

# How Can Commodity Traders Enable Access to Remedy?

## Guidance

Helping companies implement the UNGPs



The **Commodity Trading Sector Guidance on Implementing the UN Guiding Principles (Commodity Trading Guidance)** aims to help representatives of commodity trading firms to implement the UN Guiding Principles on Business and Human Rights (UNGP) in company systems and cultures.

This explainer delves deeper into one element of the Guidance: the responsibility of companies to provide **access to remedies** where they have caused or contributed to adverse human rights impacts.

## The responsibility to provide remedy

Where a company identifies that it has caused or contributed to adverse impacts, the responsibility to respect human rights requires active engagement in remediation, by itself or in cooperation with other actors. Remedies can take various forms including apologies, provisions to ensure the harm cannot recur, restitution or rehabilitation, financial or non-financial compensation, or punitive sanctions (whether criminal or administrative). Putting in place a system for remediation shows awareness that negative human rights impacts may occur despite best efforts to avoid them and shows readiness to respond quickly and effectively.

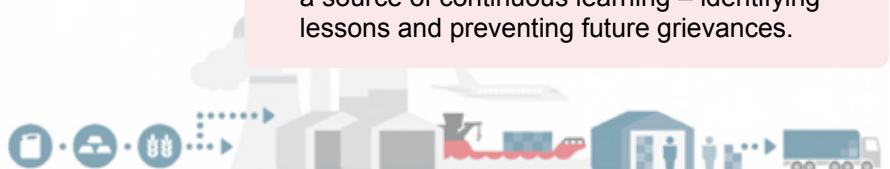
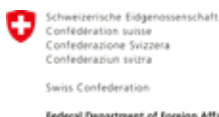
## Operational grievance mechanisms

A critical part of providing remedy is to act as soon as possible to address concerns before they escalate or lead to otherwise preventable harms. Setting up an efficient and effective grievance mechanism at the operational level of a company can be an important way for alarms to be raised early. Other benefits of operational-level grievance mechanisms include avoiding protracted legal disputes, encouraging issues to be proactively addressed and strengthening the overall performance and compliance with both voluntary and (increasingly) mandatory standards of human rights due diligence.

Companies can also incorporate the requirement to have operational-level grievance mechanisms in their contracts with suppliers. This will ensure that grievance mechanisms are accessible at all levels of the supply chain.

### Any mechanism addressing human rights grievances should be:

- legitimate – for example trusted by stakeholder groups;
- accessible – known and accessible in particular to those facing barriers to access;
- predictable – clear timeframes and clarity on processes and outcomes;
- equitable – fair and reasonable access to information, advice, expertise;
- transparent – regular and sufficient information on the mechanism's performance;
- rights-compatible – consistent with internationally recognized human rights standards;
- based on dialogue and engagement – consultation in addressing and resolving grievances;
- a source of continuous learning – identifying lessons and preventing future grievances.



## The upward spiral of stakeholder engagement

A point of weakness in many grievance mechanisms is the top-down structure that treats affected people as passive objects in the process, rather than as constituencies who are demanding respect for their welfare and dignity. Companies should ensure that rights-holders share ownership in the process of how their grievances are heard and addressed. There is **no better** source of information on how harms should be addressed than those who are experiencing the harm.

The benefits of meaningful stakeholder engagement in both the development of the grievance mechanism, and the maintenance of it, is that it generates a feedback loop which strengthens and improves the system as a whole. As a self-reinforcing “upward spiral”, a company with a legacy of effective and participatory grievance mechanisms is more likely to attract stable investment opportunities and have a social license to operate. Stakeholder engagement is also important to generate trust in the effectiveness of grievance mechanisms—where such mechanisms are perceived to be biased or top-down, impacted peoples may choose other avenues such as litigation to address their claims.

### Example of rights-holder driven grievance mechanism

The [Coalition of Immokalee Workers' Fair Food Program](#) is a worker-driven initiative in the US. The program requires Florida's tomato farms to adhere to a Code of Conduct that was written by the farm workers. The program is also monitored and enforced by the workers, who receive regular peer education and training. It has successfully eliminated the worst forms of abuse on farms and has received widespread praise.

## Complex grievances


There are many situations where impacted individuals or communities may not trust a company's grievance mechanism, or where a history of non-consultation by a company makes a community sceptical of company-led remedies. Where there are serious allegations or a history of grievances, it may be **more appropriate** for the company to either establish an independent process (while engaging a third party mediator or facilitator) or appoint a panel of experts to conduct an independent investigation.

Another approach is to engage with mechanisms that already exist in different contexts, whether these are National Human Rights Institutions, Indigenous Peoples' roundtables or other robust forums for the protection of human rights. One example highlighted by the [Shift Project in a recent report](#) is the multi-stakeholder grievance mechanism Agency for Territorial Dialogue (ATD) in Chile. ATD was established to facilitate meaningful dialogue under equal conditions and independent oversight to inform decision-making for large-scale extractive projects.

### Ensuring that grievance mechanisms are gender-sensitive

Grievance mechanisms must be sensitive to the ways in which gender, race, caste, ethnicity and other intersecting forces of marginalisation can exclude certain groups from participating or accessing such mechanisms. Some of the gendered impacts **may include**, for example, exclusion from negotiations around land use and acquisition, exclusion from compensation or contract farming opportunities, the lack of recognition of title held by women where it is not formally registered and exclusion from consultations on the development of grievance mechanisms.

**For more information on implementing the UNGPs in the commodity trading sector, visit the [Commodity Trading Guidance website](#).**



**Implementing the UN  
Guiding Principles on  
Business and Human Rights**

Guidance for the Commodity Trading Sector