

appellando Alliance for Grievance Mechanisms in Supply Chains

- Executive Summary -

appellando is a global alliance for harmonized and effective grievance mechanisms in supply chains. As a multi-stakeholder partnership, it organizes solutions to better protect human rights and the environment in supply chains of its alliance partners.

appellando's MISSION

It is our mission to ensure that individuals who are aware of human rights or environmental violations, or who may be affected by the violation of a legal position, have access to assistance and effective remedies through trusted channels. It is unique in its remit to bundle company owned grievance mechanisms by expanding across supply chains, commodity sectors and geographies.

The violation of a legal position may occur or threaten to occur in an alliance partner's own business and/or in the partner's supply chain. For instance, people who might be impacted or already are aware include workers of suppliers or nearby communities where suppliers operate.

Our appellando Alliance aims to acknowledge the UN Guiding Principles on Business and Human Rights (UNGPs), the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct in connection with the UN Sustainable Development Goals (SDGs). We follow a collaborative approach to harmonize standards for technical interoperability, efficient monitoring, effective investigations and concerted, sustained remediation efforts that are applicable in local and global supply chains, across businesses, commodities, industries, sectors, and geographies.

appellando's VISION

A strong alliance, strong help - Final buyers and suppliers partner with successful systems and solutions in a multi-stakeholder collaborative alliance to offer effective help.

appellando's VALUES

The "appellando Declaration" comprises eight (self-)commitments that represent our basic principles. In this way, we want to work together to protect human rights and the environment throughout the supply chain for globally harmonized complaints procedures and remedial measures at the private sector level.

appellando's CONCEPTION

Herein, appellando does not intend to set up own helplines. It rather sets standard rules and procedures to partner with existing local or national helpline services. The aim is to **develop and implement a central platform for**

complaints mechanisms in supply chains and to ensure the interoperability of the individual complaints procedures. Appellando harmonizes, recognizes and monitors them regularly to make sure they can work together and be consistent, and avoids unneeded duplication.

The appellando Governance Structure

appellando is a limited company based in Germany, called **appellando GmbH**. It is a wholly owned subsidiary of the EHI Retail Institute.

The company has a **Multi-stakeholder Advisory Board** (MAB) that includes elected representatives from a diverse group of stakeholders through different **Stakeholder Committees** (SCs). These groups include worker representatives, trade unions, civil society organizations, governmental organisations, employers, national and multinational buyers, certification standard owners, IT companies, and OGMs. The MAB establishes the international rules and processes for the grievance mechanism platform and gives strategic advice to the management of appellando GmbH and represents the interests of the stakeholders.

1) appellando supports these partnering "Operational Grievance Mechanism services" (OGM) by:

- Encouraging companies in the supply chain to foster a social dialogue
- Communication and explaining the helpline service to management and workers
- Connecting participants to the helpline service
- Conducting required trainings
- Publishing the trusted channels for complaints to workers and in the community
- Operating the helpline desk and case management software solution (ticket system)
- Connecting to the appellando system participant registry (database)
- Generating and sharing grievance case statistics and case reports
- Co-financing the operational Grievance Mechanisms
- Regular performance monitoring and compliance with appellando standard specifications

Operating the helpline desk includes supporting accused companies and complainants as an independent, external investigator/remediator for resolving any social and environmental conflict internally. OGMs consult supporting civil society organizations, NGOs and trade unions during that process. Where internal consensual solutions between companies and complainants cannot be found, the appellando protocol provisions an escalation of those cases to involve alliance partners. OGMs get directly in touch with the concerned national and international supply chain customers and certification standard owners to discuss common and adequate solutions for the conflict. The customers in return can demonstrate their direct supply chain engagement by resolving human rights violations and environmental issues and meet their legal and CSR due diligence reporting requirements.

2) appellando calibrates national grievance mechanism specifications by a National Multi-Stakeholder Dialogue in each country. They form part of the appellando alliance governance structure. Their primary purpose is to seek national political or project-oriented solutions for complaints received in a country, of which the nature

and frequency give rise to a suspicion of systemic causes for repeated human rights violations or environmental issues.

3) appellando gathers standardized data from all OGMs to help alliance members evaluating the social and environmental risks in their supply chains, as required by law, and publishes regular impact reports. It also sets up a harmonized format for reporting cases and aggregated data. This makes it easy to combine case reports from different OGMs.

4) The appellando system participants database helps alliance members in mapping out their supply chains and in checking the appellando coverage. The database also helps the OGM to find all the relevant stakeholders with their roles and contact details in the appellando system for investigating and resolving a case. A link to certification standards allows OGMs to follow up with the effectiveness of preventative measures and standard owners to improve their standards over time.

The **appellando Financing Concept**

The initial **funding** comes from the capital stock of EHI and co-funding from the initiating retailer partners for using the system. Additional funding will come from growing the user base towards 2025 and onwards, when appellando expands from its pilot country Spain to Italy and beyond.