PROCEDURE
Grievance Mechanism (GM)
Free, confidential and secure
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1. Background

In May 2013, a grievance hotline in the care of Community Relations and oriented to the communities was established. In June 2014 it evolved to an open and free hotline hosted by a third party, oriented to all stakeholders. In 2017 the organizations The Forest Trust (TFT now Earthworm Foundation -EF-) and Advisory for Social License To Operate (ASLO) ran a diagnosis on the social management of Reforestadora de Palmas de El Petén S.A. (REPSA) that highlighted the need to strengthen the grievance attention system. EF and ASLO worked on the re-design of the Grievance Mechanism launched in March 2018 in REPSA, and then replicated in the other areas of the company.

As part of the commitment to continuous improvement of Grupo HAME, an external audit was carried out on the REPSA MQC, conducted by EF, with the participation of Oxfam Guatemala. As a result, an action plan to close the gaps emerged.

2. Goal of the GM

- Maintaining a channel to listen and respond in a timely and appropriate manner to disagreements, grievances, concerns, and inquiries from employees, communities, and stakeholders.

3. Scope

The Mechanism is open to all individuals or groups of people who think they have been affected by the activities of the company or of the stakeholders in its value chain, as well as to those who have questions about the activities of the company. There is a differentiated attention process, with deadlines that vary according to the following case typology: labour, community, supply chain, crimes and infractions, and public grievances.
4. **Synthesis of the GM process**

4.1. **Management procedure of labour, community, and supply chain grievances**

Five channels for grievance reception are authorized: Free hotline; Grievance Administrator (GA); team of Social Management; website and electronic mails.

The GA confirms the case with the Claimant, with the aim to understand the events and conditions that produced the discontent and refers the case to the Coordinator of the GM.

The Coordinator of the GM sends the information to the Compliance Officer for the assignment of the initial phase of investigation to a supporting area according to the grievance type for a report (labour in the care of Labour Relations; community in the care of Community Relations; supply chain cases are assigned according to their nature -negotiation, supply, or payment -).

Based on the investigation report of the case and the institutional procedures (Disciplinary Handbook, Code of Conduct, Policy on Responsible and Sustainable Production, among others), the Compliance Officer determines a resolution proposal for the case.

The GA communicates the resolution proposal to the Claimant, which upon acceptance and signature will be communicated to the corresponding local operation to begin its implementation. Once the resolution has been implemented, the GA formalizes with the Claimant the closure of the case.

If grievances are not resolved in the initial phase of the investigation the revision process is activated. If the Claimant desires that his/her grievance is revised in Appealing, this is sent to the Appealing Committee. The Committee decides if a complementary investigation is required, and as a result, defines a resolution proposal for the Claimant (based on policies and internal procedures).

If the Claimant is not satisfied with the proposed resolution during the appeal and desires that his/her case rises to Reconsideration, the case is sent to the Reconsideration Committee that determines if a new investigation is required, proposes another solution alternative or ratifies the same resolution for the case (based on policies and internal procedures).

With this step the internal process of the Grievance Mechanism is exhausted. If the Claimant continues dissatisfied, he/she can request that the company enables an impartial mediation process or an independent technical or legal counseling according to the institutional procedure of Conflict Mediation.
4.2. Formality procedure for labour, community, and supply chain enquiries

Whatever the access channel, every enquiry received is sent to the GA to contact the interested person that did the enquiry. If it is a simple enquiry an immediate response will be given and if it is not possible, a supporting area is designated to gather the corresponding information. The Compliance Officer analyzes the content and determines the response to be given to the interested person.

4.3. Other defined processes

There is a process for the attention of public grievances, defined as formal grievances or reporting coming from social organizations or similar associations, as well as those grievances associated to the non-compliance of the commitment to no deforestation, no cultivation in peat soils, and no exploitation -NDPE.
4. Flowchart grievance attention process

Claimant | Grievance Administrator | Compliance officer | Community/ Labour Relations | Local operation

START

Enters the case
Confirms the case GRHS-F-859
Assigns the case GEIO-F-1492
Validates resolution proposal

No

Begins appealing process
Reviews proposed resolution

Yes

Accepts settlement?

Accepts implemented resolution

Informs the CO

Records implementation

Presents proposal to claimant GRHS-F-865

Receives feedback from local op.

Validates resolution proposal

Informs people involved for implementation GIO-F-000

Closes the case GRHS-F-868

Accepts implemented resolution

END
GOVERNANCE

Surveillance Committee

- Compliance Manager
- Compliance Officer
- GM Coordinator

Surveillance Committee

- Body in charge of following up on governance issues.

Assurance Committee

- Oversees and ensures the proper functioning of the Mechanism by analyzing indicators and closing gaps.

Appeals Committee

- Analyzes and determines a resolution to cases that escalate to the Appeal phase.

Reconsideration Committee

- Analyzes and determines a resolution to cases that escalate to the Reconsideration phase.

Public Complaints Committee

- Deliberates around any public complaint that is entered.

Crimes Committee

- Analyzes and determines a resolution to the cases that are identified in the category of crimes. It’s based on the Procedure for handling complaints.