



**European Bank**  
for Reconstruction and Development

# EBRD Performance Requirement 2: Labour and working conditions

## Guidance note on employee grievance mechanisms

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## Key points

All European Bank for Reconstruction and Development (EBRD) clients should ensure that:

- an effective grievance mechanism is in place and available to all workers, even those who are employed on a short-term or temporary basis
- all grievances are treated seriously and consistently dealt with in an impartial, confidential and transparent manner
- specific measures are in place to deal with grievances requiring special protection measures, such as reports of gender-based violence, including protection from reprisals
- grievance mechanisms are provided by contractors, for example by including contractual obligations on contractors to introduce and operate grievance mechanisms. If contractors are unable to provide an adequate grievance mechanism, clients should establish a means to receive grievances directly from contract workers.

## EBRD requirements on employee grievance mechanisms – PR2.21

**PR2.21:** “The client will provide an effective grievance mechanism for workers (and their organisations, where they exist) to raise workplace concerns. The client will inform the workers of the grievance mechanism at the time of hiring and make it easily accessible to them.

The mechanism should involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without any retribution.

The mechanism should also allow for confidential complaints and those requiring special protection measures, such as reports of gender-based violence.

The mechanism will not prevent access to other judicial or administrative remedies that might be available under law or through existing arbitration or mediation procedures, nor will it substitute for grievance mechanisms provided through workers’ organisations or collective agreements.”<sup>1</sup>

This information is intended to assist European Bank for Reconstruction and Development (EBRD) clients in their capacity as employers. The EBRD wants to ensure that the working conditions in the projects that it finances comply with national labour laws and health and safety regulations and international good practice in these areas. The EBRD’s specific requirements are summarised in its Performance Requirement 2 (PR2) on labour and working conditions.

All EBRD clients should ensure that they have an appropriate mechanism in place to deal with employee grievances, per PR2.21.

<sup>1</sup> PR2.24 states that a grievance mechanism should also be made available to non-employee workers.

# 1. What is a grievance?

A **grievance** is a problem or issue an employee experiences over the course of their employment. Grievances can cover a broad range of concerns, from potentially illegal actions such as unethical recruitment, workplace discrimination, sexual harassment or other forms of gender-based violence, to concerns about wages, how a poor relationship between two employees has been managed, a complaint about the quality of food in the canteen or a disagreement over holiday arrangements.

# 2. What is a grievance mechanism?

A **grievance mechanism** is a procedure that provides a clear and transparent framework to address complaints in recruitment and the workplace. It is typically an internal procedure for complaints followed by consideration, management response and feedback.

Grievance procedures should be **tailored to meet the needs of each organisation**, according to the sector, country, culture and workforce composition. There is no prescribed form of grievance mechanism.

**Grievance procedures can be included in collective agreements**, for instance. A clause in an enterprise-level collective agreement that establishes a way for individual employees to bring an employment-related grievance, potentially through a trade union and/or with trade union assistance, is sufficient to meet EBRD PR2.21. Clients are not required to supplement this with an additional internal procedure as long as the mechanism provided through the collective agreement accommodates individual grievances and is accessible to all employees.

## What is not an effective grievance mechanism?

Relying solely on:

- employee suggestion boxes
- open-door policies
- anonymous complaints processes.

This is not to say that these channels cannot form part of a broader system of grievance management. In fact, having multiple communication channels in place means that workers are more likely to find an avenue that they are comfortable using. However, these mechanisms are insufficient and do not fulfil PR2 when used in isolation

# 3. Outline of a sample grievance policy and procedure

The following outlines a sample policy and step-by-step procedure for employee grievances that is aligned with PR2 and can be adapted to the particular circumstances of the company.

### Sample wording for a policy statement to accompany a grievance procedure

- We are committed to a transparent process for workers to express their concerns and file grievances, including anonymous complaints.
- We will ensure that there will be no retaliation or discrimination against those who express grievances, and that grievances will be treated with confidentiality.
- Management will treat grievances seriously and take prompt and appropriate action.
- Our grievance mechanism does not replace other channels as defined by law or collective agreement.



#### STEP 1: DEALING WITH GRIEVANCES INFORMALLY

Managers and workers are encouraged to use informal methods of resolving disagreements or disputes.

If employees have a reasonable grievance or complaint regarding their work or the people they work with they should, wherever possible, start by talking it over with their manager. It may be possible to agree a solution informally between worker and manager. This makes it more likely that disputes can be resolved quicker and closer to the source of the problem and less likely that they escalate into intractable problems.

If discussions with line managers fail to resolve the issue, it is still possible to pursue an informal approach without triggering a formal procedure. For example, a human resources (HR) manager could host an informal meeting or discussion.

Grievances about recruitment practices from new employees will typically need to be made to an HR manager rather than to the recruitment agency in question.

#### STEP 2: FORMAL GRIEVANCE

If the matter is serious and/or the employee wishes to raise the matter formally, they should set out the grievance in writing to their manager. This submission should stick to the facts and avoid language that is insulting or abusive.

Where the grievance is against the employee’s manager and the employee feels unable to approach them, the employee should address the grievance to another manager or the HR department.

If there is a trade union at the workplace, the employee may wish to ask a union representative for advice and support.

1 EBRD (2019), [Environmental and Social Policy](#), London.

**STEP 3: GRIEVANCE HEARING**

A designated manager (normally from the HR department, hereafter the “grievance manager”) will call the employee to a meeting, within a determined period after receiving the complaint, to discuss the employee’s grievance.

The employee should have the right, upon request, to be accompanied by a colleague or trade union representative at this meeting. After the meeting, the grievance manager will give the employee a decision in writing, within a determined period.

**STEP 4: APPEAL**

If the employee is unhappy with the grievance decision and wishes to appeal, they should let the grievance manager know. The employee will be invited to an appeal meeting within a defined period and the appeal will be heard by a more senior manager. (Larger companies often designate an “ombudsman”, who operates independently of company management, to carry out the functions of hearing and deciding on appeals, mediation and finding resolution.)

Some companies may choose to establish a grievance committee, representing different functional areas of the company, as well as one or more worker representative in order to help ensure an objective and transparent appeals process.

The employee will normally have the right, upon request, to be accompanied by a colleague or trade union representative at this meeting. Every effort should be made to secure a resolution in the best interests of the worker(s) and the company. After the meeting, the senior manager, ombudsman or grievance committee will give the employee a decision.

This decision is final within the terms of the company’s internal grievance mechanism; however, in some legal systems, the employee or their chosen representative may refer the complaint or grievance to the labour ministry/inspectorate (or other appropriate administrative body) for resolution and/or redress, as specified in national law.

## 4. Implementing the grievance procedure

<p><b>The process is transparent, impartial and confidential</b></p>	<p>Every complaint should be treated seriously and be dealt with consistently in an impartial, confidential and transparent manner. This builds the legitimacy of the mechanism among workers and ensures it will be used.</p> <p>While the procedure may specify that a grievance should first be made to the employee's line manager, there should also be the option of raising a grievance first with an alternative manager, for example, an HR manager.</p> <p>The ultimate oversight of grievance resolution procedures should rest with a single senior staff manager (not junior staff). The name of this individual should be communicated to workers. Having the appropriate level of management involved makes it clear that the organisation takes worker grievances seriously.</p> <p>The process for filing a grievance must be simple and easy to understand and clearly prohibit any kind of reprisal against workers who file grievances, including those relating to sexual harassment. Without adequate safeguards in place, there are risks of stigmatisation and reprisals against workers who make allegations of sexual harassment.</p>
<p><b>Staff and management are informed and aware</b></p>	<p>All staff should be made aware of the grievance mechanism at the time of hiring. Details of how it operates – including up-to-date contact points – should be readily accessible (for example, in staff handbooks and on notice boards).</p> <p>All communications about the grievance mechanism should be in a language that workers understand.</p>
<p><b>Concerns are addressed promptly</b></p>	<p>Procedures should allow for time to investigate grievances fully, but should aim for swift resolution. The longer a grievance is allowed to continue, the harder it can be for both sides to get back to normal afterwards. Time limits should be set for each stage of the process, such as a maximum time between a grievance being raised and a meeting being scheduled to investigate it.</p>
<p><b>Records are kept</b></p>	<p>Once a grievance has been raised formally, it is important that proper written records are kept, so as to aid transparency and allow for any review of the process or decision to be undertaken. If possible, the original complaint should be in writing. The employer's response should also be recorded. Any actions taken, as well as the reasoning, should also be recorded, for example, a grievance hearing and finding.</p> <p>Documentation should respect workers' rights to privacy and data protection.</p>
<p><b>The mechanism is sensitive to the needs of all workers, including vulnerable groups</b></p>	<p>Employees that may feel particularly vulnerable (such as women, ethnic or religious minorities, migrant workers, younger workers, employees with disabilities) should not be deterred from lodging a grievance. Therefore, the process for lodging grievances should be confidential to allow employees to make a grievance without anyone else knowing.</p> <p>It is also good practice to have both a male and female staff member available to receive and process grievances, so that employees can choose with whom they want to speak.</p> <p>Where there are language barriers, it may be necessary to provide written materials in different languages and to engage interpreters. Interpreters should be perceived by both sides as impartial.</p>
<p><b>Role of worker representatives</b></p>	<p>Collective grievances and disputes should be handled using the same approach as individual complaints and grievances; where there are existing arrangements for collective grievances or dispute resolution, any new procedures should build on this agreed framework.</p> <p>If a worker organisation (normally a trade union) files the grievance or represents the worker filing the grievance, that organisation should have the right to be notified and be present at all steps of the procedure.</p> <p>Where the procedure is agreed with trade unions, it may be possible to commit to measures to avoid industrial action until the procedure is completed.</p>
<p><b>Access to judicial remedy</b></p>	<p>The employee should understand that they have a right to revert to judicial or administrative channels (employment tribunal, labour court or labour inspectorate).</p>
<p><b>Specific considerations regarding gender-based violence</b></p>	<p>PR2 requires that grievance mechanisms should include provisions for confidential complaints and those requiring special protection measures, such as reports of gender-based violence. Workers who lodge grievances related to discrimination or gender-based violence should be protected from victimisation or other negative consequences.</p> <p>Given the sensitive nature of sexual harassment cases, it is good practice to offer more than one point of contact for filing a grievance, including at least one female contact, in case an employee does not feel comfortable approaching a particular individual (for example, because they are the harasser or have personal links to the harasser). There should also be channels available for workers to lodge grievances anonymously.</p>

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## 5. Grievance mechanism for non-employee workers

Bank clients must ensure that the employees of subcontractors have access to a grievance mechanism. Subcontractor grievance mechanisms should be based on the same principles as those in this document and should be made available to all workers, even those employed on a short-term or temporary basis.

To comply with the terms of PR2, clients are obliged to: “ensure that non-employee workers have access to an effective grievance mechanism that meets the requirements of PR2. In cases where the third party is not able to provide a grievance mechanism, the client will provide an effective grievance mechanism to serve workers engaged by the third party.”

Based on this principle, EBRD clients should:

- **take steps to ensure that grievance mechanisms are provided by contractors.** This may include placing contractual obligations on contractors to introduce and operate grievance mechanisms, in addition to regular monitoring of the functioning and outcomes of such mechanisms.
- **consider establishing a mechanism that extends to contract workers.** If clients think that contractors are either unable to provide grievance mechanisms or that the procedures established are inadequate, they must establish a means to receive grievances directly from workers. Where such a mechanism is established, clients should ensure that the responsibility for responding to the worker grievance and dealing with the issues underlying it rest with the contractor, who has ultimate responsibility as the direct employer of the workers in question

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Five Bank Street  
London E14 4BG  
United Kingdom

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2 ILO and Walk Free Foundation (2017), [Global estimates of modern slavery: forced labour and forced marriage](#), Geneva, Switzerland.