

# Supplier Grievance Mechanism Guidance



Telstra's [Supplier Code of Conduct \(Code\)](#) requires suppliers to provide workers, suppliers and community members with a way to raise concerns related to issues set out in the Code.

This document does **not** set out additional expectations to those in the Code. It aims to help you better understand effective grievance mechanisms and suggests practical steps you can choose to take to implement such a mechanism. It outlines:

- key questions and answers about grievance mechanisms and remediation
- good practice actions for designing and implementing effective grievance mechanisms
- what remediation is and when a business is expected to provide remedy for a human rights harm.

## Telstra's grievance mechanism expectation

Suppliers must provide workers, their suppliers, and members of the community in which they operate in or provide services to with a confidential means to raise concerns about the issues covered in this Code. Suppliers must have procedures in place to allow workers to bring workplace concerns to the attention of management for resolution, and communicate these procedures to workers. The procedures, and associated communication, must be accessible, culturally appropriate and in a language workers understand. Suppliers must ensure that workers who raise concerns are protected from retaliation.

### Suggested actions to fulfil Telstra's expectation

<b>Establish grievance mechanism</b>	Provide a grievance mechanism for workers, suppliers and community members to raise concerns (including human rights-related concerns) and investigate and address these appropriately.
<b>Develop clear grievance management procedures</b>	Develop and publish clear procedures for processing and addressing concerns. Ensure the procedures are available and easy to understand by the intended users of the grievance mechanism.
<b>Protect users from retaliation</b>	Implement safeguards to protect users of the grievance mechanism from retaliation or disadvantage for raising a concern, such as keeping their information confidential.

#### Always

- ✓ Identify all relevant stakeholder groups who may be impacted by your operations or business relationships and ensure your grievance mechanism is available to them
- ✓ Create a culture that encourages concerns to be raised
- ✓ Establish multiple and different access channels for the mechanism
- ✓ Keep a register to track grievances received and outcomes
- ✓ Identify learnings from grievances raised and take steps to prevent harm from occurring in the future.

#### Never

- ✗ Disregard or quash concerns (including about human rights) raised by stakeholders
- ✗ Use a grievance mechanism that is inappropriate for your business or your stakeholders
- ✗ Set up a grievance mechanism without proper resourcing
- ✗ Require stakeholders to pay a fee or forgo other avenues (e.g. legal processes) to raise a grievance
- ✗ Pre-determine the outcome of a grievance without proper investigation.

# Effective grievance mechanisms

Even businesses with strong policies and processes can have negative impacts through their operations or business relationships. Suppliers should be prepared to respond quickly and effectively when this happens.

A grievance mechanism is a formal way for people who have been impacted by a business' operations or business relationships to raise concerns for the business to investigate and address. Grievance mechanisms can take a wide variety of forms.

Examples include:

- a formal, documented grievance procedure
- a procedure through which concerns can be raised with a manager or human resources representative
- a whistleblowing or other hotline
- a process through which workers can access a trade union representative.

Grievance mechanisms can prevent issues escalating, facilitate dispute resolution, prevent future disputes by building trust with stakeholders and enable continuous learning and improvement.

## What does an effective grievance mechanism look like?

All companies should have an effective grievance mechanism through which workers, suppliers and community members can raise concerns. It may look different depending on the size of the business. Larger suppliers may have formal channels, or multiple channels, through which concerns can be raised. Smaller suppliers should have a documented grievance mechanism with a clear process, but may only have one channel, or a less formal channel (e.g. raising a concern verbally with a manager).

If you do not yet have a grievance mechanism in place, the good practice actions below will help you to develop one.

Effectiveness criterion <sup>1</sup>	Good practice actions
<b>Legitimate:</b> mechanism is trusted by intended users and business is accountable for ensuring grievance process is conducted fairly	<ul style="list-style-type: none"><li>• Document your grievance mechanism and related processes so you can handle concerns consistently and build trust</li><li>• Ensure those responsible for managing grievances are suitably qualified, experienced and trained in effective grievance handling.</li></ul>
<b>Accessible:</b> mechanism is known by intended users and provides adequate assistance to people who face barriers to access	<ul style="list-style-type: none"><li>• Ensure all internal and external stakeholders that could be impacted by your business activities can access the grievance mechanism (e.g. employees, contractors, suppliers and their workers, customers and the community)</li><li>• Establish multiple channels to access the mechanism, such as email, hotline, in-person and mobile applications, including an anonymous option</li><li>• Ensure at least one access channel is available outside working hours</li><li>• Inform stakeholders about the grievance mechanism and how to access it in their own language and in easy-to-understand formats like visual aids</li><li>• Make it available through different communication channels such as posters, online etc.</li><li>• Ensure stakeholders can raise concerns and participate in the grievance process in their own language</li><li>• Address barriers to access (e.g. provide support to those who are illiterate, lack digital skills, have a disability, face cultural barriers, or who may lack confidence due to age or social status).</li></ul>

<sup>1</sup> Based on the UN Guiding Principles on Business and Human Rights (UNGPs) criteria for grievance mechanisms to help ensure they are effective in practice. The UNGPs are the global, authoritative standard on preventing and addressing business-related human rights harms. They explain the "business responsibility to respect human rights" and outline what businesses need to do to "know and show" that they respect human rights.

Effectiveness criterion <sup>1</sup>	Good practice actions
<p><b>Predictable:</b> users are provided clear information on the grievance process, including indicative timeframes for each stage of the process, possible outcome available and how the process is monitored</p>	<ul style="list-style-type: none"> <li>• Document and publish a clear procedure for handling concerns, including: <ul style="list-style-type: none"> <li>• A clear commitment to respond to, investigate and address concerns and protect complainants from retaliation</li> <li>• Who can use the grievance mechanism</li> <li>• What issues can be raised (defined broadly)</li> </ul> </li> <li>• Channels available for raising issues, including at least one anonymous option</li> <li>• Roles and responsibilities for managing concerns including who has overall accountability for the grievance mechanism</li> <li>• A step-by-step process for receiving, assessing, assigning, acknowledging, investigating, resolving and closing concerns, with estimated timeframes for each stage</li> <li>• Procedures to protect complainants' confidentiality and ensure they do not suffer any retaliation</li> <li>• Record keeping requirements</li> <li>• Types of remedy the mechanism can provide</li> <li>• Establish internal processes for processing concerns detailing who needs to be notified, how concerns will be investigated, who is responsible for each stage, and which concerns should be escalated to management.</li> </ul>
<p><b>Equitable:</b> users are able to engage in the process on fair, informed and respectful terms, including by having reasonable access to sources of information, advice and expertise (users have reasonable access to information, advice and expertise necessary to engage)</p>	<ul style="list-style-type: none"> <li>• Reduce the risk of conflicts of interest by ensuring those managing concerns have no connection to the issues raised.</li> <li>• Where possible and appropriate: <ul style="list-style-type: none"> <li>• delegate dispute resolution and decision-making to an independent third party</li> <li>• facilitate independent support (financial, advisory or technical) to help stakeholders raise concerns and seek remedy</li> <li>• provide relevant information about the issue with the complainant.</li> </ul> </li> </ul>
<p><b>Transparent:</b> parties to a grievance are informed about a grievance's progress and information is published about the mechanism to build confidence in its effectiveness</p>	<ul style="list-style-type: none"> <li>• Ensure ongoing, proactive engagement with the complainant by providing periodic updates on the progress of the grievance process</li> <li>• Regularly publish information (e.g. on a website, internal communication or public reports) on: <ul style="list-style-type: none"> <li>• the number, types and nature of grievances received</li> <li>• the number of completed cases, outcomes and any follow-up activities</li> </ul> </li> <li>• Do not share confidential information or information that could identify complainants.</li> </ul>
<p><b>Rights-compatible:</b> outcomes and remedies align with internationally recognised human rights</p>	<ul style="list-style-type: none"> <li>• Do not retaliate against complainants</li> <li>• Establish safeguards to protect complainants against retaliation and protect their confidentiality</li> <li>• Encourage complainants to report any retaliation</li> <li>• Engage proactively with complainants on appropriate remedy</li> <li>• Provide complainants with the opportunity to appeal outcomes.</li> </ul>

Effectiveness criterion <sup>1</sup>	Good practice actions
<p><b>A source of continuous learning:</b> lessons learnt are applied to improve the mechanism and prevent future grievances and harms</p>	<ul style="list-style-type: none"> <li>• Maintain a register to track concerns received and their outcomes</li> <li>• Use the data in the register to review the frequency, patterns and causes of grievances, and how well you are responding to them</li> <li>• Integrate lessons from the data and feedback to improve the grievance process and prevent future harm through changes to policies, procedures or practices</li> <li>• Review the effectiveness of the grievance mechanism periodically by considering the nature and types of concerns, the resolution process, whether the mechanism has helped to resolve issues and whether it meets the UNGPs' effectiveness criteria</li> <li>• Track the effectiveness of the mechanism on an ongoing basis by measuring a mix of quantitative and qualitative key performance indicators regularly. This could include: <ul style="list-style-type: none"> <li>• Awareness level of different stakeholder groups about the mechanism and different access channels</li> <li>• Number of grievances received (per access channel)</li> <li>• Number of concerns per issue (e.g. discrimination, working hours, working conditions etc.)</li> <li>• Number of grievances accepted for further investigation</li> <li>• Average time taken to resolve a grievance</li> <li>• Percentage of grievances resolved with agreed outcomes</li> <li>• Satisfaction level of users of the mechanism with the outcomes</li> <li>• Number of instances where substantiated grievances led to changes in policy, procedure or practice.</li> </ul> </li> </ul>
<p><b>Based on engagement and dialogue:</b> intended users are consulted on the design and performance of the mechanism and dialogue is used to address and resolve grievances</p>	<ul style="list-style-type: none"> <li>• Consult with users and intended users on the grievance mechanism design, process, possible outcomes and the way in which the mechanism is operating. E.g., use surveys, meetings, feedback forms, worker voice apps or focus groups to consult. Keep in mind cultural differences and sensitivities, power imbalances and language barriers</li> <li>• Where possible, consult with people at heightened risk of vulnerability or marginalisation, such as people with disabilities or migrant workers</li> <li>• Ensure engagement with users and intended users is ongoing.</li> </ul>

# Remediation




Remediation refers to putting right, or making good, a human rights harm. It refers to both the process of providing remedy, and the substantive outcome.

Remediation aims to restore individuals or groups that have been harmed by a business's activities to the situation they would have been in had the impact not occurred. Where this is not possible, remediation can involve compensation or other forms of remedy that try to make amends for the harm.

## When should a business remedy a human rights harm?

The UNGPs expect businesses to have in place processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.

The role that a business is expected to take in remediating a particular human rights harm depends on how it was involved in the harm. The UNGPs explain three types of involvement: cause, contribute and directly linked.

Involvement	Cause	Contribute	Directly linked
			
<b>Definition</b>	A business may cause a negative human rights impact where its operations directly result in the impact.	A business may contribute to a negative human rights impact where the company's acts or omissions are so significant that the harm would not have occurred (or occurred to the same extent) without them.	A business' operations, products or services may be directly linked to a negative human rights impact through the activities of another entity with which it has a business relationship.
<b>Example</b>	A business (A) employs children under the age of 18 in hazardous work at its factory.  <b>((A) has caused the harm)</b>	A business (B) requires its cleaning supplier (C) to reduce costs to a level that can only be met by exploiting workers and does nothing to mitigate the situation.  <b>((B) has contributed to the harm)</b>	A business (D) orders an electrical component of an internet device from a supplier (E) which was made by another supplier (F) using forced labour.  <b>((D) is directly linked to the harm)</b>
<b>Expected action – remediation</b>	Provide for or cooperate in remediation	Provide for or cooperate in remediation	Potentially take a role in remediation (but not required)
<b>Expected action – prevention and mitigation</b>	<ul style="list-style-type: none"> <li>Stop or prevent the impact</li> </ul>	<ul style="list-style-type: none"> <li>Stop or prevent the contribution</li> <li>Use leverage to mitigate any remaining impact, as far as possible</li> </ul>	<ul style="list-style-type: none"> <li>Build or use leverage to prevent and mitigate the impact</li> <li>Show ongoing efforts to mitigate the impact</li> <li>Decide whether to stay in the business relationship</li> </ul>

## What remedy is appropriate?

The appropriate remedy for a harm will depend on the circumstances (including the type and severity of the impact) taking into consideration what the impacted stakeholders consider is appropriate.

An effective grievance mechanism can help provide a process to determine appropriate remedy. Remedy can include financial or non-financial compensation, an apology, restitution, rehabilitation, sanctions and/or commitments of non-repetition.

Example harm	Example remediation <sup>2</sup>
Harassment in the workplace	Change complainant's role to move away from perpetrator (if requested by complainant), apology, counselling support, disciplinary actions in relation to perpetrator (e.g., dismissal), additional internal training.
Gender pay discrimination	Review worker wages to identify whether workers are receiving the same wages as other workers performing similar roles regardless of gender, address any wage differences identified (including backpay where appropriate), undertake annual review to address the issue going forward.
Workplace injury	Ensure (and cover cost of) medical treatment for worker, provide sufficient paid leave for recovery before the worker returns to work, review incident and improve policies, processes and training to try to ensure non-repetition.

### Feedback and further information



If you would like to provide feedback on this guidance document, or would like any further information, please contact the Telstra Sustainability Team via email at [sustainability@team.telstra.com](mailto:sustainability@team.telstra.com).

<sup>2</sup> These are high level and hypothetical examples, provided for illustrative purposes only. They should not be taken as an indication of what may be appropriate in a particular situation. Every situation will be different and will require specific consideration, including consideration of the complainant's preferred remedy.