What organizational restructuring initiatives, change management programmes or strategy reset processes are under way at the senior management level that may be a potential threat to, or source of, support for CGMs? Consider engagement-focused initiatives, high-potential leadership development programmes, board resolutions, shareholder initiatives?			
2	What is the change management culture of the organization? Are there specific protocols that need to be followed?			
3	Have there been other initiatives or change management processes that can be referred to or learned from?			
4	Approval from top leadership is necessary support but is not sufficient for CGM implementation. How are other key internal stakeholders a source of risk or opportunity, and what is their level of involvement in CGM design and implementation? <ul style="list-style-type: none"> <li>• Which internal stakeholders will welcome the mechanism?</li> <li>• Who may have reservations and what are their interests and needs?</li> <li>• Who are the key internal stakeholders that have to be engaged in the design of the policy and guidance or review processes to provide the mechanism with internal legitimacy?</li> <li>• At what point in the process do certain stakeholders, such as the Legal function, need to be engaged?</li> <li>• What about joint venture partners, sites and external stakeholders?</li> </ul>			
5	Who owns responsibility for CGMs at the corporate level?			
6	Which global function has oversight?			
7	What is the highest-level company officer responsible for CGMs globally? Is the level sufficient to provide CGMs with the required internal and external legitimacy?			
8	What other corporate business units will you work with, e.g. health, safety, security, environment, local content, and supply chain and procurement, and how will the standards and procedures be aligned?			

*continued ...*

	Advice for the practitioner	Your response	Any significant risks or opportunities?	What actions might you take to advance CGMs?
9	What complaint-handling processes already exist at the corporate level that you should be aware of for alignment and coordination purposes, e.g. a business integrity mechanism, a human resources or labour complaint system, a land acquisition or royalty hotline, a procurement complaint mechanism?			
10	What policies govern these processes?			
11	What management systems, tools and resources are in place that could affect CGM implementation (e.g. a company has purchased a single database management system to track and record all social and environmental incidents; a number of sites already have CGMs in place with sophisticated IT tools that have been customized to their circumstances; these sites are resistant to changing to a generic system)?			
12	<p>In your review of new and existing operations (onshore, offshore, unconventional, no E&amp;P, etc.), what are you learning about CGMs? What does the global snapshot look like?</p> <ul style="list-style-type: none"> <li>• Which sites are new operations, offshore, onshore, etc.?</li> <li>• What are the strengths, vulnerabilities and gaps in general?</li> <li>• What good practices have you observed for knowledge transfer?</li> <li>• What have you learned that could inform the corporate policy or indicate content for tools and guidance required in the future?</li> <li>• How might you cluster sites in terms of new operations that can implement CGMs from the start, versus operations where retrofitting a more ad hoc and less formal approach will be required?</li> <li>• How might you cluster projects that are similar to each other to help facilitate a learning culture?</li> </ul>			
13	What gaps if any, exist between good practice and the company's current approach to CGMs? Understanding the extent (or absence) of the gaps may inform a sustainability or social performance work programme going forward.			
14	What corporate resources are available to support CGM implementation? What costs will be assumed by the corporate office; what is the responsibility of sites?			

## Tool 11: High level policy options and sample language

Company	High level policy	Sample requirement language
A	A functional requirement in the corporate management system placed alongside the text on requirements for local community engagement.	'Suitable, effective community grievances shall be set up by project/country offices right from the early phase, and shall be continued throughout the entire project life and related value chain activities.'
B	Part of company-wide mandatory requirements for health, safety, security, environment and social performance.	'Engage Stakeholders to: <ul style="list-style-type: none"> <li>● find out their needs and expectations;</li> <li>● communicate 'who we are and what we do';</li> <li>● communicate a procedure to receive, track and respond to questions and complaints;</li> <li>● seek input on the social impacts of business activities, and on mitigation or enhancement measures, as identified by requirement 4 of Tool 13 (see page 126); and</li> <li>● seek feedback on the effectiveness of stakeholder engagement and update plans accordingly.'</li> </ul>
C	Corporate Policy on Respect for Human Rights	'The company is committed to establishing effective CGMs at the operational level.' The Policy includes a specific section on grievance mechanisms.
D	Social Performance Standard	Corporate requirement to establish a CGM for all site-level operations which have impacts on the surrounding community.
E	Operating management system: <ul style="list-style-type: none"> <li>● health, safety, security, the environment;</li> <li>● social responsibility;</li> <li>● operational reliability;</li> <li>● related issues such as maintenance, contractor relations and organizational learning.</li> </ul>	A requirement for businesses to have a process for receiving communications from key communities and stakeholders and to document responses. Businesses are also required to record and take action on any external commitments they make to key communities and stakeholders.
F	Management Standard on Community Complaints and Grievances (stand-alone policy)	Summary of requirements (see Tool 13 on page 126).

## Tool 12: Sample language for the CGM section of a company's human rights policy

'The Company, as part of its human rights policy, commits to establish efficient communication or complaint mechanisms to allow people who may be directly affected by an operation to notify the company of a possible human rights impact.

The mechanisms will strive to be:

- a) Legitimate: inspire the confidence of the people and groups for which they are intended.
- b) Accessible: known by all groups for which they are intended. The company will publicize existing complaint channels.
- c) Predictable: have a clear and known procedure.
- d) Fair: ensure that people have reasonable access to sources of information to initiate a complaint process on equal terms, with full information and respect.
- e) Transparent: ensure that people who are directly affected are kept informed about the evolution of complaint processes.
- f) Compatible with rights: ensure that the results comply with internationally recognized human rights and guarantee both the protection of personal privacy and the confidentiality of the process.
- g) A source of continuous learning: adopt measures to improve the mechanism based upon an assessment of cases and experience. Whenever possible, the company will consult those directly affected on the design and operation of the mechanisms designed for them.'

## Tool 13: Summary of requirements linked to high-level policy sample language

Requirement	
1	The company recognizes that complaints are a normal occurrence during project delivery and can happen at any time. To address community concerns before they escalate to the point where they could threaten project cost, schedule, or company reputation, or pose harm to communities, every site should establish a CGM.
2	The mechanism should be fit-for-purpose and consider complaint risk factors, including site footprint, operating environment, and the types and volume of expected complaints, to assure the mechanism is relevant to the local context. See Tool 3, the complaints risk assessment tool (page 109) and Tool 4, the diagnostic tool for existing mechanisms (page 111).
3	Comply first with any legal, regulatory, or lender requirements for addressing community grievances.
4	The site is responsible for developing and implementing the mechanism; however, operations should consult with external stakeholders to enhance legitimacy and awareness of the CGM.
5	Publicize the mechanism and explain how to submit a complaint so that it is known to local people. The procedure should be easy to understand and to access for neighbouring communities.
6	All relevant employees are expected to know the standard and the proper procedure in case members of the community communicate their concerns through the company workforce.
7	If a complaint is registered in the CGM, the complaint officer must explain the complaint procedure and the rights of the complainant.
8	Complaints should be classified according to the criteria of the company's incident management standard, e.g. insignificant, minor, moderate, major and catastrophic. Major or catastrophic complaints should be reported to the corporate office according to the requirements of the standard.
9	The mechanism should take into consideration any special needs of Indigenous Peoples and vulnerable stakeholders, where relevant.
10	The procedure for receiving, recording and following up on complaints should clearly indicate: the date and nature of the complaint; the person(s) responsible for addressing the complaint; the time frame for reaching a resolution to the complaint; documentation of the agreement reached; follow-up actions required to implement the decision; case closure date; satisfaction level of the complainants with the outcome and the process; and the management actions required to prevent recurrence.
11	In cases where the deadline for a resolution cannot be met, an update should be provided to the complainant with reasons for the delay and a revised date for the resolution of the complaint.
12	The Complaint Officer and other employees with responsibility for the CGM should be appropriately trained.
13	The proposed resolution of the grievance should be approved by the site manager or other qualified senior manager.
14	In circumstances where no agreement is reached, the case may be referred to mediation or arbitration, if both sides agree.
15	The effectiveness of the mechanism should be reviewed annually.



## Tool 14: Company-wide analysis of operational-level CGMs

Project site:	Site 1	Site 2	Site 3	Site 4	Site 5	Site 6	Site 7	Site 8	Site 9	Site 10
<b>New or existing</b>										
New										
Existing										
<b>Type of operation</b>										
Offshore										
Onshore										
Unconventional										
No E&P										
Other										
<b>CGM (may be informal)</b>										
Yes—what kind?										
No										
<b>Are grievances recorded?</b>										
Yes										
No										
<b>Grievances</b>										
Number received										
Number answered										
Types										
<b>Key risks and strengths of the CGM</b>										
Risks										
Strengths										
<b>Next steps</b>										
Review and improve existing CGM: <ul style="list-style-type: none"> <li>• 'Fit-for-purpose'?</li> <li>• In-line with the UN Guiding Principles and company policies?</li> </ul>										
Establish a new CGM and implementation plan										

## Tool 15: Troubleshooting tool

Experience demonstrates that corporate staff can make a significant difference in facilitating the design and implementation of CGMs and promoting good practice on the ground, particularly when their support is tailored to site needs and challenges. This tool helps site practitioners to quickly identify priority areas where practical suggestions and further discussion with a CGM corporate advisor might be beneficial.

Site name and contact person: .....

Topic	Where we need help	Relevant to your site? ✓		
		Yes	No	Maybe
Buy-in and the business case	<ul style="list-style-type: none"> <li>Buy-in from site leadership—willingness to actively champion the business case and the team responsible for implementation</li> </ul>			
	<ul style="list-style-type: none"> <li>Buy-in and cooperation from middle management</li> </ul>			
	<ul style="list-style-type: none"> <li>Communicating the business case</li> </ul>			
	<ul style="list-style-type: none"> <li>Awareness strategy so that every business unit is aware of the CGM; understands why the company is committing time and resources to this endeavour; and knows what their involvement will be</li> </ul>			
CGM design	Specific challenges and dilemmas related to:			
	<ul style="list-style-type: none"> <li>Design team</li> </ul>			
	<ul style="list-style-type: none"> <li>Risk assessment</li> </ul>			
	<ul style="list-style-type: none"> <li>Management framework</li> </ul>			
CGM procedure	<ul style="list-style-type: none"> <li>Pilot test</li> </ul>			
	<ul style="list-style-type: none"> <li>Questions/concerns related to specific steps of the procedure</li> </ul>			
	<ul style="list-style-type: none"> <li>How to adapt corporate CGM framework to operational context</li> <li>How to ensure that the CGM is consistent with the UN Guiding Principles</li> </ul>			
	<ul style="list-style-type: none"> <li>Relationship and alignment between CGM and stakeholder engagement</li> </ul>			
Internal and external consultations	<ul style="list-style-type: none"> <li>How to verify that the procedure is culturally grounded</li> </ul>			
	<ul style="list-style-type: none"> <li>How and when to consult internal stakeholders</li> <li>How and when to consult community stakeholders, to ensure that the CGM is accessible, trusted and used</li> </ul>			

continued ...

Topic	Where we need help	Relevant to your site? ✓		
		Yes	No	Maybe
Management framework	Specific dilemmas and challenges related to:			
	• Scope			
	• Governance (oversight, 'home', internal coordination, alignment with operation's management systems)			
	• Naming and positioning mechanism			
	• Internal roles and responsibilities			
	• Key performance indicators			
	• Database systems			
	• Use of third parties			
Empowerment	• Recourse mechanism			
	• Resources			
Competencies and capacity building	• How to empower the CGM function. Too often, CGMs are compartmentalized within the company and regarded as a 'soft concept' that is the domain of a few social performance staff.			
Learning	• Does the CGM design team require additional materials, company tools or guidance to develop a CGM for the first time, or to retrofit an existing one?			
	• How to use learnings to enhance prevention and drive accountability into the business units to improve social and environmental performance			
	• How to incorporate findings from data and trend analysis into other decision-making processes and operations plans			
	• How to identify and address systemic problems in the operation			
Toward a culture of prevention and accountability	• How to turn CGM data into knowledge valuable to the asset			
	• How to position CGMs as part of the operation's accountability culture, hardwiring prevention into the operation backed up with meaningful incentives and consequences			
	• How to shift from a CGM as a procedure to resolve individual complaints to a CGM as a change-management process that holds people accountable			
	• How to use the CGM to prevent conflict through improved stakeholder engagement and management of impacts			

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## **Annex 2**

# Glossary of terms

## Glossary of terms

**Access point:** The point of contact by which a complainant lodges a grievance, for examples access points could include email, dedicated phone number, company website, company staff etc.

**Alternative dispute resolution (ADR):** An ADR includes dispute resolution processes and techniques that act as a means for disagreeing parties to come to an agreement short of litigation. It is a collective term for the ways that parties can settle disputes, with (or without) the help of a third party. In some jurisdictions an ADR is known as an 'external dispute resolution'.

**Anonymous grievance:** Anonymous grievances are grievances where the identity of the anonymous complainant is not known to the company.

**Appeals Committee:** A committee responsible for reviewing escalated complaints and authorizing additional actions to be taken. This includes reviewing overdue or escalated complaints, authorizing additional actions, and approving the close-out of complaints where it is not reasonably possible to reach an agreed resolution with the *Complainant*.

**Community:** A group of people who share a common sense of identify and interact with one another on a sustained basis.

**Community grievance mechanism (CGM):** A community grievance mechanism is a process for receiving, investigating, responding to and closing out complaints or grievances from affected communities in a timely, fair and consistent manner.

**Complainant:** An individual, group or organization who submits a grievance to the company.

**Complaint or grievance:** Complaints or grievances refer to a specific incident that has been alleged, as well as to any damage, impact or dissatisfaction that allegedly occurred as a result of company or contractor actions, perceived or actual.

**Complaint owner:** The person responsible for investigating and resolving a complaint. This includes conducting investigations, proposing resolutions, implementing corrective actions and coordinating with the Community Liaison Officer and other parties.

**Concerns/issues:** Concerns or issues are questions, requests for information, or general perceptions that may or may not be related to a specific impact or incident. If not addressed to the satisfaction of the complainant, concerns may become complaints.

**Confidential grievance:** Confidential grievances are grievances where only the person receiving the grievance (e.g. grievance officer) knows the identity of the complainant.

**Contractor:** An individual or firm that has entered into a contract to provide goods or services to the company. The term covers parties directly contracted by the company and those contracted by a contractor company, also referred to as subcontractors.

**Force field analysis:** A tool that provides a framework to identify and evaluate the forces working for and against a goal (for example, the introduction of CGMs across company operations).

**Grievance or complaint:** Complaints or grievances refer to a specific incident that has been alleged, as well as to any damage, impact or dissatisfaction that allegedly occurred as a result of company or contractor actions, perceived or actual.

**Grievance Response Committee:** A committee established (with cross-functional representation) used to determine the company response to the grievance investigation outcome, including resolution options.

**Rapid assessment:** In the context of grievance management, a rapid assessment refers to the quick assessment (within 24–48 hours) of a grievance which enables it to be addressed and closed out without conducting an investigation.

**Risk matrix:** A matrix that is used during a risk assessment to define the various levels of risk according to categories of probability and severity.

**Stakeholder:** People that affect, or are affected by, company activities or operations (e.g. customers, shareholders, management, employees, suppliers, local communities, advocacy groups and government).



IPIECA is the global oil and gas industry association for environmental and social issues. It develops, shares and promotes good practices and knowledge to help the industry improve its environmental and social performance, and is the industry's principal channel of communication with the United Nations.

Through its member-led working groups and executive leadership, IPIECA brings together the collective expertise of oil and gas companies and associations. Its unique position within the industry enables its members to respond effectively to key environmental and social issues.

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IPIECA also has an active global network of oil and gas industry association members. Please refer to our website for a full list.

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