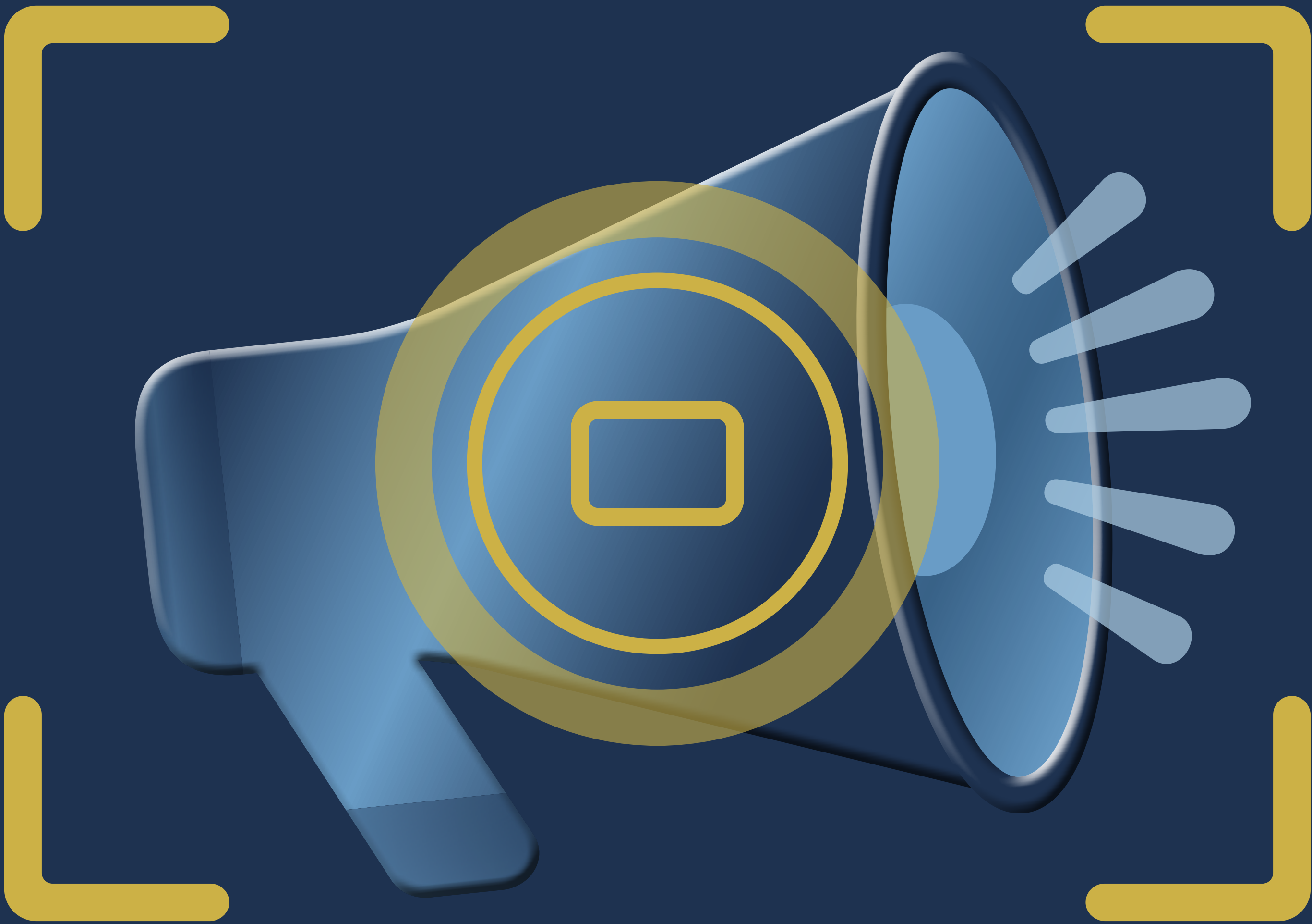

HREDD Performance in German Business

GRIEVANCE MECHANISM

An empirical study of §8 LkSG complaint procedure obligations and Guiding Principles 29–31 across 254 German companies.

FRAMEWORK	SAMPLE	CODED
§8 LkSG	254 companies · 16 sectors	19 practices
UNGP GP 29–31	2023/2024 reporting year	5 effectiveness indicators

Global Compact Network Germany

DOMAIN REPORT 05 /5

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EXECUTIVE SUMMARY

Germany's Supply Chain Due Diligence Act (LkSG, in force since January 2023) **obliges companies to establish and operate a complaint procedure through which affected persons can raise concerns** about human rights and environmental risks in the company's own business activities and its supply chain. This report assesses the first reporting cycle for 254 LkSG-obligated companies, examining 19 grievance-mechanism practices (§8; P066, P094, P124–P131, P133–P141) and five grievance-specific effectiveness indicators (E008, E009, E010, E011, E012) drawn from companies' LkSG disclosures. Mean practice adoption reaches 79.3% – on par with Risk Analysis (79.1%) and markedly above Prevention (50.6%) and Remediation (42.4%); mean effectiveness evidence reaches 24.3%, the second-lowest of the five domains after Risk Analysis (21.0%). **The resulting 54.9-point P-to-E gap, alongside Risk Analysis's 58.1-point gap, is one of the two widest in the study and defines the domain**. **Companies have built complaint channels at scale and meet the procedural quality** that §8 requires, but they **have not yet built the responsiveness, dialogue, and trust** that GPs 29–31 ask a grievance mechanism to demonstrate.

Key Findings

- **Complaint procedures exist in almost all companies.** All 254 companies have established a complaint procedure (P124, 100%) and declare it accessible (P125, 100%). Grievance access in the company's own business (P066) is confirmed by all 254 companies; access for workers at direct suppliers (P094) by 253. The procedural safeguards required by §8 Abs. 3–4 are near-universal: confidentiality (P126, 99.2%), transparency of the procedure (P127, 99.2%), non-retaliation (P135, 98.8%), and communication of the procedure (P141, 98.4%). The infrastructure layer of the §8 obligation is effectively field-standard.

- **The components that determine whether complaints reach resolution are markedly weaker.** Timely response to complaints is confirmed by 54.3% of companies (P136, the single lowest-adoption practice in the domain), informing the complainant of the outcome by 63.0% (P131), and provision of the procedure in languages the affected workers understand by 62.6% (P129). Analysis of complaint data to identify patterns reaches 61.0% (P138). These five practices together determine whether a lodged complaint becomes a resolved one; across them, mean adoption is 60.8%.

- **Independent and collaborative recourse is rare**. Joint complaint mechanisms with peer companies or industry initiatives (P133) are in place at 25.6%, and cooperation with external institutions that could receive complaints independently of the company (P134) at 30.7%. A mechanism envisaged by GP 30 – a procedure that does not rest on the complainant trusting the operator of the channel – is available in fewer than one in three cases.

- **Effectiveness evidence for the grievance function is the thinnest of any of the five domains assessed**. Complaint trends are analysed by 33.1% of companies (E012), response-time tracking reaches 27.2% (E009), resolution-quality tracking 24.4% (E008), and documented evidence that affected parties trust the mechanism (E011) reaches 15.7% – the lowest single datum in the domain. Predictability, legitimacy, and continuous learning are the GP 31 criteria on which the current field record is least developed.

SECTOR AND SIZE OBSERVATIONS

Highest practice adoption: Telecommunications leads at 88.2% (n=8) and also carries the highest E-sector, well above any other sector; Food Producers follows at 86% (n=6).

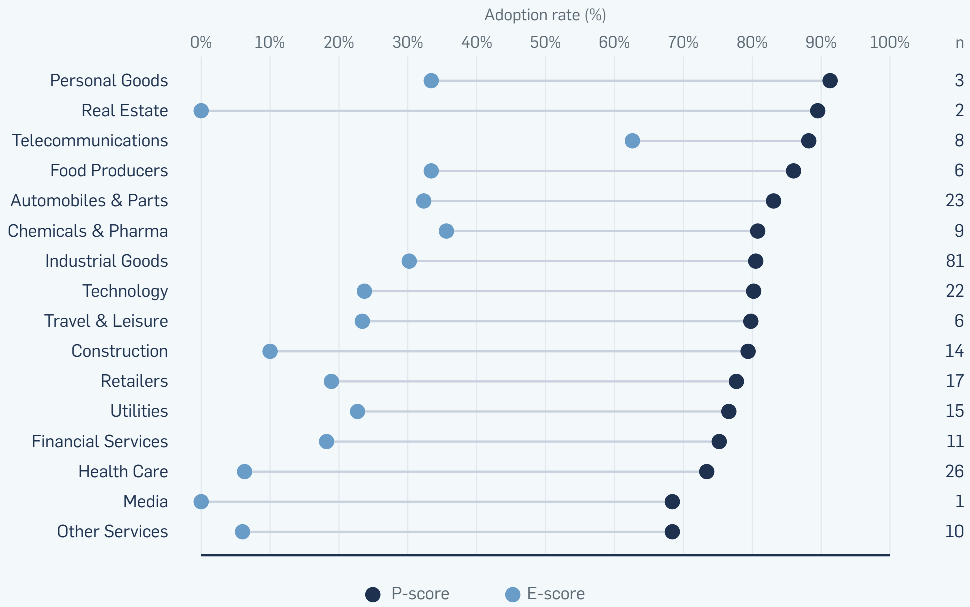
Lowest practice adoption: Other Services (68.4%, n=10), Health Care (73.3%, n=26), Industrial Goods (74.6%, n=36), and Financial Services (74.6%, n=11). These sectors all sit just below or at the 75% line for grievance practice adoption; in three of them the corresponding E-score is below 10%.

Widest within-sector gaps: Construction (68.6-point gap between P 79.3% and E 10.7%), Health Care (66.5-point gap; P 73.3% / E 6.2%), and Industrial Goods (64.8-point gap; P 74.6% / E 9.7%). In each case. procedures exist at or near the field norm while evidence that they function does not.

Size effect: P-scores rise with company size – 77.1% (3,000–10,000 employees), 81.1% (10,000–50,000), 86.5% (>50,000) – a 9.4-point range. E-scores rise more steeply: 21.3%, 26.1%, 36.4% – a 15.1-point range. Effectiveness evidence scales with company size more sharply than practice adoption does, consistent with the institutional resources required to monitor, document, and analyse a grievance mechanism's performance.

Figure 1 shows the full sector-by-sector distribution, with each sector's mean P-score and mean E-score plotted side-by-side; the width of the connector line for each row is the sector-specific expression of the domain-wide P–E gap.

FIGURE 1: Sector Performance – P-score vs E-score



Each row represents one sector. Horizontal position shows the adoption rate (%); Blue dot = mean P-score (across 19 grievance practices); light-blue dot = mean E-score (across five grievance effectiveness indicators). Source: LkSG disclosure analysis, n=254 companies. Sectors shown using the 16-sector aggregation (see appendix for mapping from 25 raw industries). n = number of companies per sector

Critical Gaps

- 116 companies (116/254) do not evidence timely response to complaints despite operating a procedure (P136: 54.3%).
- 94 (94/254) do not document informing complainants of the outcome (P131: 63.0%).
- 95 (95/254) do not confirm that the procedure is available in languages the complainants can read (P129: 62.6%).
- 151 companies (151/254) participate in neither a joint mechanism nor external institution cooperation (P133: 25.6%; P134: 30.7%).
- 75 (75/254) do not document complaints received (P137: 70.5%) – the statutory record-keeping requirement of §8 Abs. 4.
- And, despite universal complaint-procedure establishment, only 40 companies (15.7%) disclose documented trust in the mechanism by affected parties (E011) – the condition on which GP 31(a) legitimacy rests.

IMPLICATIONS FOR RIGHTSHOLDERS

The grievance gaps documented here have **direct consequences for the workers, supplier employees, and community members on whose behalf the §8 procedure is meant to function**. A complaint channel is almost universally established across the sample, and confidentiality and non-retaliation protections are almost universally declared; beyond that point the picture becomes considerably more uneven. There is a roughly **three-in-five chance that the procedure is available in a language the rights-holder understands**, a roughly **one-in-two chance that the company responds within a timeframe the complainant experiences as reasonable**, a **roughly three-in-five chance that the complainant is informed of the outcome**, and a roughly **one-in-six chance that the company has documented evidence that affected parties trust the mechanism**. The channels are also **predominantly company-run**: routes outside the operator's own procedure – joint mechanisms or external institutions – remain rare in the sample, with implications for workers in deeper supply-chain tiers and for anyone whose grievance involves the company at the centre of the channel. The full implications are set out in Section VII.

I. NORMATIVE FRAMEWORK

This section frames §8 LkSG and UN Guiding Principles 29–31 – together with the eight effectiveness criteria of GP 31 – as the normative anchors against which the 19 grievance practices and five effectiveness indicators are coded.

A. UNGP Framework

Operational-level grievance mechanisms serve **two purposes under the UN Guiding Principles**. They support the **identification of adverse human-rights impacts as part of a company's ongoing due diligence** (GP 29), and they **provide a channel through which those harms can be addressed and remediated early**, before they escalate. GP 30 extends this requirement to industry, multi-stakeholder, and other collaborative initiatives, recognising that some effective mechanisms could be shared rather than solely company-run.

GP 31 is the decisive provision. It sets out **eight effectiveness criteria** that non-judicial grievance mechanisms should meet to be credible to those they are intended to serve.

Mechanisms should be:

- ***Legitimate*** (trusted by the stakeholder groups for whose use they are intended);
- ***Accessible*** (known to all stakeholder groups for whose use they are intended, providing adequate assistance for those who may face barriers);
- ***Predictable*** (with a clear procedure, timeframes, and types of outcomes);
- ***Equitable*** (giving aggrieved parties reasonable access to information, advice, and expertise);
- ***Transparent*** (keeping parties informed about progress);
- ***Rights-compatible*** (ensuring outcomes accord with internationally recognised human rights);
- ***Source of continuous learning*** (drawing on data to improve the mechanism and prevent future grievances);
- ***Based on Engagement and Dialogue:*** Consulting the intended user groups on the design and performance of the mechanism, and focusing on dialogue as the means to address and resolve grievances.

The GP 31 criteria are the yardstick against which the grievance-mechanism practices assessed in this report must be read.

GPs 22 and 29 together establish that grievance mechanisms sit at the **operational boundary between risk identification and remediation**. GP 22 places the substantive remediation obligation on the company; GPs 29–31 specify the procedural infrastructure through which affected persons can trigger it. The effectiveness of the remediation domain assessed in Report 4 is therefore **conditional on the effectiveness of the grievance domain** assessed here.

B. LkSG Statutory Obligations

§8 LkSG **operationalises the GP 29–31 obligation in German statute**. It **requires obligated companies to establish a complaint procedure** *(Beschwerdeverfahren)* through which affected persons can report human rights and environmental risks or violations arising from the company's own business activities or from the conduct of direct suppliers. This **obligation extends to indirect suppliers where the trigger conditions of §9 LkSG** (substantiated knowledge) are met. The statute specifies a set of sub-obligations:

- The procedure must be **accessible to the persons** it is intended to serve (§8 Abs. 1);
- Rules of procedure must be **publicly available** in writing and in a **language the complainants understand** (§8 Abs. 2);
- The persons entrusted with handling complaints must **act independently and impartially**, and must be bound to confidentiality (§8 Abs. 3);
- The company must **document complaints and protect complainants from disadvantage** or retaliation on account of a complaint (§8 Abs. 4);
- The **effectiveness of the procedure must be reviewed** at least annually and on an ad-hoc basis where the risk profile changes (§8 Abs. 5).

The §8 obligation is a Bemühungspflicht – an **obligation to make an effort**, not to guarantee an outcome – qualified by the Verhältnismäßigkeit (proportionality) test under §3 Abs. 2 LkSG. A company **discharges the obligation by maintaining a functional, accessible, and confidential procedure calibrated to the nature and gravity of the risks in its operations and supply chain**. It **does not discharge the obligation by establishing a procedure that exists on paper but is not reachable, trusted, or responsive in practice**. The distinction matters for the reading of this report as high adoption of formal practices (P124–P127, P135) does not by itself demonstrate that the §8 obligation is substantively met, because the statute requires the procedure to be effective against its rights-holder purpose.

C. EU Corporate Sustainability Due Diligence Directive (CSDDD)

The CSDDD applies across the EU from 26 July 2029 to companies with more than 5,000 employees and over €1.5 billion in net turnover, as amended by Omnibus I (2026).[1]

For grievance mechanisms specifically, the **CSDDD departs from the LkSG in three material respects**:

- **Who may complain**: the CSDDD grants standing to affected persons, their legitimate representatives, and trade unions; the LkSG already contemplates these channels but does not require them to be distinguished in the mechanism's design.
- **Substantive responsiveness**: the CSDDD obliges companies not just to receive complaints but to follow up with the complainant within a reasonable timeframe and to take action where the complaint is substantiated – a direct statutory echo of the GP 31(c) predictability criterion that sits, in the data presented here, at 54.3% adoption (P136).
- **Independent recourse**: the CSDDD envisages that Member State supervisory authorities can receive submissions directly, creating an external recourse route that currently runs through voluntary uptake (P134, 30.7%) under the LkSG. The coded practice figures reported here are drawn from the companies' published LkSG disclosures.

The findings in this report therefore have **direct forward-looking relevance**: the critical gaps identified in timely response, complainant feedback, and external recourse are precisely the dimensions on which the CSDDD raises the bar beyond the LkSG baseline.

1 The CSDDD, as originally adopted (2024), envisaged a phased implementation and broader scope. The Omnibus I package (European Commission, February 2026) narrowed the scope, removed the phased rollout, and modified civil liability provisions. The regulatory framework remains subject to finalisation by Member States. References to CSDDD in this report reflect the post-Omnibus I position as of April 2026.

D. Cross-Cutting Anchors from Other Domains

Two practices assessed in adjacent reports **anchor the grievance domain without belonging to it structurally**. P009 (Policy – Complaint Procedure, 98.0%), coded under §6 LkSG and treated in Report 1, is the **policy commitment to maintain a complaint procedure**. Near-universal adoption of P009 is consistent with the near-universal adoption of P124 in this domain: companies have committed themselves to the procedure and built it. P043 (Risk Analysis – Complaints Considered, 70.9%), coded under §5 LkSG and treated in Report 2, is the **feedback loop in the opposite direction**: it captures **whether a company uses information from its grievance channel as an input to its risk analysis**. The 27-point gap between P009 and P043 – between having the channel and feeding its signal back upstream – is the first numerical sign of the structural pattern this report documents in detail.

On terminology. The LkSG uses Beschwerdeverfahren, rendered throughout this report as “complaint procedure” when referring to the German statutory instrument. The UNGPs use “grievance mechanism”, retained here when the discussion is framed by GPs 29–31. The two terms refer to the same operational object; the choice of register indicates the normative framework being invoked.

II. PRACTICE LANDSCAPE: ACCESS & CHANNELS

This section covers the **eight practices that together determine the reach of the procedure**: the structural existence of a channel (P124), its self-declared accessibility (P125), its extension to the two main spheres of coverage – own business (P066) and direct suppliers (P094) – the provision of multiple communication channels (P128), language provision (P129), and the two practices that extend the reach of the mechanism beyond the single-company frame (P133 joint mechanisms, P134 external institutions). Mean adoption across these eight practices is 75.9%, pulled down sharply by the two collaborative-access practices at the bottom of the section.

PRACTICE **P124**

Complaint Procedure Established

ADOPTION RATE

100% (254/254)

UNGP **GP 31**	LkSG **§8 Abs. 1**	CSDDD **Art. 14**

DEFINITION

The company has established a complaint procedure for reporting human rights and environmental risks and violations, meeting the baseline requirement of §8 Abs. 1 LkS

WHY THIS MATTERS

Establishing a complaint procedure is the structural precondition for every other grievance practice. Its universal adoption is the baseline on which the §8 obligation rests; the analytical weight shifts to whether the procedure is reachable, trusted, and responsive – questions the practices that follow begin to answer.

GOOD PRACTICE EXAMPLE

Bundesdruckerei Gruppe GmbH has established an accessible, multi-channel complaints procedure that places a strong emphasis on protecting the identity of the reporting individual. In addition to a web-based online tool, email, and physical mail options, the company provides a 24/7 telephone hotline equipped with technical safeguards to prevent vocal recognition.

“When submitting information or complaints by voice message, the voice of the person submitting the information is technically distorted, thereby ensuring anonymity.”

PRACTICE **P125**

Complaint Procedure – Accessibility

ADOPTION RATE

100% (254/254)

UNGP **GP 31 (b) accessibility**	LkSG **§8 Abs. 1**	CSDDD **Art. 14**

DEFINITION

The complaint procedure is designed to be accessible to affected persons, consistent with §8 Abs. 1 LkSG and the GP 31(b) effectiveness criterion.

WHY THIS MATTERS

A procedure that exists, but cannot be reached by the people it is meant to serve, does not meet the GP 31 accessibility criterion. Self-declared accessibility – what P125 captures – is the company's own statement that the procedure can be used by affected persons; whether rights-holders experience it as accessible is a separate empirical question. Adoption is universal at 100.0% (254/254); the substantive accessibility question is taken up by P128 (channels), P129 (languages), and E010 (stakeholder awareness measurement).

GOOD PRACTICE EXAMPLE

NKD Group GmbH operates a complaints procedure designed for accessibility to vulnerable groups in the global supply chain, combining digital platforms with localized, physical outreach on the factory floor. The company distributes Code of Conduct posters equipped with easy-to-understand pictograms, QR codes, and local and international phone numbers for voice messages, all provided in the respective local languages.

"To ensure low-threshold access for particularly vulnerable groups along the global supply chain, we have added the Amfori BSCI Code of Conduct to our Code of Conduct poster alongside the NKD Code, equipped with pictograms and a QR code. These posters are distributed to our business partners and must be displayed in the production facilities at a location accessible to the workforce."

E.ON SE – A User-Centric Approach to Grievance Mechanisms[2]

E.ON is one of the largest players in Europe's energy sector and has designed its grievance mechanism with a clear guiding principle: it is built from the perspective of affected persons. Rather than focusing primarily on internal structures, the system is designed to be as simple, accessible, and understandable as possible for those raising concerns.

A key decision reflecting this approach is the general accessibility of the central whistleblowing channels for all matter of complaints (excluding customer complaints). All reports – whether related to human rights or compliance or HR issues – can be made via the central whistleblowing channels. This reduces complexity for users: individuals do not need to determine which channel is appropriate for their concern. Instead, the company takes responsibility for internally routing and processing the complaint. This "one entry point" approach significantly lowers barriers to access, particularly for vulnerable groups.

The whistleblowing channels are operated via an external provider to ensure confidentiality and anonymity. They are accessible both internally and externally via the company website, where additional references to independent external reporting channels are also provided. Complainants can use the text-based channel to type in their report or use the hotline channel to hand in the report via voice file if they do not feel comfortable writing about their concern. Offering multiple languages and ensuring low thresholds further strengthens trust and usability across different regions.

2 The report's quantitative findings chart the field-wide state of grievance practices: what is established, what is fragile, and what is absent across the 254 companies in the sample. They do not — and cannot — capture how a grievance mechanism functions in practice. This section presents the first of two company cases, contributed by the company itself as part of a UN Global Compact Network Germany initiative to feature at least one case study per domain report in this series. The case is a first-person account of the company's approach, not an independent assessment: it has not been coded against the study's 166-item framework, nor has it been externally verified. Subsequent domain reports in this series will feature equivalent company-contributed cases in governance, risk analysis, prevention and remediation. This case study draws on a structured interview with the company conducted by the research team.

Beyond structure, E.ON has focused on simplifying communication. Following the introduction of regulatory requirements, existing guidance on whistleblowing and human rights complaints were consolidated into a single, streamlined format. Materials were rewritten in clear, accessible language and complemented with visual elements to improve understanding. This reflects the core idea that users – particularly those in vulnerable situations – should not have to navigate complex policies or multiple documents.

The same logic underpins targeted outreach measures. For example, when it comes to construction works for E.ON, very often realized by subcontractors, E.ON piloted an information campaign aimed at workers in its supply chain. This included distributing multilingual cards with clear, simple instructions on how to access the grievance mechanism and an easy-to-understand website with information on employee rights. Recognizing that trust in companies may be limited in some contexts, the website also points to external legal advice and reporting options. Such proactive communication helps ensure that the mechanism is not only available, but actually known and usable by those who need it.

The system is closely linked to continuous improvement. Every complaint is taken seriously, investigated, and used as an input for refining risk assessments and preventive measures. Insights from anonymized cases feed into regular training formats, which are updated annually to reflect recurring issues and raise awareness of the grievance mechanism itself.

Clear timelines and ongoing communication further support trust in the process: complainants receive a confirmation of receipt within seven days and are kept informed throughout the process, with feedback provided at the latest within three months.

Overall, the example demonstrates that the effectiveness of a grievance mechanism depends less on the number of channels and more on its accessibility and user-centric design. By consistently adopting the perspective of affected persons, E.ON creates a system that is easier to access, better understood, and ultimately more likely to be used.

PRACTICE **P066**

Grievance Access – Own Business

ADOPTION RATE
100% (254/254)

UNGP **GP 29**	LkSG **§8 Abs. 1**	CSDDD **Art. 14**

DEFINITION

Grievance access is provided for employees and other persons within the company's own business area.

WHY THIS MATTERS

Employees and contractors in the company's own operations are often the first to observe adverse impacts and the easiest stakeholder group to reach. Their access to the procedure anchors the mechanism in the environment where the company has the highest degree of leverage and the most direct obligation to act. Adoption is universal at 100% (254/254).

GOOD PRACTICE EXAMPLE

thyssenkrupp AG designs its grievance mechanism for accessibility across all employees, specifically targeting production and frontline workers who lack regular corporate intranet access. To achieve this, the company distributes information through multiple physical touchpoints, including attaching details about the complaints procedure directly to the physical payslips of over 20,000 employees.

"In the thyssenkrupp Group, posters providing information on the complaints procedure regarding human rights violations were displayed in the production halls and social rooms, as a supplement to the payroll system, as well as in places generally intended for such information purposes in the eight most relevant languages of Group employees, with the aim of also reaching employees without intranet access."

PRACTICE **P094**

Supplier Grievance Access

ADOPTION RATE

99.6% (253/254)

UNGP **GP 29**	LkSG **§8 Abs. 1**	CSDDD **Art. 14**

DEFINITION

Grievance access is extended to workers and affected persons at direct suppliers.

WHY THIS MATTERS

Workers at direct suppliers are where much of the sample's actual human-rights risk sits. Extending complaint access to them is the statutory minimum under §8, and the point at which the procedure stops being an internal HR channel and becomes a supply-chain grievance mechanism. Whether workers in fact know about and can use the channel is the harder question. Adoption is near-universal at 99.6% (253/254); whether the channel is in fact known and used at the supplier level is the empirical question that E010 (stakeholder awareness) and E011 (trust) are designed to answer.

GOOD PRACTICE EXAMPLE

NKD Group GmbH works to extend practical access to its grievance mechanism for workers in its deeper supply chain through targeted, on-the-ground capacity building. To empower vulnerable rights-holders, the company provides dedicated training directly to factory workers at indirect suppliers on how to access and effectively use the complaint systems.

"As a preventive measure, training was conducted for factory workers at indirect suppliers on how to access and effectively use the complaint systems. More than 240 workers have been trained and now act as multipliers in their workplaces."

PRACTICE **P128**

Complaint Procedure – Multiple Channels

ADOPTION RATE

89.4% (227/254)

UNGP **GP 31(b) accessibility**	LkSG **§8 Abs. 4**	CSDDD **Art. 14**

DEFINITION

The complaint procedure is available through multiple channels (e.g. web portal, hotline, email, in-person), reducing the risk that any single barrier excludes affected persons.

WHY THIS MATTERS

A single channel – typically a web form in a national language – is insufficient where affected workers have varying literacy, device access, and speak different languages. Multiple channels (hotline, email, in-person, whistleblowing platform, trade-union route) widen the set of rights-holders for whom the procedure is a realistic option, directly addressing the GP 31(b) accessibility criterion.

GOOD PRACTICE EXAMPLE

AUDI AG supports broad accessibility for its grievance mechanism by offering a diversified range of reporting channels tailored to different user preferences and technical capabilities. In addition to traditional reporting methods, the company notably provides a dedicated mobile application, significantly lowering the reporting barrier for workers in global supply chains who primarily rely on smartphones.

"The reporting channels include, among others, an online reporting channel that accepts submissions in multiple languages, an app, an email inbox, a 24-hour hotline, and an external lawyer who acts as ombudsperson."

AUDI AG – Multi-channel access and dialogue-based handling[3]

AUDI AG is a German car manufacturer and a subsidiary of the Volkswagen Group. For Audi, grievance mechanisms have long been a core element of its human rights due diligence processes. The entry into force of the German Supply Chain Due Diligence Act (LkSG) in 2023 acted as a catalyst to systematically review existing arrangements and consolidate two previously separate mechanisms – covering Audi's own operations and its supply chain – into a more coherent framework. This consolidation resulted in a single, clearly recognisable external point of contact for whistleblowers, improving accessibility, while internal case handling remains with specialised units.

Audi's grievance mechanism is available in multiple languages and offers several reporting channels, including a digital platform with an app function, email, ombudspersons, and in-person meetings. This multi-channel design reflects the varying circumstances of whistleblowers and allows them to choose the medium they find most comfortable, safe, and accessible.

Beyond accessibility, Audi places strong emphasis on a dialogue-oriented approach. The company views whistleblowers as an essential source of information and engages them throughout the process, inviting them to share their expectations and needs. This ongoing dialogue helps the company to better understand the facts, verify information, and jointly develop solutions.

Audi's approach is particularly relevant given that reports are often submitted by individuals or by representatives of affected groups and may initially contain incomplete information. Through dialogue, facts can be gradually supplemented and clarified, which significantly improves the quality of case handling.

This emphasis on dialogue has proven its value in practice. For example, a complaint submitted by a civil society organisation reached Audi at a very late stage of an emerging conflict and initially provided only limited information, restricting the company's ability to intervene. Rather than closing the case, Audi engaged in sustained dialogue to ascertain the facts and build mutual trust. When a comparable issue later arose, the organisation submitted its second complaint much earlier, enabling Audi to intervene more effectively and prevent escalation.

The case illustrates two mutually reinforcing elements of an effective grievance mechanism: external accessibility and sustained dialogue with whistleblowers.

PRACTICE **P129**

Complaint Procedure – Languages

ADOPTION RATE
62.6% (159/254)

UNGP	LkSG	CSDDD
UNGP **GP 31(b) accessibility**	LkSG **§8 Abs. 4**	CSDDD **Art. 14**

DEFINITION

The complaint procedure and its rules are available in languages the complainants understand, as required by §8 Abs. 2 LkSG.

WHY THIS MATTERS

A procedure available only in German or English is not accessible to many of the workers whose complaints it is meant to receive. Fewer than two in three companies confirm language provision, which bounds the reach of every other access practice above it. This is among the first clear quantitative signals that paper-level accessibility and practical accessibility diverge.

GOOD PRACTICE EXAMPLE

Bayer AG provides an accessible grievance mechanism that allows whistleblowers across its global supply chain to report issues in their native tongue. The company's independent service provider facilitates telephone complaints with an exceptionally broad linguistic coverage, accommodating hundreds of different dialects and languages.

"The same independent and impartial service provider can also be used to make a complaint by phone call in one of more than 300 supported languages, with additional instructions for international calls."

3 See footnote 2 for the methodological framing.

PRACTICE **P134**

External Institution Cooperation

ADOPTION RATE **30.7%** (78/254)

UNGP **GP 31(b) accessibility**	LkSG **§8 Abs. 4**	CSDDD **Art. 14**

DEFINITION

The company cooperates with external institutions (ombuds offices, sectoral mechanisms, state-based non-judicial bodies) that can receive complaints independently of the company.

WHY THIS MATTERS

External institutions – independent ombuds offices, sectoral multi-stakeholder bodies, state-based non-judicial grievance channels – add a route that does not depend on the company's own good faith. Their low uptake (30.7%) concentrates legitimacy risk in the operator of the mechanism and limits the options available where rights-holders do not trust the internal channel.

GOOD PRACTICE EXAMPLE

Augustinum gemeinnützige GmbH systematically integrates external institutions into its grievance mechanism to guarantee an independent and professional evaluation of incoming reports. Whenever a complaint is filed, the company engages external experts to assess the credibility of the grievance and help determine the appropriate subsequent actions.

"In the event of a complaints procedure, external experts are involved for plausibility and further steps."

PRACTICE **P133**

Joint Complaint Mechanism

ADOPTION RATE **25.6%** (65/254)

UNGP **GP 31**	LkSG **§8 Abs. 1**	CSDDD **Art. 14**

DEFINITION

The company participates in a joint complaint mechanism – shared with other subsidiaries, peer companies or run through an industry/ multi-stakeholder initiative – consistent with GP 30.

WHY THIS MATTERS

A joint complaint mechanism – shared with peer companies, an industry initiative, or a buyer-supplier platform – distributes the cost of running a credible procedure and provides continuity for workers whose employer may change. Its rarity (25.6%) reflects a field where most procedures remain firmly under single-company control.

GOOD PRACTICE EXAMPLE

Gries Deco Company GmbH expands the reach of its grievance management by participating in a recognized, industry-wide collaborative platform alongside its own internal whistleblower system. Specifically, the company utilizes the 'amfori Speak for Change' program, which enables workers and other stakeholders in global supply chains to anonymously report human rights and environmental violations.

"Reports or complaints about violations of human rights, labour rights, or environmental standards in our supply chains can be submitted through our whistleblower system or anonymously through the Amfori Speak for Change programme."

III. PRACTICE LANDSCAPE: PROCEDURAL INTEGRITY

Access alone is insufficient if the procedure handling the complaint lacks basic safeguards. This section covers **six practices that together define what a §8 procedure looks like when it functions**: confidentiality (P126), published rules (P127), non-retaliation protection (P135), communication of the procedure to rights-holders (P141), investigation of submitted complaints (P130), and documentation of complaints received (P137). Mean adoption across these six is 93.5%, the highest of any section in the report. The **field has built the procedural architecture**; its effective operation depends on the two lower-adoption components (investigation at 94.9%, documentation at 70.5%).

PRACTICE **P126**

Complaint Procedure – Confidentiality

ADOPTION RATE

99.2% (252/254)

UNGP **GP 31(e) transparency**	LkSG **§8 Abs. 4**	CSDDD **Art. 14**

DEFINITION

The complaint procedure protects the confidentiality of the complainant and the content of the complaint, as required by §8 Abs. 3 LkSG.

WHY THIS MATTERS

Confidentiality is the non-negotiable minimum for a complainant who may face retaliation. Without it, no other access practice matters: a worker who fears identification will not submit a complaint regardless of how many channels are available. The 99.2% adoption means confidentiality is effectively the field norm – though self-declared confidentiality does not by itself demonstrate confidentiality in practice.

GOOD PRACTICE EXAMPLE

Bayer AG structures the confidentiality of its grievance mechanism around three distinct tiers of anonymity, ranging from complete anonymity to full disclosure. Notably, whistleblowers can choose to reveal their identity only to the independent service provider while remaining strictly anonymous to Bayer AG itself, all while maintaining a continuous two-way communication channel via a secure inbox.

"If desired, the complainant may (i) remain completely anonymous (if permitted by applicable local law), (ii) remain anonymous only to Bayer AG and its affiliates, but disclose his or her identity to the independent service provider, or (iii) fully disclose name and contact information."

PRACTICE **P127**

Complaint Procedure – Transparency

ADOPTION RATE

99.2% (252/254)

UNGP **GP 31(d) transparency**	LkSG **§8 Abs. 4**	CSDDD **Art. 14**

DEFINITION

The rules of procedure of the complaint mechanism are publicly available and describe the handling process, types of possible outcomes, and applicable timeframes (§8 Abs. 2 LkSG).

WHY THIS MATTERS

Published, accessible rules of procedure – what complainants can expect, how their complaint will be handled, when they will hear back – are the §8 Abs. 2 requirement and the GP 31(c) predictability criterion in operation. A procedure is predictable only to the extent its rules are visible to the people using it; near-universal adoption here is encouraging but leaves the question of whether published rules match actual handling. Adoption is near-universal at 99.2% (252/254).

GOOD PRACTICE EXAMPLE

Gries Deco Company GmbH expands **Bundesdruckerei Gruppe GmbH** builds transparency into its grievance mechanism by detailing the exact procedural steps, communication protocols, and expected timelines of an investigation. The company maintains a dialogue with whistleblowers, including those who report anonymously, to gather sufficient information and communicates the final outcomes once the investigation concludes.

"Where possible and necessary, the facts of the case are discussed with the whistleblower, and also with anonymous whistleblowers via the online whistleblowing system. [..] The processing time depends on the case and can take from a few days to several months, depending on the complexity of the case. [..] The whistleblower will be informed of the conclusion of the complaint procedure."

PRACTICE **P135**

Complaint Procedure – Non-Retaliation

ADOPTION RATE
98.8% (251/254)

UNGP **GP 31(a) legitimacy**	LkSG **§8 Abs. 4**	CSDDD **Art. 14**

DEFINITION

The complaint procedure protects complainants from retaliation, disadvantage, or penalty on account of their complaint (§8 Abs. 4 LkSG).

WHY THIS MATTERS

Non-retaliation protection is the statutory counterpart to confidentiality: §8 Abs. 4 requires companies to ensure that complainants face no disadvantage because of their complaint. Like confidentiality, self-declared non-retaliation is the floor, not the ceiling. Enforcement against retaliation in the supplier base is harder than declaring the principle in the company's own policy. Adoption is near-universal at 98.8% (251/254).

GOOD PRACTICE EXAMPLE

DP World Logistics Germany B.V. & Co. KG makes the protection of affected persons from repression the central feature of its grievance mechanism. The company enforces a strict zero-tolerance policy and proactively communicates this standard to its direct suppliers and throughout the supply chain, explicitly stating that retaliation against whistleblowers may result in the termination of the business contract.

"For this purpose, it is clearly communicated to direct suppliers and suppliers further down the supply chain that retaliation against whistleblowers will not be tolerated and may, where appropriate, lead to termination of the business relationship."

PRACTICE **P141**

Complaint Communication

ADOPTION RATE
98.4% (250/254)

UNGP **GP 31(c) predictability**	LkSG **§8 Abs. 1**	CSDDD **Art. 14**

DEFINITION

The company communicates the existence and content of the complaint procedure to the persons it is intended to serve.

WHY THIS MATTERS

The procedure must be communicated to the people it is meant to serve; a published policy that never reaches the workforce does not discharge the §8 obligation in substance. Adoption at 98.4% means communication happens; the open question is depth – whether communication reaches deeper tiers of the supply chain where awareness tends to be thinnest.

GOOD PRACTICE EXAMPLE

thyssenkrupp Steel Europe AG implements a proactive and inclusive communication strategy for its grievance mechanism, specifically targeting operational employees who lack regular digital access. To guarantee comprehensive awareness, the company displays multi-lingual posters in production halls and social rooms and notably includes informational flyers directly within the employees' physical payslips.

"In addition, information posters were included with payslips to ensure that every individual in this employee group is reached personally."

PRACTICE **P130**

Complaint Investigation

ADOPTION RATE
94.9% (241/254)

UNGP **GP 31(c) predictability**	LkSG **§8 Abs. 1**	CSDDD **Art. 14**

DEFINITION

Submitted complaints are investigated by persons designated to handle them, consistent with §8 Abs. 3 LkSG.

WHY THIS MATTERS

Complaints that are received, but not investigated, do not become remediation triggers. Investigation is the operational hinge between a complaint lodged and an impact addressed; its adoption at 94.9% is high but meaningfully below the near-ceiling of the channel-existence practices. This small gap is where some complaints can exit the system unaddressed.

GOOD PRACTICE EXAMPLE

Berliner Verkehrsbetriebe (BVG) operates a structured, multi-stage investigation process for incoming complaints, with a clear division of responsibilities across specialised departments. Initial reports are received and checked for plausibility by the Compliance Office, after which potentially relevant issues are escalated to the Human Rights Officer for a deeper review and joint solution development with the respective business units.

"Complaints are received by the Compliance Office. An initial plausibility check is also carried out there. Potentially LkSG-relevant issues are then reviewed by the Human Rights Officer. The Human Rights Officer also reviews the development of a solution and measures derived by the relevant business unit."

PRACTICE **P137**

Complaint Procedure Documentation

ADOPTION RATE **70.5%** (179/254)

UNGP **GP 31(f) rights-compat.**	LkSG **§8 Abs. 1**	CSDDD **Art. 14**

DEFINITION

The company documents complaints received and their handling, consistent with §8 Abs. 4 LkSG.

WHY THIS MATTERS

Documentation is required by §8 Abs. 4 LkSG. Where it is absent, the company has no basis for the annual review required by §8 Abs. 5, for pattern analysis, or for demonstrating to an auditor or regulator that the procedure is functioning. At 70.5%, nearly three in ten companies cannot evidence their own procedure's operation.

GOOD PRACTICE EXAMPLE

Heidelberg Materials AG employs a comprehensive global case management system to systematically document and track all compliance-related grievances. This centralised tool is designed to capture every reported suspicion or concrete indication of a human rights or environmental violation across the company's operations and supply chain. Furthermore, this documentation allows the company to trace the progress of these cases and use the gathered data to enhance its preventive measures.

"We have established a case management system in which all reported compliance cases worldwide are documented. This helps us to track human rights violations and improve our preventive measures."

IV. RESPONSIVENESS & LEARNING

The practices in this section determine **whether a complaint reaching the procedure leads anywhere**. It covers the **five practices that together define the feedback and improvement loop**: effectiveness monitoring of the mechanism itself (P139), mechanism improvement based on that monitoring (P140), informing the complainant of the outcome (P131), analysis of complaint data for pattern and risk-analysis feedback (P138), and timely response to individual complaints (P136). Mean adoption across these five is 67.4% – the lowest of any section in the report, and 26 percentage points below procedural integrity. This is **where the infrastructure-and-depth gap identified in the Executive Summary concentrates**.

PRACTICE **P139**

Effectiveness Monitoring – Complaints

ADOPTION RATE **92.5%** (235/254)

UNGP **GP 31(g) learning**	LkSG **§8 Abs. 5**	CSDDD **Art. 15**

DEFINITION

The effectiveness of the complaint procedure is monitored, consistent with §8 Abs. 5 LkSG (annual review and ad-hoc review where the risk profile changes).

WHY THIS MATTERS

Effectiveness monitoring of the complaint procedure is the §8 Abs. 5 annual review obligation in practice. Its relatively high adoption (92.5%) suggests companies do conduct some form of review; the weaker effectiveness indicators reported in section V below raise the question of what that review consists of in most cases.

GOOD PRACTICE EXAMPLE

Deutsche Telekom AG monitors the effectiveness of its grievance mechanism, 'TellMe', by establishing specific, quantitative Key Performance Indicators (KPIs) that incorporate direct feedback from the whistleblowers themselves. The company evaluates the system's effectiveness based on strict procedural deadlines and user experience thresholds, such as requiring all receipt confirmations to be sent within seven days.

"The mechanism is assessed as effective when at least 85 per cent of whistleblowers surveyed confirm, when asked, that learning about how to reach TellMe was straightforward."

PRACTICE **P140**

Complaint Mechanism Improvement

ADOPTION RATE
66.1% (168/254)

UNGP **GP 31(g) learning**	LkSG **§8 Abs. 5**	CSDDD **Art. 15**

DEFINITION

The company adjusts or improves the complaint mechanism based on its monitoring findings, operationalising the GP 31(g) "source of continuous learning" criterion.

WHY THIS MATTERS

Improvement of the mechanism based on experience is the GP 31(g) "source of continuous learning" criterion. A procedure that is reviewed, but never adjusted, does not learn. Adoption at 66.1% means a third of companies have not documented any adjustment to their mechanism, which bounds the credibility of the near-universal effectiveness monitoring reported in P139.

GOOD PRACTICE EXAMPLE

SAP Deutschland SE & Co. KG employs a highly structured and methodological approach to evaluate and continuously improve its grievance mechanism. The company utilizes the Management of Complaints Assessment (MOC-A) framework to rigorously assess its system across 35 distinct data points.

"The effectiveness and adequacy of the complaint mechanism was assessed against the criteria defined in the Management of Complaints Assessment (MOC-A) tool: legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and dialogue-based."

PRACTICE **P131**

Complainant Informed

ADOPTION RATE
63.0% (160/254)

UNGP **GP 31(c) predictability**	LkSG **§8 Abs. 1**	CSDDD **Art. 14**

DEFINITION

Complainants are informed of the handling and outcome of their complaint.

WHY THIS MATTERS

A complainant who is not informed of the outcome has no basis to judge whether the procedure worked. GP 31(c) (predictability) and GP 31(e) (transparency) both require that the mechanism keeps parties informed about progress. Adoption at 63.0% means more than a third of complainants receive no feedback on their complaint – a significant undercut of the procedure's credibility.

GOOD PRACTICE EXAMPLE

Helios Kliniken GmbH mandates its central Reporting Office to maintain ongoing communication with individuals who submit grievances. The office tracks the implementation of corrective actions and provides feedback on the actual results to the whistleblowers.

"Furthermore, the Reporting Office follows up on the realization of necessary measures in the unit responsible and informs the reporting persons accordingly."

PRACTICE **P138**

Complaint Data Analysis

ADOPTION RATE

61.0% (155/254)

UNGP **GP 31(g) learning**	LkSG **§8 Abs. 5**	CSDDD **Art. 15**

DEFINITION

The company analyses complaint data to identify patterns, systemic issues, and feedback to the risk analysis.

WHY THIS MATTERS

Complaint-data analysis turns individual complaints into a signal about systemic risk. Without it, the grievance mechanism does not feed the risk analysis required under §5 LkSG, breaking the §8 → §5 feedback loop that GP 31(g) envisages. At 61.0%, this signal is lost for two in five companies.

GOOD PRACTICE EXAMPLE

SAP Deutschland SE & Co. KG utilizes its People Compliance team to systematically evaluate data from its grievance mechanisms to uncover structural hotspots and areas requiring further intervention. By analysing regional patterns regarding reported concerns and investigated policy violations, the company effectively adapts its preventive strategies.

“People Compliance also regularly reviews the data to identify hotspots and areas where, for example, additional training is required. SAP analysed regional patterns in reported concerns and investigated anti-discrimination breaches, and has since implemented additional preventive training for specific target groups such as managers at the affected locations.”

PRACTICE **P136**

Complaint Procedure – Timely Response

ADOPTION RATE

54.3% (138/254)

UNGP **GP 31(c) predictability**	LkSG **§8 Abs. 1**	CSDDD **Art. 14**

DEFINITION

The company responds to complaints within a reasonable timeframe, consistent with the GP 31(c) predictability criterion.

WHY THIS MATTERS

Timely response – the single lowest-adoption practice in the domain at 54.3% – is the most direct operational measure of whether a complaint procedure functions. The statute does not specify a numerical deadline, but a procedure that does not respond within a reasonable time does not meet GP 31(c) predictability and effectively closes off the mechanism for the complainant.

GOOD PRACTICE EXAMPLE

Zollner Elektronik AG reports on the timely processing of complaints, including rapid investigation and resolution of reported human rights and environmental violations within its supply chain. The company tracks and transparently reports the exact processing duration for individual grievance cases, demonstrating swift resolution times even for highly complex and severe issues.

“Reported cases: 2. Content: forced labour at an indirect supplier. Procedure duration: 4 weeks. Outcome: the direct supplier terminated the business relationship with the affected sub-supplier.”

V. EFFECTIVENESS MEASUREMENT

A. The Effectiveness Indicators

GP 31 sets out **eight criteria against which operational-level grievance mechanisms should be evaluated**. This section assesses the **five effectiveness indicators in the coded framework that speak directly to the grievance domain**: pattern analysis of complaint data (E012), response-time tracking (E009), resolution-quality tracking (E008), stakeholder awareness of the mechanism (E010), and documented trust in the mechanism (E011). Together, they cover five of the GP 31 criteria: source of continuous learning, predictability, rights-compatibility, accessibility-in-practice (via GP 20 tracking of GP 31(b)), and legitimacy. Mean adoption across the five is 24.3%, and the spread is narrow: no indicator exceeds 34%, and the weakest – trust – is reported at 15.7%. The compositional order is adoption-rate descending; E008 and E009 are presented in reversed adjacency to avoid a duplicate good-practice attribution. A brief methods note on the effectiveness-indicator scope is included in the Appendix.

INDICATOR **E012**

Complaint Trends Analysed

ADOPTION RATE
33.1% (84/254)

UNGP **GP 20 tracking**	LkSG **§6 Abs. 5**	CSDDD **Art. 15**

DEFINITION

The company analyses complaint data for trends and patterns across time, source, issue type, or geography.

WHY THIS MATTERS

Pattern analysis of complaints is what turns the grievance mechanism into a source of continuous learning under GP 31(g). Adoption at 33.1% – the highest of the four grievance E-indicators – is still low in absolute terms, and means two in three companies do not report using their complaint data for systemic signal detection. This effectiveness indicator is narrower than the procedural practice P138 (complaint-data analysis, 61.0%): P138 records whether complaint data undergo analysis at all, while E012 captures whether that analysis identifies the trends and patterns a learning mechanism can act on. Its practice counterpart is P140 (complaint-mechanism improvement, 66.1%): the pattern identification this indicator measures is the precondition for the adjustments P140 records.

GOOD PRACTICE EXAMPLE

Shell Deutschland GmbH systematically evaluates data from its grievance mechanisms to identify broader patterns and developments rather than just handling individual cases in isolation. The company utilizes its Ethics and Compliance Officers to continuously monitor the recorded incidents and explicitly look for overarching developments, which are then reported to senior leadership on a quarterly basis.

"Ethics and compliance officers monitor the processes for recording and reporting incidents related to the Code of Conduct. They review, analyse, and report to management on the associated information, trends, investigation findings, conclusions, and follow-up actions."

INDICATOR **E009**

Complaint Response Time Tracked

ADOPTION RATE
27.2% (69/254)

UNGP **GP 20 tracking**	LkSG **§6 Abs. 5**	CSDDD **Art. 15**

DEFINITION

The company tracks the time elapsed between complaint receipt and response or resolution.

WHY THIS MATTERS

Response time operationalises part of the GP 31(c) predictability criterion. Tracking it is the minimum condition for knowing whether the procedure is responsive in practice; at 27.2%, the majority of companies cannot answer or does not disclose how long it takes for a complaint to be addressed in their own mechanism. This differs from P136 (timely response, 54.3%): P136 concerns whether complaints are processed promptly, whereas E009 captures whether the company measures and tracks the elapsed handling time itself.

GOOD PRACTICE EXAMPLE

Bezirkskliniken Mittelfranken employs specific Key Performance Indicators (KPIs) as part of a maturity check to systematically evaluate the overall effectiveness of its complaints procedure. A key metric they track is the exact time required to handle a grievance, which they deliberately split into distinct procedural phases to gain deeper operational insights.

"As part of a corresponding maturity check, the complaints procedure set up is to be assessed using suitable performance indicators (KPIs) such as [..] average time taken to process a complaint (differentiated according to the duration of the clarification process and the duration of the complaint resolution process)."

INDICATOR **E008**

Complaint Resolution Quality

ADOPTION RATE **24.4%** (62/254)

UNGP **GP 20 tracking**	LkSG **§8 Abs. 5**	CSDDD **Art. 15**

DEFINITION

The company tracks the quality of complaint resolutions, including whether the outcome adequately addressed the complainant's concern.

WHY THIS MATTERS

Resolution quality addresses whether complaints that enter the procedure exit it with an adequate outcome. Without tracking it, the mechanism cannot distinguish between closed and resolved. Adoption at 24.4% means the effectiveness of the procedure as a remediation trigger (GP 22 link) is evidenced for roughly one company in four.

GOOD PRACTICE EXAMPLE

Bezirkskliniken Mittelfranken evaluates the effectiveness and quality of its complaints procedure through a dedicated maturity check that utilizes specific Key Performance Indicators (KPIs). These KPIs go beyond mere volume tracking by explicitly assessing the qualitative outcomes of the grievance process, such as the proportion of complaints successfully resolved and the nature of the final resolution.

"As part of a corresponding maturity check, the complaints procedure set up is to be assessed using suitable performance indicators (KPIs) such as [..] proportion of complaints successfully resolved, subsequently withdrawn, substantively substantiated and/or successfully resolved, taking into account the outcome of the final complaint resolution (remedy, amicable settlement, etc.)."

INDICATOR **E010**

Stakeholder Awareness Measured

ADOPTION RATE **21.3%** (54/254)

UNGP **GP 20 tracking**	LkSG **§8 Abs. 5**	CSDDD **Art. 15**

DEFINITION

The company measures stakeholder awareness of its human-rights and environmental policies and procedures, including the grievance mechanism itself.

WHY THIS MATTERS

Internal and external stakeholder awareness is the precondition for use. A grievance mechanism that rights-holders do not know exists cannot receive their complaints, and the GP 31(b) accessibility criterion is not satisfied by the existence of a channel alone – it requires that the channel is known to those for whom it is intended. Measuring awareness is the GP 20 tracking-effectiveness operationalisation of that precondition. Adoption at 21.3% means around one in four companies (21.3%) can demonstrate that the intended users of their mechanism are aware of it; in the rest of the sample, the accessibility claim rests on procedural form alone, with stakeholder awareness yet to be evidenced. E010 does not separate awareness among internal stakeholders – a company's own employees – from awareness among external rights-holders such as supply-chain workers and affected communities; either is coded as evidence that awareness was measured.

GOOD PRACTICE EXAMPLE

Coca-Cola Europacific Partners Deutschland GmbH tests employee knowledge of its human-rights policies and grievance procedures through a dedicated survey that produces quantitative readouts of awareness at the policy and channel level. The instrument moves beyond training-completion tracking and reports outcome figures: 96% of respondents correctly identified the company's grievance-procedure policy, and 82% correctly identified both the internal Speak Up contacts and the external whistleblowing channels – a direct operationalisation of the GP 31(b) accessibility-in-practice criterion.

"The survey measured employee knowledge of human rights and our grievance mechanism in a playful format. The evaluation showed satisfactory results: [...] Correct identification of the company policy on the complaint procedure: 96% [...] Correct identification of CCEP's internal Speak Up contacts and external whistleblowing channels: 82%."

INDICATOR **E011**

Trust in Grievance Mechanism

ADOPTION RATE

15.7% (40/254)

UNGP **GP 31(a) legitimacy**	LkSG **§8 Abs. 5**	CSDDD **Art. 15**

DEFINITION

The company has evidence that affected parties trust the grievance mechanism.

WHY THIS MATTERS

Trust in the mechanism is the GP 31(a) legitimacy criterion – the single most important condition for a grievance mechanism to function, because a mechanism the intended users do not trust receives no complaints. At 15.7%, the lowest datum in the domain, fewer than one in six companies report evidence that affected parties trust their procedure (E011).

GOOD PRACTICE EXAMPLE

Mercedes-Benz AG assesses the effectiveness of its grievance mechanism, the BPO Business & People Protection Office, by surveying its employees globally. Every two years, the company conducts an employee survey that includes specific questions designed to measure both the level of awareness and the degree of trust the workforce has in the reporting system.

"In addition, the Mercedes-Benz Group assesses the effectiveness of the measures every two years through employee surveys. Targeted questions are asked about awareness of and trust in the BPO (Business & People Protection Office)."

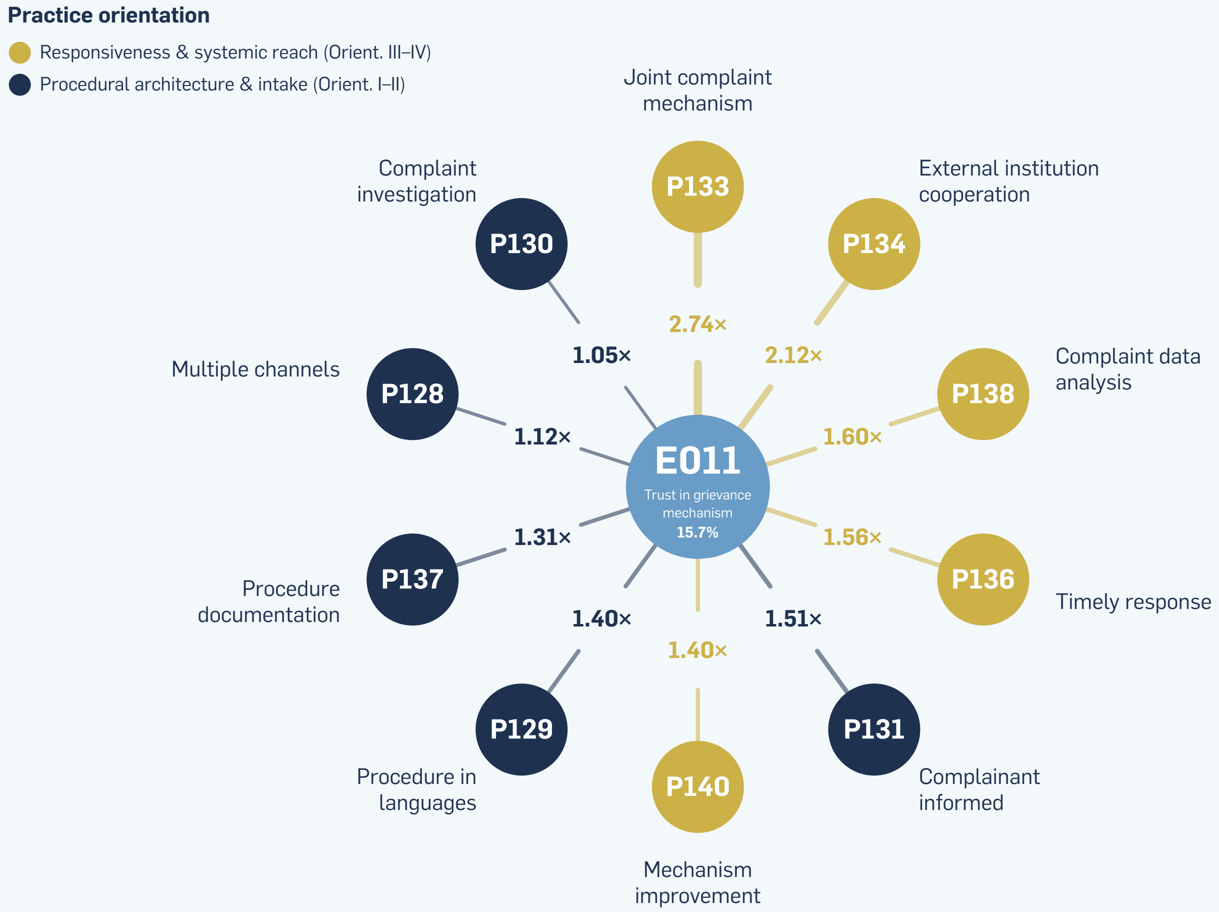
B. Correlates of Grievance-Mechanism Validation

A grievance mechanism **is validated not when it exists but when there is evidence that the people it is meant to serve trust and use it** – the legitimacy test at the centre of GPs 29–31. Of the 254 companies, 40 (15.7%) present such evidence (E011, Trust in Grievance Mechanism), the **lowest-adopted indicator in the domain and the sharpest expression of the trust deficit**. Comparing the practices these companies have adopted against the rest of the sample **shows what separates a mechanism that is trusted from one that is merely compliant**.

The **difference is not in the procedural architecture**. The **practices that distinguish the validated mechanisms come from the systemic-reach and responsiveness orientations,** not the channel infrastructure. Companies that operate a joint complaint mechanism (P133) evidence trust at 43.1%, against 6.3% among those that do not – a 2.74x lift over the population base. Cooperation with external institutions (P134) lifts trust 2.12x (33.3% versus 8.0%), and analyzing complaint data to identify patterns (P138) lifts it 1.60x.

The strongest predictors concentrate in Orientation IV (systemic reach and trust) and Orientation III (responsiveness and learning); the near-universal procedural-architecture practices contribute almost no differentiation. The pattern is structural rather than coincidental. The architecture cluster is adopted by 94% of the sample, so it cannot separate a trusted mechanism from a compliant one – every company has it. **Trust instead tracks the practices that reach beyond the company's own filing infrastructure and close the loop with the complainant:** joint and external channels, timely response, informing the complainant of the outcome, and adapting the mechanism over time. These are precisely the practices the domain adopts least.

FIGURE 2: Grievance practices associated with trust in grievance mechanism (E011)



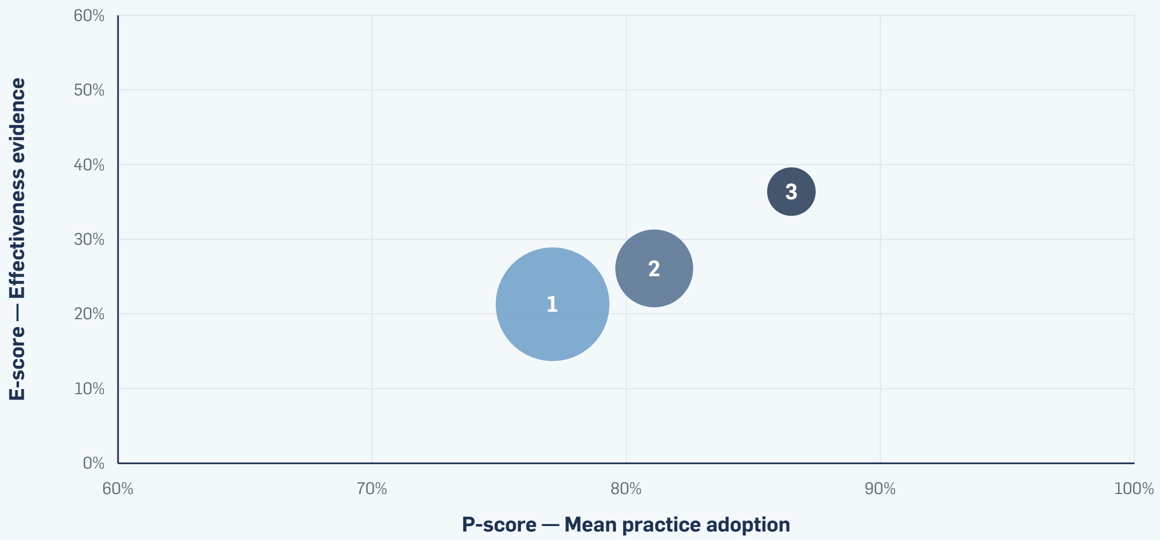
Hub: E011 (Trust in Grievance Mechanism), evidenced by 15.7% of the sample. Spokes: the ten grievance practices most strongly associated with trust, sized by lift – the trust rate among adopters divided by the population base. Node colour denotes practice orientation. Source: LkSG disclosure analysis, normalised firm-level matrix, n = 254 companies.

VI. SECTOR & SIZE PERFORMANCE

This section sets the 19 practices and 5 effectiveness indicators against the sample's compositional structure. Figure 4 in the subsequent section shows the **full adoption-rate ordering**, colour-coded by practice versus effectiveness indicator, so the **internal structure of the domain is visible** at once. Figure 3 shows the size-band view. The point of these two views together is to locate the P-to-E gap in compositional terms: is it concentrated in particular sectors, particular sizes, or spread evenly across the field?

FIGURE 3: Size-Band Performance – P-score vs E-score

#	Size band (employees)	n	P-score	E-score
1	3,000–10,000	154	77.1%	21.3%
2	10,000–50,000	72	81.1%	26.1%
3	>50,000	28	86.5%	36.4%



Three employee size bands shown as numbered bubbles (1-3) keyed to the table above. P-score vs. E-score, bubble area proportional to number of companies. LkSG Phase 1 threshold: 3,000 employees. Source: LkSG disclosure analysis, n = 254 companies.

Figure 3 shows the **cleanest consistent pattern in the domain**: both **P-score and E-score rise with company size.** Companies with more than 50,000 employees reach P 86.5% / E 36.4%; those in the 10,000–50,000 band reach P 81.1% / E 26.1%; those in the 3,000–10,000 band reach P 77.1% / E 21.3%. The P-score range across size bands is 9.4 points; the E-score range is 15.1 points. Figure 3 exposes the shape of the domain. Eleven of the 19 practices sit at or above the 75% field-standard line; all five effectiveness indicators sit well below it. The low-adoption tail mixes two kinds of deficit: structural gaps (P133, P134) where the field has not yet moved toward collaborative mechanisms; and operational gaps (P136, P138, P131, P129, P137) where the gap is not in what is done but in how thoroughly it is done.

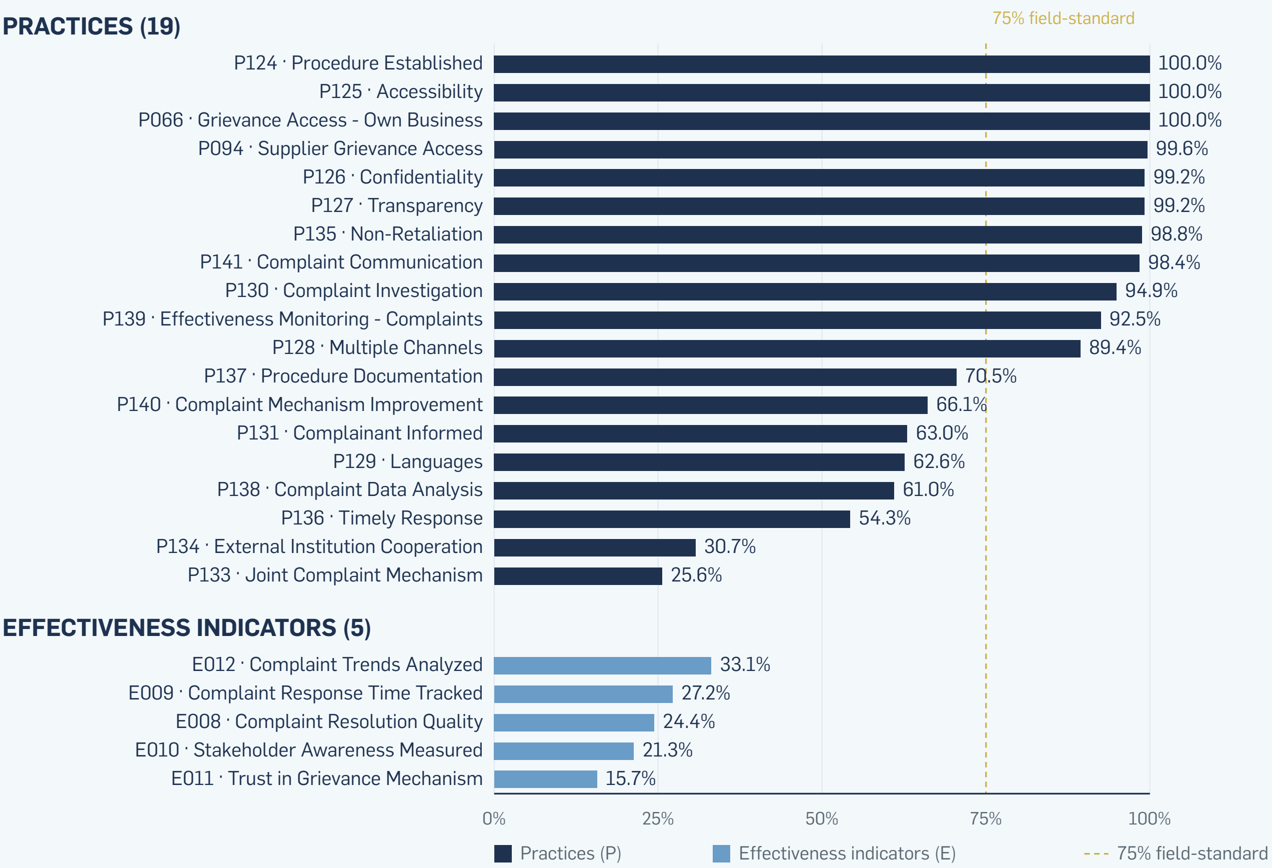
VII. CONCLUSIONS

This section synthesises the empirical findings, sets out what a functioning grievance mechanism requires, reads the P–E gap as a Bemühungspflicht question, situates the gaps against the forthcoming CSDDD, and translates them into implications for affected rights-holders.

A. What a Functioning Grievance Mechanism Requires

The procedural and functional practices discussed below are visible in Figure 4, which plots all 19 practices and 5 effectiveness indicators against the field-standard threshold.

FIGURE 4: All Practices & Indicators – Adoption at a Glance



Bars show adoption rates (%) for all coded practices and effectiveness indicators. Source: LkSG disclosure analysis, n=254 companies.

A **complaint procedure that satisfies the letter of §8 LkSG is not automatically a grievance mechanism in the UNGP GP 31 sense**. The sample demonstrates the distinction sharply. The operational architecture – a channel, published rules, confidentiality, non-retaliation, investigation – is in place across the field; the adoption rates for P124, P125, P126, P127, P130, and P135 all sit between 94.9% and 100.0%. What the field is still building, and what a functioning mechanism requires, are the practices that turn a procedure into a two-way loop with the people it serves: timely response (P136, 54.3%), informing the complainant of the outcome (P131, 63.0%), provision in the languages of affected workers (P129, 62.6%), pattern analysis of complaint data (P138, 61.0%), and evidence of documented trust (E011, 15.7%). These are **not aspirational additions to the §8 obligation**. They are the **conditions under which the procedure can be said to work for the rights-holders it exists to serve.**

A second requirement is structural: the **reach of the mechanism beyond the single-company frame**. GP 30 envisages **shared and industry-level mechanisms for situations where no single company's procedure can credibly stand alone. Joint mechanisms (P133, 25.6%) and cooperation with external institutions (P134, 30.7%) remain rare in the sample**, which concentrates the full burden of procedural legitimacy on the operator of each single-company channel. This is a **structural feature of the field**, not a design flaw in any individual company's mechanism, and it is where the GP 31(a) legitimacy criterion is most difficult to satisfy in the current configuration.

B. Reading the P–E Gap as a Bemühungspflicht Question

Section I characterised the §8 obligation as a Bemühungspflicht – an obligation to make an effort, not to guarantee an outcome – qualified by proportionality under §3 Abs. 2 LkSG. That framing is general to the Act. In the grievance domain it carries a specific edge. §8 is the **obligation whose statutory form most explicitly defines the procedure by what it must produce** – an **accessible, confidential, non-retaliatory, documented channel that delivers on its rights-holder purpose** – **not only by the steps a company must take to stand it up.** The **adoption data shows that the companies in the sample have discharged the procedural steps of this duty at near-universal rates. The companies have not, on present evidence, discharged its functional dimension.**

This is how the 54.9-point gap between mean practice adoption (79.3%) and mean effectiveness evidence (24.3%) should be read. The gap is not a scoring artefact produced by holding companies to a higher standard than §8 imposes. It is a **direct measurement of the distance between the procedural scaffolding the Act explicitly requires – which the field has built – and the functional performance the Act requires the scaffolding to deliver** – which the field has not yet evidenced. The Verhältnismäßigkeit qualifier does not neutralise this reading: **proportionality governs the calibration of a mechanism to the risk profile of a given company, not whether the mechanism works at all**. A confidential channel that produces no timely response (P136: 54.3%), no feedback to the complainant (P131: 63.0%), and no documented trust from affected parties (E011: 15.7%) does not fail a heightened standard; it fails the standard §8 itself sets.

The implication is that the **measurable movement required is functional evidence** – response times tracked and disclosed (E009), resolution-quality tracked (E008), stakeholder awareness of the mechanism measured and disclosed (E010), complaint trends analysed (E012), and documented engagement with affected parties sufficient to establish that the mechanism is trusted by those it serves (E011) – **not procedural expansion, which is already at or near its ceiling on most indicators**. These are the indicators on which the Bemühungspflicht, correctly understood as a duty to make a functional procedure work and not merely exist, will be assessed.

C. Implications for Rights-Holders

The practical position for a worker, supplier employee, or community member experiencing an adverse impact connected to one of the 254 companies is touched on in the Executive Summary: a complaint channel is **almost universally available, but the procedural-to-functional gap means that on each of the four conditions that determine whether a complaint reaches resolution – language accessibility, timely response, outcome notification, and documented trust – the rights-holder faces probabilities ranging from one-in-six to three-in-five.** A procedure that meets all four conditions is the exception in the sample.

The second structural feature for rights-holders is that the channels are **predominantly company-run**. For a worker in a deeper tier of the supply chain, or for anyone who distrusts the company at the centre of their grievance, the sample offers **few routes outside the operator's own procedure**. The under-development of joint mechanisms and external-institution cooperation is not a procedural detail; it is the absence of the independence that GP 31(a) legitimacy tends to require.

D. Grievance Orientations: Procedural Core, Responsiveness, and the Trust Deficit

The nineteen practices and five effectiveness indicators in the grievance domain resolve into a four-orientation structure when grouped by function. The orientations describe what a grievance mechanism is doing rather than who is operating it:

1. Procedural architecture is the question of whether a channel exists and can be used
2. Intake and investigation are what happens when a complaint arrives
3. Responsiveness and learning are whether the mechanism closes the loop back to complainants and adapts over time
4. Systemic reach and trust evidence is whether the mechanism reaches beyond the company's own filing infrastructure and whether it is demonstrably used and trusted.

Figure 5 plots the four orientations on a single adoption axis.

FIGURE 5: Grievance Orientations – Mean Adoption by Cluster

Large dot = cluster mean. Small dots = individual practice adoption rates. Dashed line = 75% field-standard threshold. Source: LkSG disclosure analysis, n=254

Orientation I

Procedural architecture (9 items, mean 94.3%). Seven of the nine practices are adopted at 98.8% or higher: procedure exists (P124: 100%), accessibility (P125: 100%), own-business and supplier access (P066: 100%; P094: 99.6%), confidentiality (P126: 99.2%), transparency (P127: 99.2%), and non-retaliation (P135: 98.8%). The two lower items in the cluster, multiple channels (P128: 89.4%) and language accessibility (P129: 62.6%), are where the procedural-architecture floor breaks – and language accessibility is the single item in this cluster that does not clear the 75% field-standard threshold. Over a third of the sample (37.4%) does not document a procedure available in languages other than German. In a sample of companies whose supply chains extend into jurisdictions where German is not a working language, this is the first visible ceiling on who the mechanism is actually for.

Orientation III

Responsiveness and learning (5 items, mean 61.4%). Effectiveness monitoring of complaints (P139: 92.5%) sits alone at the top of this cluster and pulls its mean upward. Below it, complaint mechanism improvement (P140: 66.1%), complaint data analysis (P138: 61.0%), timely response (P136: 54.3%), and the one effectiveness indicator in the cluster – complaint trends analysed (E012: 33.1%) – are all below 75%. The spread from 33% to 93% inside a single five-item cluster is the widest in the domain and signals that companies are monitoring at aggregate level (P139) without yet consistently closing the substantive learning loop that the aggregate data should inform.

Orientation II

Intake and investigation (4 items, mean 81.7%). Once a complaint arrives, complaint communication is near-universal (P141: 98.4%). The mean falls because of the two later-stage practices: complainant informed of outcomes (P131: 63.0%) and complaint procedure documentation (P137: 70.5%), both below the 75% threshold. The gap from "we investigate" to "we close the loop with the person who raised the concern" is thirty-two percentage points. This is not a gap in procedure; it is a gap in dialogue. GP 31's dialogue criterion turns on exactly this loop.

Orientation IV

Systemic reach and trust evidence (6 items, mean 24.1%). Its six items – external institution cooperation (P134: 30.7%), complaint response time tracked (E009: 27.2%), joint complaint mechanism (P133: 25.6%), complaint resolution quality (E008: 24.4%), stakeholder awareness measured (E010: 21.3%), and trust in grievance mechanism (E011: 15.7%) – together capture both whether the mechanism reaches beyond the company's own procedural boundary and whether it is demonstrably used and trusted by the people it is meant to serve. None of the six clears 31%. Four of the five effectiveness indicators in the domain sit in this cluster, and all four are below 30%. The distance between the 94.3% procedural-architecture mean and the 24.1% systemic-and-trust mean is 70.2 percentage points – the widest orientation gradient in the five-domain series.

The substantive implication is direct. **Companies have built the grievance channel; they have not yet established that the channel reaches rights-holders or that the rights-holders it reaches trust it**. A channel that exists, is confidential, is transparent, and protects against retaliation, but is not yet known to the affected workforce, available in their language, returning a resolution to the complainant, or supported by documented evidence of trust, has the procedural form of remedy but does not show substantive evidence that it functions as one. The Bemühungspflicht under §8 LkSG – and the effectiveness criteria under GP 31 – both turn on closing precisely this gap going forward.

E. CSDDD Outlook

Measured against the CSDDD as amended by Omnibus I, the grievance domain **separates into three positions of forward-looking regulatory readiness**. The **assessment is structural, not company-specific**: it describes where the sample, as a whole, stands relative to what Articles 13 and 14 of the amended Directive will require of the complaints procedure and the notification mechanism.

ALREADY ALIGNED.
The procedural core of §8 LkSG and the CSDDD complaint-procedure architecture overlap substantially. Procedure existence (P124: 100%), accessibility (P125: 100%), own-business and supplier access (P066: 100%; P094: 99.6%), confidentiality (P126: 99.2%), transparency (P127: 99.2%), non-retaliation (P135: 98.8%), complaint communication (P141: 98.4%), complaint investigation (P130: 94.9%), and effectiveness monitoring at aggregate level (P139: 92.5%) already satisfy the procedural requirements the CSDDD formalises. For this subset of practices, the CSDDD represents continuity rather than change.

PARTIALLY ALIGNED — EFFORT REQUIRED
Practices above the field-standard threshold, but below the level the CSDDD will expect of a functioning complaints procedure. Multiple channels (P128: 89.4%) becomes a baseline expectation under Article 14, which requires companies to accept complaints through a range of means appropriate to the stakeholder groups concerned. Documentation of the complaint procedure (P137: 70.5%) moves from good practice to the evidentiary baseline a supervisory authority will expect to examine. Complaint mechanism improvement (P140: 66.1%), complaint data analysis (P138: 61.0%), and informing the complainant of outcomes (P131: 63.0%) cover the feedback-and-learning loop that the CSDDD's effectiveness standard assumes. Companies delivering procedural compliance without these components will need to extend their operational practice.

GAP — BASELINE CHANGE REQUIRED
Four structural gaps remain. Language accessibility (P129: 62.6%), the last practice in the procedural-architecture cluster, falls below threshold and is directly addressable under the CSDDD's accessibility standard – a procedure not available in the languages of the affected workforce does not satisfy GP 31's accessibility criterion, which the CSDDD adopts. Timely response (P136: 54.3%) sits just above half the sample and will be tested under the CSDDD's effectiveness standard, which references both outcome and speed. The six systemic-reach-and-trust items (P133, P134, E008–E011) – none above 31% – constitute the furthest distance between current practice and what the CSDDD's Article 14 effectiveness regime, read with Article 13 engagement obligations, will ultimately require. Joint complaint mechanisms (P133: 25.6%) and external institution cooperation (P134: 30.7%) are directly relevant to the CSDDD's sectoral and cross-company cooperation provisions. The four effectiveness indicators in this cluster – measuring use, response time, resolution quality, and trust – are the operational evidence the CSDDD's supervisory architecture presupposes.

For companies in CSDDD scope (under the Omnibus I thresholds of ≥5,000 employees and >€1.5bn turnover, applicable from 26 July 2029), the **gap is concentrated precisely where it matters most: in the evidence that the mechanism functions for rights-holders**, not in whether the mechanism exists on paper.

The findings of this report close the five-domain assessment. The **grievance mechanism is where rights-holders themselves initiate contact with the due-diligence system** – the entry point through which workers, supplier employees, and community members can act on impacts that the other four domains are meant to prevent or remedy. The data shows that the **procedural infrastructure is broadly in place; the evidence shows that the infrastructure works for rights-holders is not yet in place.** The transition from one to the other is the substantive agenda of the next phase of HREDD implementation under the LkSG, and the clearest forward test of CSDDD readiness for German obligated companies.

APPENDIX 1: METHODS REFERENCE

SAMPLE COMPOSITION

- **N = 254 companies** drawn from LkSG disclosure registry (all companies ≥3,000 employees, Phase 1 LkSG threshold)
- **16 sectors** (aggregated from 25 raw industry classifications based on NACE codes sourced from Moody's Orbis)
- **Size distribution:** 3,000 – 10,000 employees (n=154), 10,000 – 50,000 (n=72), >50,000 (n=28)

CODING APPROACH

- Binary presence/absence coding for all 141 practices (P001–P141) and 25 effectiveness indicators (E001–E025)
- Double-coded for Database 2 (typology database); single-coded for Database 1 (LkSG implementation analysis)
- LLM-assisted extraction with human review; latent content analysis applied to maturity scoring
- The LkSG §10 disclosure itself is the GP 21 compliance act; it is not coded as a separate practice

MATURITY TYPOLOGY

Companies are classified into four maturity tiers based on P-score (proportion of all 141 P-series practices disclosed) and E-score (proportion of all 25 E-series indicators disclosed). Thresholds (70%/40%) determined empirically; see the full Methods paper for sensitivity analysis.

LIMITATIONS

- **Disclosure ≠ Implementation:** Presence in disclosures does not establish operational reality
- **Non-response bias:** Early filers over-represent high-risk sectors and larger companies with more mature HREDD systems
- **E-series framing:** E-series indicators measure whether companies have adopted practices to track effectiveness – not whether due diligence structures are actually effective
- **Binary coding:** Scores reflect disclosure breadth, not implementation depth or quality
- **Effectiveness indicators depend on complaints being filed:** The five effectiveness indicators (E008–E012) and several responsiveness practices are conditional on complaints having been filed, and on a company having the monitoring infrastructure to produce evidence of their handling. Companies with few complaints cannot easily demonstrate effectiveness

SAMPLE REPRESENTATIVENESS

The sample of 254 companies is drawn from the LkSG disclosure registry and represents the set of Phase 1 filers (≥3,000 employees) whose 2023 or 2024 disclosures were available for coding at the time of data collection (June–July 2025). Phase 1 covers approximately 900 companies in scope in year one per LkSG reporting, and the sample therefore represents a non-random subset of that population. Early filers tend to over-represent high-risk sectors and larger companies with more mature HREDD systems; the sample is accordingly biased toward the upper end of the field on both practice adoption and effectiveness tracking. Findings should be read as a characterisation of filed disclosure practice among German Phase 1 LkSG filers, not as a population-level estimate of HREDD practice in German companies more broadly.

SECTOR ATTRIBUTION

Every company in the sample is assigned to one of 25 granular industry categories and one of three employee size bands (3,000 – 10,000; 10,000 – 50,000; > 50,000). The granular categories are aggregated to the 16 sectors shown in Figures 1 and 3 using a fixed rule applied consistently across all five domain reports in this series. Six industrial categories — Aerospace & Defense, Electronic & Electrical Equipment, Industrial Engineering, Industrial Support Services, Industrial Transportation, and Industrial Metals & Mining — aggregate to "Industrial Goods"; Chemicals and Pharmaceuticals & Biotechnology aggregate to "Chemicals & Pharma"; Software & Computer Services and Technology Hardware & Equipment aggregate to "Technology"; and Diversified, Research & Education, and Social Services aggregate to "Other Services". Each remaining category maps to a single report sector, several under a shortened label: Food & Beverages to "Food Producers", Gas, Water & Multiutilities to "Utilities", Medical equipment & services / Health care providers to "Health Care", Construction & Materials to "Construction", Real Estate Investment & Services to "Real Estate", and Telecommunications equipment & service providers to "Telecommunications". Automobiles & Parts, Financial Services, Media, Personal Goods, Retailers, and Travel & Leisure retain their labels.

APPENDIX 2: ACRONYMS

BSCI	Business Social Compliance Initiative
CSDDD	Corporate Sustainability Due Diligence Directive (EU)
E-score	Effectiveness score – proportion of 25 E-series effectiveness indicators disclosed by a company
GP	Guiding Principle (UN Guiding Principles on Business and Human Rights)
HR	Human Resources
HREDD	Human Rights and Environmental Due Diligence
LkSG	Lieferkettensorgfaltspflichtengesetz – German Supply Chain Due Diligence Act (2023)
P-score	Practice score – proportion of 141 P-series practice codes disclosed by a company
QR	Quick Response (as in QR-code)
UN	United Nations
UNGP/UNGPs	UN Guiding Principles on Business and Human Rights (Ruggie Framework, 2011)

IMPRINT

The UN Global Compact and UN Global Compact Network Germany
The United Nations Global Compact is the world's largest initiative for sustainable and responsible corporate governance. Based on ten universal principles and the 17 Sustainable Development Goals (SDGs), it pursues the vision of an inclusive and sustainable global economy for the benefit of all people. More than 24,500 companies and organizations have already joined the UN Global Compact country networks and contribute to this global vision. The UN Global Compact Network Germany is one of about 65 UN Global Compact country networks and among the largest of them. It currently has more than 1,200 participants – approximately 1,150 companies, ranging from DAX-listed corporations to mid-sized and small enterprises (SMEs), as well as 60 representatives from civil society, academia, and politics.

Aiming to initiate change processes within companies and support the strategic mainstreaming of sustainability, the UN GCD focuses on the topics of human rights and labour standards, environment and climate, and anti-corruption.

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